

“Thank you very much! The immense support from our investors and participating companies was absolutely fundamental to the success of Arihant’s Bharat Connect conference. This landmark event brought together over thousands of investors across the globe interaction with 300 plus companies. Few unlisted companies also gave us honour to host them.

Your active participation and insightful contributions were invaluable in achieving the conference's core objective: fostering meaningful connections between investors and corporates. Your engagement strongly reinforces our belief in the compelling India growth story.

A central theme of the conference was the recognition that India stands at an inflection point, with increasingly strong and ambitious corporations driving our progress towards Viksit Bharat by 2047.

While we champion this growth story, we also acknowledge the evolving global landscape. The conference highlighted that burgeoning domestic consumption remains a significant opportunity, providing a robust buffer for the Indian economy. However, we also discussed recent geopolitical concerns, such as evolving global tariff policies, which may pose a risk to export-oriented sectors and warrant careful consideration in investment strategies. Defence and Renewables remain key interest among everyone. MFI witnessing light just before dawn.

The recent market correction, even in light of these global risks, presents a strategic window for discerning investors to increase their exposure to the resilience and long-term potential of Indian markets.

The Bharat Connect conference was specifically designed to offer a platform for all investor segments (FII, DII, HNI, Corporate, Family Office, and Retail) to directly connect with corporates, enabling companies to enhance their visibility and align their aspirations with investor interests. We will be distributing follow-up notes and recordings soon. Our analyst team and the participating companies are available for any subsequent inquiries. We also extend our sincere thanks to all the IR Firms for their consistent support in making this event a grand success.

Finally, I would like to acknowledge the extraordinary efforts of my young and dedicated team – *Jyoti, Harshit, Shashi, Bala, Ayush, Khushi, Rohan, Kunjal, Natasha, Shivani, Utsav, Shweta, Nitisha, Ronak, Deepali, Heli, Ashvath, Ketan and the entire Arihant team* – who worked tirelessly for the last few weeks.

We encourage you to share your feedback and look forward to welcoming you back soon. Happy to connect with Arihant Team for future engagements.”

Abhishek Jain  
Arihant Capital

| Sr No | Company Name                                   | CMP ( INR) | Market Cap (INR Mn) |
|-------|------------------------------------------------|------------|---------------------|
| 1     | <u>Action Construction Equipment Ltd</u>       | 1,082      | 128,758             |
| 2     | <u>Addictive Learning Technology Ltd</u>       | 144        | 2,565               |
| 3     | <u>Aditya Birla Sun Life AMC Ltd</u>           | 777        | 222,818             |
| 4     | <u>Advait Energy Transitions Limited</u>       | 1,760      | 19,308              |
| 5     | <u>Aelea Commodities Ltd</u>                   | 198        | 4,065               |
| 6     | <u>Affordable Robotic &amp; Automation Ltd</u> | 242        | 2,719               |
| 7     | <u>Aimtron Electronics Ltd</u>                 | 719        | 14,419              |
| 8     | <u>Ajmera Realty &amp; Infra India Ltd</u>     | 1,001      | 38,572              |
| 9     | <u>Akiko Global Services Ltd</u>               | 244        | 2,622               |
| 10    | <u>Akums Drugs &amp; Pharmaceuticals Ltd</u>   | 448        | 69,057              |
| 11    | <u>All E Technologies Ltd</u>                  | 273        | 5,577               |
| 12    | <u>Alldigi Tech Ltd</u>                        | 929        | 13,616              |
| 13    | <u>Allied Digital Services Ltd</u>             | 179        | 10,180              |
| 14    | <u>Aprameya Engineering Ltd</u>                | 284        | 5,411               |
| 15    | <u>Arham Technologies Ltd</u>                  | 105        | 1,777               |
| 16    | <u>Arihant Superstructures Ltd</u>             | 400        | 17,175              |
| 17    | <u>Arise Infra Solutions Ltd</u>               | 156        | 12,660              |
| 18    | <u>Arkade Developers Ltd</u>                   | 172        | 31,875              |
| 19    | <u>Arvind Smartspace Ltd</u>                   | 637        | 29,220              |
| 20    | <u>Ashapuri Gold Ornament Ltd</u>              | 6          | 2,063               |
| 21    | <u>Asian Granito India Limited</u>             | 58         | 13,462              |
| 22    | <u>Atam Valves Ltd</u>                         | 88         | 1,008               |
| 23    | <u>Australian Premium Solar (India) Ltd</u>    | 456        | 9,198               |
| 24    | <u>Autoline Industries Ltd</u>                 | 75         | 3,362               |
| 25    | <u>Aztec Fluids &amp; Machinery Ltd</u>        | 90         | 1,224               |
| 26    | <u>B.R.Goyal Infrastructure Ltd</u>            | 149        | 3,551               |
| 27    | <u>Baheti Recycling Industries Ltd</u>         | 549        | 5,691               |
| 28    | <u>Bajaj Steel Industries Ltd</u>              | 565        | 11,748              |
| 29    | <u>Balaji Telefilms Ltd</u>                    | 135        | 16,223              |
| 30    | <u>Basilic Fly Studio Ltd</u>                  | 369        | 8,563               |
| 31    | <u>Best Agrolife Ltd</u>                       | 372        | 8,811               |
| 32    | <u>Bhadora Industries Ltd</u>                  | 100        | 1,860               |
| 33    | <u>Black Box Ltd</u>                           | 497        | 84,496              |
| 34    | <u>BLS International Services Ltd</u>          | 335        | 137,753             |
| 35    | <u>Blue Water Logistics Ltd</u>                | 152        | 1,670               |
| 36    | <u>BMW Industries Ltd</u>                      | 45         | 10,084              |
| 37    | <u>Brand Concepts Ltd</u>                      | 385        | 5,017               |
| 38    | <u>Bulkcorp International Ltd</u>              | 74         | 556                 |
| 39    | <u>Canarys Automations Ltd</u>                 | 31         | 1,750               |
| 40    | <u>Capital Small Finance Bank Ltd</u>          | 281        | 12,833              |
| 41    | <u>Capri Global Capital Ltd</u>                | 185        | 153,944             |
| 42    | <u>Career Point Edutech Ltd</u>                | 272        | 4,800               |
| 43    | <u>Ceinsys Tech Ltd</u>                        | 1,565      | 27,920              |
| 44    | <u>Chamanlal Setia Exports Ltd</u>             | 266        | 13,242              |
| 45    | <u>Chandan Healthcare Ltd</u>                  | 238        | 5,828               |
| 46    | <u>Chemkart India Ltd</u>                      | 196        | 2,371               |
| 47    | <u>Chetana Education Ltd</u>                   | 70         | 1,436               |
| 48    | <u>Choice International Ltd</u>                | 806        | 161,517             |
| 49    | <u>CIE Automotive India Ltd</u>                | 417        | 157,058             |
| 50    | <u>Concord Control Systems Ltd</u>             | 2,549      | 15,937              |

| Sr No | Company Name                                 | CMP ( INR) | Market Cap (INR Mn) |
|-------|----------------------------------------------|------------|---------------------|
| 51    | <u>Control Print Ltd</u>                     | 795        | 12,715              |
| 52    | <u>Crest Ventures Ltd</u>                    | 362        | 10,210              |
| 53    | <u>Dar Credit &amp; Capital Ltd</u>          | 56         | 8,003               |
| 54    | <u>DB corp Ltd</u>                           | 267        | 47,349              |
| 55    | <u>DC Infotech &amp; Communication Ltd</u>   | 274        | 4,440               |
| 56    | <u>Delaplex Ltd</u>                          | 146        | 1,292               |
| 57    | <u>Desco Infratech Ltd</u>                   | 253        | 1,942               |
| 58    | <u>Dev Information Technology Ltd</u>        | 41         | 2,247               |
| 59    | <u>Dhabriya Polywood Ltd</u>                 | 411        | 4,449               |
| 60    | <u>Dhruv Consultancy Service Limited</u>     | 53         | 1,010               |
| 61    | <u>Diffusion Engineers Limited</u>           | 350        | 13,116              |
| 62    | <u>Digikore Studios Ltd</u>                  | 159        | 1,008               |
| 63    | <u>DigiSpice Technologies Ltd</u>            | 27         | 6,339               |
| 64    | <u>Dodla Dairy Ltd</u>                       | 1,323      | 79,214              |
| 65    | <u>Dudigital Global Ltd</u>                  | 39         | 2,820               |
| 66    | <u>Dynamic Cables Ltd</u>                    | 400        | 19,102              |
| 67    | <u>E Factor Experiences Ltd</u>              | 265        | 3,468               |
| 68    | <u>EFC (I) Ltd</u>                           | 307        | 30,722              |
| 69    | <u>EFFWA Infra &amp; Research Ltd</u>        | 214        | 4,959               |
| 70    | <u>Eleganz Interiors Ltd</u>                 | 136        | 3,080               |
| 71    | <u>Emerald Tyre Manufacturers Limited</u>    | 129        | 2,512               |
| 72    | <u>Entero Healthcare Solutions Ltd</u>       | 1,085      | 46,290              |
| 73    | <u>Enviro Infra Engineers Ltd</u>            | 248        | 43,730              |
| 74    | <u>Environtech System Ltd</u>                | 151        | 2,840               |
| 75    | <u>Esconet Technologies Ltd</u>              | 265        | 3,329               |
| 76    | <u>Ester Industries Ltd</u>                  | 111        | 10,627              |
| 77    | <u>Eveready Industries India Ltd</u>         | 391        | 28,058              |
| 78    | <u>Expo Engineering and Projects Ltd</u>     | 104        | 2,374               |
| 79    | <u>Fineotex Chemical Limited</u>             | 252        | 30,150              |
| 80    | <u>Finkurve Financial Services Ltd</u>       | 104        | 14,527              |
| 81    | <u>Flair Writing Industries Ltd</u>          | 297        | 31,223              |
| 82    | <u>Foods &amp; Inns Ltd</u>                  | 90         | 6,664               |
| 83    | <u>Forcas Studios Ltd</u>                    | 105        | 1,850               |
| 84    | <u>Frog Cellsat Ltd</u>                      | 242        | 3,767               |
| 85    | <u>Fusion Finance Ltd</u>                    | 110        | 37,487              |
| 86    | <u>Galaxy Surfactants Limited</u>            | 2,208      | 85,903              |
| 87    | <u>Ganesh Housing Corporation Ltd</u>        | 235        | 10,020              |
| 88    | <u>Ganesh Infraworld Ltd</u>                 | 235        | 10,020              |
| 89    | <u>GHCL Ltd</u>                              | 583        | 55,549              |
| 90    | <u>GHCL Textiles Ltd</u>                     | 77         | 7,379               |
| 91    | <u>Giriraj Civil Developers Ltd</u>          | 375        | 8,970               |
| 92    | <u>GLEN Industries Ltd</u>                   | 94         | 2,270               |
| 93    | <u>Godawari Power &amp; Ispat Ltd</u>        | 256        | 164,131             |
| 94    | <u>Goodluck India Ltd</u>                    | 1,180      | 38,851              |
| 95    | <u>GPT Healthcare Ltd</u>                    | 149        | 12,201              |
| 96    | <u>GPT Infraprojects Ltd</u>                 | 116        | 14,633              |
| 97    | <u>Grand Continent Hotels Limited</u>        | 190        | 4,733               |
| 98    | <u>Graphisads Ltd</u>                        | 36         | 663                 |
| 99    | <u>GSM Foils Ltd</u>                         | 210        | 2,959               |
| 100   | <u>Happy Square Outsourcing Services Ltd</u> | 75         | 870                 |

| Sr No | Company Name                                       | CMP ( INR) | Market Cap (INR Mn) |
|-------|----------------------------------------------------|------------|---------------------|
| 101   | <u>Hariom Pipe Industries Ltd</u>                  | 504        | 15,656              |
| 102   | <u>Heritage foods</u>                              | 485        | 44,941              |
| 103   | <u>Hero MotoCorp Ltd</u>                           | 5,319      | 1,065,748           |
| 104   | <u>HFCL Ltd</u>                                    | 72         | 104,873             |
| 105   | <u>Hindustan Construction Company Ltd</u>          | 27         | 50,946              |
| 106   | <u>Hoac Foods India Ltd</u>                        | 235        | 1,021               |
| 107   | <u>Home First Finance Company India Ltd</u>        | 1,175      | 124,117             |
| 108   | <u>Homesfy Realty Ltd</u>                          | 242        | 781                 |
| 109   | <u>Hubtown Ltd</u>                                 | 289        | 39,140              |
| 110   | <u>Icon Facilitators Ltd</u>                       | 53         | 424                 |
| 111   | <u>IIRM Holdings India Ltd</u>                     | 84         | 5,700               |
| 112   | <u>India Pesticides Ltd</u>                        | 212        | 24,209              |
| 113   | <u>Indo Count Industries Ltd</u>                   | 272        | 53,871              |
| 114   | <u>Indogulf Cropscience Ltd</u>                    | 102        | 6,470               |
| 115   | <u>Influx Healthtech Ltd</u>                       | 183        | 4,240               |
| 116   | <u>Interiors and More Ltd</u>                      | 601        | 4,200               |
| 117   | <u>IRB Infra Ltd</u>                               | 41         | 247,600             |
| 118   | <u>Jeena Sikho Lifecare Ltd</u>                    | 809        | 100,559             |
| 119   | <u>Jet Freight Logistics Ltd</u>                   | 13         | 594                 |
| 120   | <u>Jungle Camps India Ltd</u>                      | 58         | 900                 |
| 121   | <u>Jyoti Global Plast Ltd</u>                      | 55         | 1,100               |
| 122   | <u>Jyoti Resins and Adhesives Ltd</u>              | 1,243      | 14,899              |
| 123   | <u>K2 Infragen Ltd</u>                             | 64         | 809                 |
| 124   | <u>Kalpataru Projects International Ltd</u>        | 1,233      | 211,980             |
| 125   | <u>Kamat Hotels (India) Ltd</u>                    | 301        | 8,856               |
| 126   | <u>Karnika Industries Ltd</u>                      | 178        | 11,036              |
| 127   | <u>Khazanchi Jewellers Ltd</u>                     | 598        | 14,780              |
| 128   | <u>Kilburn Engineering Ltd</u>                     | 560        | 28,797              |
| 129   | <u>Kranti Industries Limited</u>                   | 85         | 1,090               |
| 130   | <u>Krishana Phoschem Ltd</u>                       | 534        | 32,796              |
| 131   | <u>Krishival Foods Ltd</u>                         | 461        | 10,278              |
| 132   | <u>Krsnaa Diagnostics Ltd</u>                      | 792        | 25,753              |
| 133   | <u>Krystal Integrated Services Ltd</u>             | 623        | 9,351               |
| 134   | <u>Landmark Immigration Consultants Ltd</u>        | 52         | 1,051               |
| 135   | <u>Le Merite Exports Ltd</u>                       | 423        | 10,147              |
| 136   | <u>Lokesh Machines Ltd</u>                         | 192        | 3,834               |
| 137   | <u>Lords Chloro Alkali Ltd</u>                     | 165        | 4,156               |
| 138   | <u>Lumax Auto Technologies Ltd</u>                 | 1,294      | 88,462              |
| 139   | <u>Mach Conferences &amp; Events Ltd</u>           | 119        | 2,500               |
| 140   | <u>Madhusudan Masala Ltd</u>                       | 139        | 2,011               |
| 141   | <u>Madhya Bharat Agro Products Ltd</u>             | 410        | 35,958              |
| 142   | <u>Maharashtra Seamless Limited</u>                | 595        | 83,011              |
| 143   | <u>Mahindra Iflitespace developers Ltd</u>         | 361        | 75,852              |
| 144   | <u>Maiden Forgings Ltd</u>                         | 76         | 1,071               |
| 145   | <u>Malpani Pipes &amp; Fittings Ltd</u>            | 72         | 771                 |
| 146   | <u>Man Infraconstruction Ltd</u>                   | 149        | 60,171              |
| 147   | <u>Manaksia Coated Metals &amp; Industries Ltd</u> | 132        | 13,947              |
| 148   | <u>Manba Finance Ltd</u>                           | 136        | 6,826               |
| 149   | <u>Manoj Ceramic Ltd</u>                           | 119        | 1,484               |
| 150   | <u>Manorama Industries Ltd</u>                     | 1,395      | 83,396              |

| Sr No | Company Name                                     | CMP ( INR) | Market Cap (INR Mn) |
|-------|--------------------------------------------------|------------|---------------------|
| 151   | <u>Markolines Pavement Technologies Ltd</u>      | 166        | 3,642               |
| 152   | <u>Maxvolt Energy Industries Limited</u>         | 258        | 2,816               |
| 153   | <u>MBL Infrastructure Ltd</u>                    | 42         | 6,338               |
| 154   | <u>Megastar Foods Limited</u>                    | 215        | 2,377               |
| 155   | <u>Megatherm Induction Ltd</u>                   | 284        | 5,345               |
| 156   | <u>Meghmani Organics Ltd</u>                     | 81         | 20,566              |
| 157   | <u>Menon Bearing Ltd</u>                         | 132        | 7,400               |
| 158   | <u>MMP Industries Ltd</u>                        | 279        | 7,099               |
| 159   | <u>Modis Navnirman Ltd</u>                       | 335        | 6,560               |
| 160   | <u>Moneyboxx Finance Ltd</u>                     | 165        | 5,501               |
| 161   | <u>Monte Carlo Fashions Ltd</u>                  | 662        | 13,880              |
| 162   | <u>Motilal Oswal Financial Services Ltd</u>      | 913        | 544,530             |
| 163   | <u>Muthoot Microfin Ltd</u>                      | 162        | 26,470              |
| 164   | <u>Nacdac Infrastructure Ltd</u>                 | 43         | 456                 |
| 165   | <u>Naman In-Store (India) Ltd</u>                | 85         | 1,111               |
| 166   | <u>Narmada Agrobases Ltd</u>                     | 23         | 898                 |
| 167   | <u>Neetu Yoshi Ltd</u>                           | 128        | 4,990               |
| 168   | <u>NIIT Learning Systems Ltd</u>                 | 332        | 44,655              |
| 169   | <u>Nisus Finance Services Co Ltd</u>             | 348        | 8,304               |
| 170   | <u>Northern ARC Capital Ltd</u>                  | 263        | 42,405              |
| 171   | <u>Nukleus Office Solutions Ltd</u>              | 162        | 653                 |
| 172   | <u>Nuvoco Vistas Corporation Ltd</u>             | 421        | 149,296             |
| 173   | <u>Om Infra Ltd</u>                              | 133        | 12,899              |
| 174   | <u>Orient Bell Ltd</u>                           | 300        | 4,406               |
| 175   | <u>Paisalo Digital Limited</u>                   | 38         | 35,063              |
| 176   | <u>Parag Milk Foods Ltd</u>                      | 270        | 32,212              |
| 177   | <u>Patel Engineering Ltd</u>                     | 37         | 30,710              |
| 178   | <u>Patel Integrated Logistics Ltd</u>            | 15         | 1,112               |
| 179   | <u>Phantom Digital Effects Limited</u>           | 244        | 3,334               |
| 180   | <u>Phoenix Mills Ltd</u>                         | 1,554      | 550,835             |
| 181   | <u>Power &amp; Instrumentation (Gujarat) Ltd</u> | 181        | 3,214               |
| 182   | <u>Pranik Logistics Ltd</u>                      | 77         | 821                 |
| 183   | <u>Prataap Snacks Ltd</u>                        | 992        | 23,720              |
| 184   | <u>Premier Roadlines Ltd</u>                     | 84         | 1,920               |
| 185   | <u>Prime Fresh Ltd</u>                           | 298        | 4,152               |
| 186   | <u>Prizor Viztech Ltd</u>                        | 285        | 3,043               |
| 187   | <u>Prostarm Info Systems Ltd</u>                 | 198        | 11,640              |
| 188   | <u>Protean eGov Technologies Ltd</u>             | 899        | 36,432              |
| 189   | <u>PTC India Ltd</u>                             | 167        | 49,484              |
| 190   | <u>Punjab National Bank</u>                      | 108        | 1,238,939           |
| 191   | <u>Purvankara Ltd</u>                            | 263        | 62,360              |
| 192   | <u>QMS Medical Allied Services Ltd</u>           | 99         | 1,917               |
| 193   | <u>Quess Corp Ltd</u>                            | 251        | 37,689              |
| 194   | <u>Radiowalla Network Limited</u>                | 61         | 431                 |
| 195   | <u>Rajesh Power Services Limited</u>             | 1,476      | 26,385              |
| 196   | <u>Rajratan Global Wire Ltd</u>                  | 324        | 16,462              |
| 197   | <u>Rashi Peripherals Ltd</u>                     | 315        | 20,752              |
| 198   | <u>Rategain Travel Technologies Ltd</u>          | 645        | 75,117              |
| 199   | <u>Rathi Steel &amp; Power Ltd</u>               | 24         | 2,035               |
| 200   | <u>Ratnaveer Precision Engineering Ltd</u>       | 165        | 8,643               |

| Sr No | Company Name                                  | CMP ( INR) | Market Cap (INR Mn) |
|-------|-----------------------------------------------|------------|---------------------|
| 201   | <u>Raymond Lifestyle Limited</u>              | 1206       | 69,920              |
| 202   | <u>Raymond Limited</u>                        | 610        | 40,030              |
| 203   | <u>Raymond Realty Limited</u>                 | 612        | 40,740              |
| 204   | <u>RBM Infracon Ltd</u>                       | 451        | 4,793               |
| 205   | <u>Regaal Resources Ltd</u>                   | 89         | 9,199               |
| 206   | <u>Remus Pharmaceuticals Ltd</u>              | 760        | 8,956               |
| 207   | <u>RIR Power Electronics</u>                  | 358        | 28,467              |
| 208   | <u>Rites Ltd</u>                              | 247        | 120,443             |
| 209   | <u>Route Mobile Ltd</u>                       | 799        | 50,650              |
| 210   | <u>Royal Orchid Hotels Ltd</u>                | 520        | 14,271              |
| 211   | <u>S A Tech Software India Ltd</u>            | 54         | 699                 |
| 212   | <u>S J Logistics (India) Limited</u>          | 392        | 5,992               |
| 213   | <u>S J S Enterprises Ltd</u>                  | 1,454      | 45,650              |
| 214   | <u>Sacheerome Ltd</u>                         | 210        | 4,690               |
| 215   | <u>Safe Enterprises Retail Fixtures Ltd</u>   | 191        | 8,900               |
| 216   | <u>Sahaj Solar Ltd</u>                        | 250        | 5,016               |
| 217   | <u>Sahana Systems Ltd</u>                     | 1,118      | 9,880               |
| 218   | <u>Saregama Ltd</u>                           | 472        | 90,749              |
| 219   | <u>Sasken Technologies Ltd</u>                | 1,391      | 21,712              |
| 220   | <u>Sat Kartar Shopping Ltd</u>                | 151        | 2,379               |
| 221   | <u>Sathlokhar Synergys E&amp;C Global Ltd</u> | 484        | 11,463              |
| 222   | <u>SEAMEC Ltd</u>                             | 902        | 22,936              |
| 223   | <u>Senco Gold Ltd</u>                         | 338        | 55,379              |
| 224   | <u>SG Finserv Ltd</u>                         | 350        | 19,570              |
| 225   | <u>Shalibhadra Finance Ltd</u>                | 114        | 3,506               |
| 226   | <u>Shanmuga Hospitals Limited</u>             | 46         | 628                 |
| 227   | <u>Shanti Spintex Ltd</u>                     | 64         | 1,081               |
| 228   | <u>Sheela Foam Ltd</u>                        | 668        | 72,619              |
| 229   | <u>Shera Energy Ltd</u>                       | 129        | 3,156               |
| 230   | <u>Shriram Properties Ltd</u>                 | 88         | 15,041              |
| 231   | <u>Shubhshree Biofuels Energy Ltd</u>         | 450        | 2,360               |
| 232   | <u>Silkflex Polymers (India) Ltd</u>          | 93         | 1,080               |
| 233   | <u>SIS Ltd</u>                                | 345        | 48,641              |
| 234   | <u>Simplex Casting Ltd</u>                    | 385        | 2,770               |
| 235   | <u>SKP Bearing Industries Ltd</u>             | 226        | 3,748               |
| 236   | <u>Smarten Power Systems Ltd</u>              | 91         | 1,730               |
| 237   | <u>SMC Global Securities Ltd</u>              | 140        | 14,759              |
| 238   | <u>Solarium Green Energy Limited</u>          | 345        | 7,028               |
| 239   | <u>South West Pinnacle Exploration Ltd</u>    | 131        | 3,903               |
| 240   | <u>SPML Infra Ltd</u>                         | 246        | 17,603              |
| 241   | <u>Sportking India Ltd</u>                    | 103        | 13,088              |
| 242   | <u>SRG Housing Finance Ltd</u>                | 289        | 4,543               |
| 243   | <u>Srivari Spices &amp; Foods Ltd</u>         | 154        | 1,321               |
| 244   | <u>Star cement</u>                            | 253        | 102,278             |
| 245   | <u>Steelcast Ltd</u>                          | 210        | 22,763              |
| 246   | <u>Sterling Tools Ltd</u>                     | 312        | 11,271              |
| 247   | <u>Sumit Woods Ltd</u>                        | 92         | 3,907               |
| 248   | <u>Sunita Tools Ltd</u>                       | 815        | 4,979               |
| 249   | <u>Sunlite Recycling Industries Ltd</u>       | 179        | 1,948               |
| 250   | <u>Sunrakshakk Industries India Ltd</u>       | 1,005      | 6,318               |

| Sr No | Company Name                                                  | CMP ( INR) | Market Cap (INR Mn) |
|-------|---------------------------------------------------------------|------------|---------------------|
| 251   | <a href="#"><u>Suntech Infra Solutions Ltd</u></a>            | 56         | 1,090               |
| 252   | <a href="#"><u>Sunteck Realty Ltd</u></a>                     | 424        | 62,050              |
| 253   | <a href="#"><u>Suprajit Engineering Ltd</u></a>               | 495        | 68,504              |
| 254   | <a href="#"><u>Supreme Facility Management Ltd</u></a>        | 37         | 930                 |
| 255   | <a href="#"><u>Supreme Power Equipment Ltd</u></a>            | 207        | 5,173               |
| 256   | <a href="#"><u>Suraksha Diagnostic Ltd</u></a>                | 295        | 15,520              |
| 257   | <a href="#"><u>Suryoday Small Finance Bank Ltd</u></a>        | 133        | 15,535              |
| 258   | <a href="#"><u>Suyog Telematics Ltd</u></a>                   | 799        | 8,621               |
| 259   | <a href="#"><u>Swashtik Plascon Ltd</u></a>                   | 41         | 788                 |
| 260   | <a href="#"><u>Tamilnad Mercantile Bank Limited</u></a>       | 425        | 67,276              |
| 261   | <a href="#"><u>Tanla Platforms Ltd</u></a>                    | 695        | 91,345              |
| 262   | <a href="#"><u>Tara Chand Infralogistic Solutions Ltd</u></a> | 71         | 5,612               |
| 263   | <a href="#"><u>Tata Communications Ltd</u></a>                | 1,606      | 458,927             |
| 264   | <a href="#"><u>Tejas Cargo India Ltd</u></a>                  | 305        | 7,287               |
| 265   | <a href="#"><u>Tembo Global Industries Ltd</u></a>            | 569        | 8,807               |
| 266   | <a href="#"><u>Thaai Casting Limited</u></a>                  | 118        | 2,894               |
| 267   | <a href="#"><u>Thomas Cook (India) Ltd</u></a>                | 163        | 75,887              |
| 268   | <a href="#"><u>Tiger Logistics (India) Ltd</u></a>            | 48         | 5,033               |
| 269   | <a href="#"><u>Tilaknagar Industries Ltd</u></a>              | 441        | 86,102              |
| 270   | <a href="#"><u>Trishakti Industries Ltd</u></a>               | 153        | 2,399               |
| 271   | <a href="#"><u>Uflex Ltd</u></a>                              | 545        | 39,484              |
| 272   | <a href="#"><u>Ugro Capital Ltd</u></a>                       | 162        | 18,868              |
| 273   | <a href="#"><u>Ujjivan Small Finance Bank Ltd</u></a>         | 44         | 86,670              |
| 274   | <a href="#"><u>Unicommerce eSolutions Ltd</u></a>             | 140        | 15,247              |
| 275   | <a href="#"><u>Unihealth Hospitals Ltd</u></a>                | 152        | 2,339               |
| 276   | <a href="#"><u>United Heat Transfer Ltd</u></a>               | 74         | 1,410               |
| 277   | <a href="#"><u>Vaibhav Global Ltd</u></a>                     | 235        | 39,240              |
| 278   | <a href="#"><u>Vaidya Sane Ayurved Laboratories Ltd</u></a>   | 278        | 2,925               |
| 279   | <a href="#"><u>Vascon Engineers Ltd</u></a>                   | 58         | 13,072              |
| 280   | <a href="#"><u>Vibhor Steel Tubes Ltd</u></a>                 | 155        | 2,864               |
| 281   | <a href="#"><u>Viceroy Hotels Ltd</u></a>                     | 120        | 8,097               |
| 282   | <a href="#"><u>Vikram Kamats Hospitality Ltd</u></a>          | 64         | 991                 |
| 283   | <a href="#"><u>VIP Clothing Ltd</u></a>                       | 35         | 3,262               |
| 284   | <a href="#"><u>Virinchi Ltd</u></a>                           | 28         | 2,848               |
| 285   | <a href="#"><u>Virtuoso Optoelectronics Ltd</u></a>           | 496        | 14,970              |
| 286   | <a href="#"><u>Voler Car Ltd</u></a>                          | 225        | 2,512               |
| 287   | <a href="#"><u>Waaree Renewable Technologies Ltd</u></a>      | 1,014      | 105,748             |
| 288   | <a href="#"><u>Wealth First Portfolio Managers Ltd</u></a>    | 1,174      | 12,402              |
| 289   | <a href="#"><u>Welspun Enterprise</u></a>                     | 508        | 70,260              |
| 290   | <a href="#"><u>Western Carriers (India) Ltd</u></a>           | 132        | 13,262              |
| 291   | <a href="#"><u>WOL3D India Ltd</u></a>                        | 136        | 874                 |
| 292   | <a href="#"><u>XTGlobal Infotech Limited</u></a>              | 40         | 5,301               |
| 293   | <a href="#"><u>Zodiac Energy Ltd</u></a>                      | 392        | 5,966               |
| 294   | <a href="#"><u>Z-Tech (India) Ltd</u></a>                     | 594        | 8,513               |
| 295   | <a href="#"><u>Zuari Industries Ltd</u></a>                   | 376        | 11,367              |

Unlisted Companies

| Sr No | Company Name                                  |
|-------|-----------------------------------------------|
| 1     | <u>Absolute Legends Sports Pvt Ltd</u>        |
| 2     | <u>Basil Healthcare Solutions Pvt Limited</u> |
| 3     | <u>Better Nutrition Pvt Ltd</u>               |
| 4     | <u>India Assist Pvt. Ltd.</u>                 |
| 5     | <u>Singhal Recyclers Pvt Ltd</u>              |



**Action Construction Equipment Ltd**

**Guidance and Future Outlook:** ACE remains committed to strengthening its leadership in cranes while scaling up construction, material handling, and agri machinery businesses. Management expects defence to remain a small but strategic segment, with long-term opportunities from indigenisation. Backed by robust domestic demand, infrastructure push, and its diversified portfolio, the company aims to deliver sustainable growth across business segments while maintaining profitability through operational efficiencies and R&D-led competitiveness

**About the company:** Action Construction Equipment Ltd management highlighted the company's leadership position in the crane business, its diversified portfolio across construction equipment, material handling, and agri machinery, and its strong growth trajectory since inception. The company, founded in 1995, commands over 63% market share in the pick-and-carry crane and tower crane segments, making it the global leader in this category. Management emphasized its philosophy of right product, right price, and right service, which has driven customer trust and long-term market leadership. ACE has expanded into construction equipment like backhoe loaders and graders, material handling equipment like forklifts, and agricultural machinery including tractors and harvesters. Defence has emerged as a niche portfolio, with indigenous solutions developed in collaboration with DRDO. The company remains focused on leveraging its R&D strengths, robust domestic market positioning, and diversified product base to drive future growth.

**Market Leadership in Cranes**

Market leader in pick-and-carry cranes with over 63% market share  
Also commands more than 63% market share in tower cranes across India  
Recognized as the world's largest pick-and-carry crane manufacturer  
Leadership built on robust product quality and strong after-sales service

**Diversification into Construction Equipment**

Expanded portfolio includes backhoe loaders, motor graders, and compactors  
Positioned as a competitive domestic alternative to global peers in the CE segment  
Growth supported by government-led infrastructure investments and urban development projects

**Material Handling Equipment Business**

Product range includes forklifts and other material handling machines  
Growing demand from industrial, warehousing, and logistics sectors  
Complements crane business by catering to a wider customer base across industries

**Agricultural Machinery Segment**

Manufactures tractors and harvesters, providing diversification into the agri sector  
Supports rural mechanisation and benefits from rising farm equipment demand  
Offers an additional growth lever beyond core industrial and construction markets

**Defence and Indigenous Manufacturing**

Entered defence manufacturing in 2016–17 in collaboration with DRDO  
Developed indigenous material handling equipment to replace imports  
Defence contributes around 3% of revenues currently; expected to remain small due to long gestation cycles  
Strength in R&D enhances competitiveness and credibility in the defence space

**R&D and Innovation**

Strong R&D capabilities enable continuous product improvement and indigenisation  
Focus on robust, cost-effective, and serviceable equipment tailored to Indian market needs  
Collaboration with government institutions for defence-related R&D and product development

Addictive Learning Technologies Ltd

**Outlook:** Looking ahead, scaling AI-driven personalized learning, expanding into the US market, and increasing community conversion could drive substantial revenue growth over FY26–27, with near-term monthly revenue of INR 10 crore appearing achievable. AI adoption in sales, onboarding, and operations is expected to enhance profitability, while unique offerings in AI orchestration and regulated US entry provide a first-mover advantage in an underpenetrated global market.

Overall, Addictive Learning Technologies is positioned as a high-growth, AI-driven skill education platform with strong scalability potential in India and international markets, underpinned by innovative offerings and process efficiencies, though execution and regulatory risks remain significant.

Originally branded as Lawsikho, is a broad-based skill education platform covering law, finance, AI, business transformation, test prep, and accounting. The company bridges knowledge and practical skill gaps, particularly in professional domains where traditional education is insufficient for real-world applications.

India's young workforce and global demand for skilled professionals, particularly in the US, Europe, Canada, and Japan, provide a strong growth environment. Remittances from skilled Indian workers abroad (~\$136 billion in FY24) highlight the potential of upskilling as a significant export lever.

AI is deployed across sales, lead generation, operations/support, administrative functions (finance, HR, recruitment), and risk reduction. Key AI initiatives include automated sales insights, personalized learning roadmaps, AI-enabled content creation and evaluation, and job/opportunity matching using community data. These AI-driven operations enable scalable, cost-efficient processes while maintaining high student engagement and satisfaction.

The platform has 7.5 lakh community members, with approximately 1,500 paying subscribers monthly, monetized mainly through Lawsikho and Skill Arbitrage. Offerings span law, test prep, AI business transformation, and finance/accounting, while lead generation and student acquisition are optimized via AI platforms like Lawsikho Opportunities and Justice Scanner.

AI reduces dependence on large sales teams, and medium to long-term efficiency gains are expected to improve margins through optimized sales, onboarding, evaluation, and support processes. The company is also launching Arizona University of Technology and Management to deliver AI-focused MBA programs and certification courses, enabling regulated entry into the US market.

Differentiation comes from practical AI application training for non-technical professionals, a largely untapped segment, and collaborations with IITs and other institutions enhance credibility and reach. Challenges include converting free community members into paying subscribers, achieving revenue targets, and scaling AI systems effectively.

**Aditya Birla Sunlife AMC Ltd**

**Outlook:** The company has demonstrated strong business momentum, with Assets Under Management (AUM) surpassing INR 4.4 lakh crore and healthy growth in both profit and investor folios. Corrective actions to improve fund performance are beginning to yield results, with a majority of funds now performing in line with or above the industry average. Key growth drivers include a strong multi-channel distribution network, expansion into emerging markets (B30 cities), and a robust product pipeline, particularly in passive funds and alternative investment funds (AIFs). The recent win of the large ESIC mandate underscores its institutional strength. While competition is intensifying, the overall industry outlook remains favourable due to low mutual fund penetration in India and supportive regulatory measures. The main focus for the company will be sustaining its improved fund performance over the medium term to regain market share and capitalize on the industry's growth trajectory.

**AUM and Business Momentum:** Aditya Birla Sun Life AMC has demonstrated healthy business momentum, with overall Assets Under Management, including mutual funds and alternates, surpassing INR 4.4 lakh crores in the Q1FY26. This represents a 21% YoY. The quarterly average mutual fund AUM exceeded the four lakh crores mark, growing by 14% compared to the previous year.

**AUM Mix and Growth Rates:** The mutual fund AUM is divided between equity and fixed income. Equity AUM reached INR 1.8 lakh crores, growing 11% year-on-year, and constituted approximately 45% of the total mix. Fixed Income AUM stood at INR 2.2 lakh crores, showing stronger growth of 17% year-on-year. Monthly Individual AUM was close to INR 2 lakh crores, growing at 10% year-on-year, while Institutional AUM grew faster at 20% to reach INR 2.1 lakh crores. AUM from B30 cities amounted to nearly INR 720bn increasing by 12% YoY with growth in these emerging markets outpacing that of Tier 1 cities.

**SIP Flows and Folios:** Systematic Investment Plan contributions amounted to INR 11.4bn, higher than the previous year. The number of contributing SIP accounts was close to 39 lakh. Total investor folios as of June 25 stood at ~1.07 crores, a 14% YoY increase. Net flows in the first quarter were nearly equivalent to the full-year flows of the prior year, indicating positive momentum. SIP cancellations are primarily observed among new, small-ticket investors from tech platforms who have not experienced full market cycles, but this is not considered a major concern.

**Market Share and Growth Strategy:** Over the past three to four years, the company experienced some market share loss due to flat fund performance. However, it has largely maintained its market share in the last two quarters. The internal target is to grow faster than the industry average. While the mutual fund AUM growth has been around 14-15% in recent quarters, it remains slightly below the industry average. The industry is poised for continued healthy growth, supported by low penetration rates in India and regulatory initiatives promoting financial inclusion.

**Product Pipeline, NFOs, and Alternatives:** The company is actively expanding its product offerings. The Passive business AUM grew 22% to INR 360bn supported by 52 passive products. Two recent New Fund Offers, the BSE 500 Momentum 50 Index Fund and the BSE 500 Quality 50 Index Fund, collected around INR 1.5bn within a month. An Innovation Fund is under evaluation. In the Structured Investment Funds space, the company, under the new brand AEX, has filed for four SEBI-approved products and is building a specialized team, with launches expected within a quarter. The Alternates business AUM was INR 287 bn for the June quarter, significantly driven by the ESIC mandate.

**ESIC Mandate and Institutional Bidding:** ABSL AMC secured a large mandate from the Employees' State Insurance Corporation valued at approximately INR 243 bn in Q1FY26. This debt-oriented mandate falls under Portfolio Management Services. The company is also actively bidding for other institutional mandates, such as the EPFO, with outcomes pending.

**Distribution Network and Commission:** The company leverages a strong multi-channel distribution network comprising over 89,000 Mutual Fund Distributors, 330+ national distributors, 90+ banks, and 115+ digital partners. It has a presence in 300+ locations, with over 80% coverage in B30 cities. Initiatives include a dedicated Direct Channel team for HNIs and expansion into 100+ emerging market locations. The Virtual Relationship Manager model activated nearly 3,500 new distributors last quarter, and the SAMP initiative onboarded around 2,200 new distributors. The distribution commission paid typically ranges between 55% to 57%.

**Fund Performance and Competitive Strategy:** On a one-year basis, fund performance is now at par with the industry average, with about 60% of funds ranking in the top two quartiles. Management emphasizes that sustaining consistent performance over a one- to three-year period is crucial for rebuilding investor trust. The company views new entrants as beneficial for industry growth and believes that fund performance remains the key differentiator for active funds.

**Offshore and ESG Initiatives:** Offshore AUM stood at INR 106 bn, with fundraising ongoing for three funds. Details regarding 'Gift City' initiatives were not available. On the ESG front, the company has launched an ESG engagement fund. Internal sustainability efforts include installing solar panels and focusing on energy conservation, though its direct ESG impact as a service company is limited compared to manufacturing firms.

**Advait Energy Transition Ltd**

**Outlook:** Expects to maintain strong EBITDA margins of 16–20% and achieve 40–50% CAGR in the next 3 years, after delivering 70% CAGR in recent years. On the renewable side, the company has secured a INR 471 crore PLI incentive for 300 MW hydrogen electrolyzer manufacturing (expandable to 1 GW), completed 2 green hydrogen projects, won a battery storage project with double-digit returns, and taken large solar EPC orders. The company is also setting up a 2 msf integrated facility for ERS, HTLS conductors, electrolyzers, and fuel cells. With government focus on transmission upgrades, green hydrogen, and energy storage, strong multi-year growth can be expected

**Business Segments**

The company operates in 2 main verticals: (1) Power Transmission Solutions (PTS), and (2) New & Renewable Energy (NRE) businesses; began in 2009 with trading of insulators, tools, and hardware, later moving into manufacturing and EPC. It now exports to 45+ countries and has a proprietary portfolio of 150+ stringing tools.

**Power Transmission Solutions (PTS)**

The company manufactures Optical Ground Wire (OPGW) cables with an annual capacity of 12,000 km and holds a 33% stake in a JV with TG Cables of China.

It has executed INR 400–500 crore worth of EPC projects with a zero-shutdown track record.

In Emergency Restoration Systems (ERS), it has won 35–40% of tenders floated in India post-COVID and is building India's largest ERS manufacturing facility; procured 12,000 sq. ft. factory shed to scale ERS tower capacity to 400–500 towers annually.

In HTLS conductors, where only Sterlite, Apar, and JSK currently operate, the company targets 4-digit top-line revenue within 5 years.

Stringing tools revenue grew from INR 7 crore to INR 47 crore in FY25 and already achieved INR 34 crore in H1FY26, with an order pipeline of 20–25 crore INR. Management expects 70% YoY growth and triple-digit revenue from this segment in FY26.

**Order Book**

The company currently has an outstanding order book of ~INR 750 crore and is in pipeline of worth ~INR 570 crore.

Over the last 3 years, the PTS segment delivered a 70% CAGR, and management expects 40–50% CAGR over the next 3 years.

EBITDA margins are currently 16–20% and expects of maintaining or improving as new products scale.

**New & Renewable Energy (NRE)**

Operates under Advait Greenergy Pvt. Ltd. (AGPL), founded 3.5 years ago.

Focus areas is on Green Hydrogen, Solar EPC, Battery Energy Storage Systems (BESS), and Fuel Cells.

India's demand for grey hydrogen is ~10 Mn MT annually, creating a replacement opportunity for green hydrogen.

The company won PLI approval worth INR 471 crore for 300 MW hydrogen electrolyzer manufacturing, with capacity expandable to 1 GW.

Completed 2 pilot green hydrogen projects:

300 kW at THDC Rishikesh (Govt of India project).

1 MW for KP Green at Surat (Asia's largest galvanizing plant).

Building a 10 MW electrolyzer demo plant (India's 2nd/3rd such facility) by Nov 2025.

Entered Solar EPC with 250 MW orders from Adani and KP Group; completed 30 MW so far.

Won L1 in GUVNL's battery storage project (~INR 141 crore capex, supported by INR 27 crore VGF). Expected equity IRR and project IRR are in double digits.

Signed JV with Jiangsu Gofu (China) for electrolyzers and with AVL & TECO (Austria/Norway) for fuel cell manufacturing. The first fuel cell assembly line in India is targeted by end-FY26.

AVL & TECO bring 4,000+ patents and global leadership in automotive hydrogen fuel cells.

**Capex & Facilities**

Advait has acquired 2 msg land at Gangad (Ahmedabad–Dholera Expressway) for integrated manufacturing facilities.

Planned facilities include India's largest ERS plant, expanded stringing tools manufacturing, HTLS conductors facility, Hydrogen electrolyzer assembly line (300 MW expandable to 1 GW) and Fuel cell assembly line. Around 40–50% of land will remain available for future expansions.

Last year, the company invested INR 11.5 crore to upgrade its OPGW automated machinery, now running at 60–70% utilization and expected to reach 90% in FY26.

**Other Highlights**

Net leverage is <0.25x, showing conservative capital structure.

Management targets maintaining 16–20% EBITDA margins, with scope for expansion as NRE matures.

ERS margins are targeted at 20–30%.

India approved 270,000 CKM of OPGW replacement in 2020 and later identified another 330,000 CKM. Government support through PSDF and PPP leasing models to telecom/data companies is expected to drive demand.

The company has also won L1 status in Malaysia (1,400–1,600 km OPGW project).

Government's strong push for green hydrogen, storage, and renewable integration ensures long-term demand visibility.

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Aelea Commodities Ltd**Company Overview**

Aelea Commodities Ltd., incorporated in 2018, began as a small-scale startup with operations in Mumbai and an initial processing capacity of 100 metric tons per day (MTPD).

The company's core focus is cashew processing, while it also trades in sugar, onion, rice, and other agro-commodities. Cashew sourcing is diversified, with supplies from African countries as well as domestic markets.

The business model spans both B2B and B2C channels. Offline distribution serves institutional buyers, while retail growth is supported by e-commerce platforms such as Amazon, Flipkart, and MyShoppe.

In 2024, Aelea was listed on BSE, marking a milestone in its journey. The company has since expanded its capacity to 140 MTPD with a new unit in Gujarat.

**Operational Strengths**

The company employs close to 100 staff, supported by a highly mechanized setup (85–90% automation). As a result, operations require only ~400 workers versus the industry norm of 1,200–2,000 for comparable capacities.

This mechanization enhances consistency, improves processing speeds, and reduces labour dependence.

Company's client base includes marquee names such as Reliance, Haldiram, Amul, Bikanerwala, Jabsons, Star, and Farmley, which ensures stability and long-term visibility.

The Gujarat location provides a logistical advantage. Positioned between South India (processing hub) and North India (consumption hub), the company ensures faster delivery timelines (24–48 hours to Delhi vs. 4–5 days for southern peers) and significant cost savings on transportation.

**Financial Performance**

In FY23, revenues from cashew processing stood at ~INR 76 lakh. By FY24, contributions came equally from cashew and commodity trading. FY25 reflected stronger processing revenues, driven by capacity expansion.

As of March 2025, the company's asset base was ~INR 1,600 Cr., company also raised **INR 50 Cr. via IPO in 2024**, which was utilized for capacity expansion and operational efficiency.

While industry EBITDA margins average ~5%, Aelea consistently delivers **7.5–10%**, supported by automation, scale, and location benefits.

**Strategic Expansion**

Company is now focused on its **Phase 2 CNSL Oil Unit**, with a planned capacity of 100 MTPD. Commissioning is expected within six months. CNSL oil, a by-product of cashew shells, is a higher-margin product with profitability of **15–25%**.

In addition, the company is developing **bio-charcoal (activated carbon)** production from cashew shells. This aligns with its **sustainability and green energy strategy** while opening new growth opportunities.

Future expansion may also involve **new locations**. Management is evaluating sites to maximize logistics efficiency, labor availability, and customer proximity.

Commodity risk exposure is minimal. The company follows a **back-to-back procurement and forward sales model**, which results in a disciplined **cash-to-cash cycle of 75–90 days** and minimal finished goods inventory.

Management emphasized that Aelea is among the largest organized cashew processors in India, operating at margins well above the industry average.

The guidance for FY26 is a topline of INR 400–450 Cr., with EBITDA margins sustained at 7.5–10%. For FY27, margins are expected to expand further, supported by CNSL oil, which could add ~INR 10 Cr. to EBITDA.

Commodity trading continues but remains limited, with margins of 0.1–1%. Management clarified that trading activity is maintained primarily to sustain long-term customer relationships.

Customer concentration is not a concern, as the top 10 clients contribute less than 25% of revenues. Capacity utilization at the expanded 140 MTPD plant has already reached ~90% as of September 2025.

**Outlook**

The company has transformed from a startup into a listed mid-cap player with strong fundamentals in automation, logistics, and procurement discipline.

The upcoming CNSL oil unit, along with bio-charcoal initiatives, provides meaningful margin expansion levers while reinforcing the company's sustainability focus.

Near-term risks lie in the execution of Phase 2 and scaling B2C initiatives. However, management's FY26 revenue guidance of INR 400–450 Cr. is achievable, and FY27 should deliver stronger profitability once by-product monetization ramps up.

With a diversified customer base, efficient working capital cycle, and strategic expansion into new verticals, Aelea Commodities appears well positioned for sustained long-term growth.

**Affordable Robotics & Automation Limited**

**Outlook:** Affordable Robotics & Automation Limited is well positioned to capitalize on its strategic pivot from stationary robotic welding solutions to mobile robotics through its 83% owned subsidiary, Humro. With strong order momentum translating into USD 3040 mn revenue guidance for warehouse automation, coupled with established blue-chip automotive partnerships, the company's growth trajectory is compelling. A structured backward integration roadmap through 2028 targeting in-house controllers, sensors, and motors should drive 20- 30% margin expansion and mitigate import dependencies.

**Business Model & Strategic Positioning**

Affordable Robotics operates a three-vertical strategy comprising robotic welding solutions, urban parking automation, and autonomous mobile robotics via Humro. Since 2021, management successfully pivoted from stationary robots to mobile autonomous systems, unlocking larger addressable markets in warehouse logistics and smart infrastructure. Cross selling across automotive lines, office parking facilities, and warehouse operations enhances revenue diversification while framing the technology as productivity enhancers in human-robot collaboration scenarios.

**Financial Performance & Growth Trajectory** The company's consolidated order book stands at INR 1.30 bn for core solutions and USD 4 mn for Humro. Management targets 5060% revenue growth in FY26 despite a 9% tariff headwind on US operations. Humro's standalone revenue potential of USD 3040 mn underpins the growth outlook, while ongoing in-house controller development has yielded 2030% cost savings and positive impact on gross margins.

**Technology Innovation & Development** A phased backward integration roadmap outlines controller development achieved in 2025, sensor and vision system integration in 2026, battery technology advancements in 2027, and motor manufacturing by 2028. Proprietary AI/ML-driven control algorithms, digital twin simulations, and behavioral learning capabilities differentiate the product stack, while investments in Dira's Indian language NLP ensure user-friendly interfaces for Tamil and Malayalam operators. An IP strategy balances core autonomy capabilities in-house with strategic partnerships for specialized components.

**Market Opportunity & Competitive Landscape** Urban parking automation in Mumbai alone represents an INR 12 bn annual market, scaling to INR 100 bn nationally. Global AMR (autonomous mobile robots) markets are projected at USD 41 bn for loose SKU picking and USD 50 bn for autonomous forklifts, with USD 150 bn retrofit potential by 2030. Affordable Robotics maintains cost leadership versus Chinese and Indian peers, a critical advantage as US clients accelerate deployments beyond pilot phases while Indian e-commerce adoption lags.

**Strategic Partnerships & Customer Base** The company's blue-chip client roster includes Bajaj, which fully automated rickshaw production lines since 2012, along with Mahindra, Tata, TVS, and Ashok Leyland. In the US, Humro serves customers such as GX Lodha, State Logistics, and HP, with deployment expansions underway. Landmark projects in Mumbai's Lodha Vista and Phoenix Palladium malls validate technology performance and strengthen the sales pipeline.

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**Aimtron Electronics Limited (AEL)****Financial Guidance & Growth Trajectory**

**Revenue CAGR:** Management reiterated guidance of **40–50% CAGR over the next 3–5 years**, with one year of this trajectory already delivered.

**INR 1,000 Crore Target:** Long-term ambition is to **cross INR 1,000 crore in revenues before 2030**, supported by incremental capacity and demand visibility.

**Quarterly Normalization:** Traditionally, Q4 is the strongest quarter (Q4 > Q3 > Q2 > Q1). Management expects **quarterly revenue distribution to smoothen over the next 1–2 years**, resulting in a more even growth trajectory.

**Current Performance:** Management confirmed **progress remains on track with earlier guidance for FY26**.

**Capacity Expansion & Capex**

**Existing Capacity:** Current facilities, operating across three shifts, can generate **~INR 450 crore in annual revenues**.

**Full Utilization Timeline:** Management expects **full utilization by FY27**.

**Greenfield Expansion:**

**Location:** Gujarat (near Vadodara).

**Focus:** **Box build projects** with integrated processes such as **injection molding and sheet metal stamping**.

**Capacity Addition:** Six new assembly lines to be added in phases, eventually adding **INR 500 crore capacity**.

**Timeline:** Initial commissioning expected **by Dec/Jan next year**; may advance by six months depending on customer discussions.

**Funding Strategy:**

Recently issued **preferential warrants** to fund expansion in stages.

Equity dilution from warrants is expected **within ~18 months**, aligning with the start of the INR 1,000 crore revenue journey.

**Strategic Business Focus & Diversification**

**Shift to ODM:** Long-term pivot toward **Original Design Manufacturing (ODM)** where design capabilities will drive manufacturing revenues.

**Box Build Dominance:** Currently accounts for **>50% of revenues**, exceeding PCBA's 40–45% contribution.

**Diversification Strategy:** Balanced portfolio across automotive, clean energy, industrials, and power to **mitigate cyclicity** in any one segment.

**Inventory Strategy:** Bulk procurement of key components (80/20 cost drivers) will continue to support **pricing power and lead time advantage**, even if it keeps inventory levels elevated.

**Margin Outlook & Financial Stability**

**Sustainable Margins:** PAT margins expected to remain **around 16%**, in line with FY25.

**Scale Impact:** At higher revenue thresholds (INR 500–INR 1,000 crore), margins may see **minor dents**, but overall profitability will remain robust.

**Domestic Orders:** Higher share of domestic orders from global clients **will not materially affect margins**; this stability should reflect in H1 FY26 results.

**R&D Spending:** Will remain **below 5% of revenues**, typically **2–4%**.

**Inorganic Growth:** Company is **evaluating M&A opportunities** to accelerate growth.

**Technology & Market Positioning****Technology Leadership:**

Early mover in **Wi-Fi 6/7 RF testing** vs competitors largely at Wi-Fi 5.

Already deployed Wi-Fi 6 equipment for pilot batches and field testing.

**Strategic Positioning:** Management confident of contributing meaningfully to India's **electronics industry target of \$1 trillion by 2030**.

**Corporate Structure & US Business**

**Subsidiary Setup:** Established **MTRON Electronics LLC (Texas)** as a wholly owned subsidiary to **reduce related-party transactions**.

**Merger Potential:** Unlisted US facility (Chicago) could eventually be merged into the Indian entity **post main-board listing**.

**Tariff Impact:** US tariffs considered **negligible** due to favorable HSN classifications and specific exemptions.

**Key Takeaways**

**Aggressive Growth Roadmap:** Revenue CAGR of 40–50% with clear path to **INR 1,000 crore before 2030**.

**Capacity Expansion:** Greenfield Gujarat plant to add **INR 500 crore capacity** with phased commissioning by FY27.

**ODM Transition:** Long-term pivot to design-led manufacturing will enhance margins and stickiness.

**Diversified Portfolio:** Automotive, clean energy, and industrial exposure reduce cyclicity risks.

**Sustainable Margins:** PAT margins guided at **~16%**, supported by scale efficiencies.

**Technology Edge:** Wi-Fi 6/7 readiness provides clear competitive advantage.

**Global Structuring:** US subsidiary reduces related-party concerns and lays groundwork for future mergers.

## Ajmera Realty &amp; Infra India Ltd

**Outlook:** FY26 positioned as breakthrough year with nine project launches (2.2 million sq ft, INR 6,500 mn GDV) following resolution of regulatory challenges including NGT and CRZ permissions. Management guidance of INR 1,600 mn pre-sales represents significant acceleration supported by RERA approvals for Wadala and Bandra projects launching in Q2. The company's strategic land bank at Wadala (10.8 million sq ft potential) and Kanjurmarg (8.8 million sq ft) totaling INR 37,900 mn GDV provides 8-9 year development runway, while debt-equity improvement from 1.0 (FY23) to 0.5 (FY25) demonstrates financial discipline amid aggressive growth plans.

**Company Background:** Over five decades of operations with three-generation promoter family management creating 20+ million sq ft development and serving 46,000+ families. Recognized as "pin code creator" through large format developments including Shanti Nagar (Mira Road), Sastri Nagar (Andheri), Yogi Nagar (Borivali West), and Bhakti Park phases at Wadala. Listed entity with professional management structure complementing family leadership across project management and geographic specialization.

**Business Segments:** Ongoing Portfolio spanning 1.5 million sq ft across seven projects between Mumbai and Bangalore markets. Mumbai Focus through landmark developments including Bhakti Park phases, Eons/Trion towers completion, and upcoming Manhattan phase representing continued Wadala expansion. Bangalore Operations maintaining steady presence with three projects progressing ahead of RERA timelines demonstrating execution capabilities across geographies.

**Regulatory Resolution:** NGT Clearance now resolved as pan-India issue enabling momentum recovery across project pipeline. Permission Strategy with Wadala and Bandra projects receiving RERA certification for Q2 launches, Varsova and Vikroli projects at advanced regulatory stages for Q3 launches, and remaining projects targeting Q4 launches following catch-up on lost timelines.

**Financial Performance:** Growth Trajectory with pre-sales scaling from sub-INR 500 mn (around COVID) to INR 600 mn, INR 800 mn (FY23), INR 1,017 mn (FY24), and INR 1,080 mn (FY25). Collection Efficiency maintaining 60-65% ratio with revenue following percentage completion method. Profitability Improvement with EBITDA margins reaching 33% (FY25) from sub-30% levels and PAT margins stabilizing at 17% from sub-10% COVID-era performance.

**Development Pipeline:** Wadala Expansion with balanced development potential of 10.8 million sq ft including residential phases and boutique office development, plus commercial development through wholly-owned subsidiary with 1.2 million sq ft leasable area. Kanjurmarg Master Plan covering 8.8 million sq ft across two plots - smaller plot (1.1 million sq ft) with police housing reservation and excavation commenced, larger plot (55 acres) with master planning for retail, hospitality, commercial, and residential phases.

**Strategic Initiatives:** Land Bank Monetization through phased development maintaining optimal capital allocation. Partnership Approach via JV/JDA, redevelopment, and SRA models complementing owned land development. Brand Expansion leveraging established market acceptance for geographic and project type diversification.

**Cash Flow Projections:** Near-term Visibility with INR 666 mn estimated cash flow from existing projects over 2.5 years. Launch Pipeline generating INR 1,600+ mn cash flow over 3.5-4 years from nine upcoming projects. Asset Monetization contributing additional INR 330 mn from repatriation activities. Total Generation of INR 2,600+ mn over 4.5-5 years supporting sustained growth investment and debt reduction.



**AKIKO Global Services Ltd****Overview:**

AKIKO Global is a financial product distributor for credit cards, loans, etc., started in 2009 as a tele-calling business. Post-COVID, the company shifted to a digital model. In 2023, it became a Ltd. company and got listed on the NSE in 2024. The vision is to become a fintech company within the next six months with aim for having 1 million users on the Super App by March 2026. The focus is on growing the business to 2x-3x its current size first.

**Key Assets & Technology:**

**Database:** Their major asset is a database of 25 million unique users. Out of these, they have marketing consent and credit bureau reports for 6 million users. This data helps them analyze creditworthiness and target the right customers for specific products (e.g., home loans, credit cards they don't already have).

**Distribution:** They use a multi-channel distribution model:

**Digital Acquisition:** Using tools like WhatsApp, Instagram, Facebook, etc.

**Aggregation Model:** A network of ~4,000 channel partners.

**Corporate Sourcing Model:** Setting up stalls in large corporate offices.

**Business Volumes**

They process around 15,000-20,000 credit cards and disburse around INR 150 crore in loans (personal, business, home loans) per month. The "Super App" (Major Future Initiative): They have secured a PPI (Prepaid Payment Instrument) license and a Wallet license agreement is expected to be signed soon.

**Monetization Strategy:** The app will not rely heavily on cashbacks. Instead, it will leverage:

**Existing Database:** Targeted marketing to their 25 million users.

**Existing Distribution:** Their 4,000-strong team will push the app when processing loan/card applications.

**Features:** Utility bill payments, prepaid cards, loan/card applications, and eventually travel bookings (air, rail).

**User Target****Customer Acquisition Cost (CAC) & Margins:**

**Credit Cards:** Commission is INR 2,000-3,000 per card. Net margin after costs is ~20%. Acquisition cost is ~9-10%. Net margin is ~7-8%. Overall, the company is profitable.

**Akums Drugs & Pharmaceuticals Ltd****Overview**

The company is a dominant player in a large, underpenetrated domestic CDMO market with a clear strategy to diversify into higher-margin international contracts. The recent signing of a large European fixed-price contract and a strategic JV in Zambia provides strong revenue visibility for FY27 and beyond. However, near-term growth remains challenged by API price deflation and a flat domestic market. The path to profitability for its API segment is a key monitorable. The company maintains a disciplined capital allocation strategy, seeking upfront payments for large contracts and re-evaluating capex based on changing economics. The company has no direct exposure to the US market and does not plan to enter it for at least the next four years. It is also not targeting the Generic Lipitor (GLP) market in India, as most launches are expected to be in-house by large players.

**Business Model & Market Position**

The company is India's largest focused CDMO, holding an estimated ~30% market share in the domestic market. The core domestic CDMO business operates on a cost-plus model. The selling price is determined by adding a fixed margin (e.g., ~14-15%) to the total cost (raw materials, conversion, overheads). This makes profitability sensitive to changes in input costs, particularly API prices. It serves over 1,400 companies, including 26 of the top 30 Indian Pharmaceutical Market (IPM) players (e.g., Sun, Mankind, Dr. Reddy's).

**Revenue Mix:** The business is heavily reliant on CDMO.

CDMO: ~80% of revenue, ~90% of EBITDA.

Branded Formulations: ~11% of revenue.

Branded Exports: ~4% of revenue.

API & Trade Generics: ~7% of revenue (currently loss-making).

**Financial Performance & Near-Term Outlook (FY27)**

Quarterly sales have been flat for ~6 quarters due to a flattening IPM (volume growth down to 1-2% from 6-7%) and a significant decline in API prices (down ~15-18% over 12 quarters), which reduces the absolute value of cost-plus contracts.

**FY27 Guidance:**

**Domestic CDMO:** High single-digit growth (7-8%), driven by product mix (5%), inflationary price hikes (1%), and volume (1-2%). Margins expected to remain stable at ~14%.

International CDMO & Branded Exports: 18-20% growth with margins of 18-19%.

**API Business:** Currently loss-making (INR 44 Cr loss in FY25). Aims to be close to break-even by FY27 via cost-cutting, portfolio rationalization, and targeting higher-realization international markets (e.g., Nigeria approval received, Europe filings planned).

**Trade Generics:** Also loss-making; expected to be "severely scaled down" and profitable by FY27.

**Significant Growth Levers & Strategic Initiatives****Major European Contract:**

Value: €200 million (approx. INR 1,800 Cr) over 6 years.

Advance: Received €100 million (approx. INR 900 Cr) as an upfront part-payment. This is sitting as a fixed deposit.

Start Date: Supplies begin in April 2027 (FY28), contributing ~INR 350 Cr annually.

Model: This is a fixed-price contract, different from the domestic cost-plus model. The company bears the risk of input cost inflation.

Margins: Expected to be in line with current CDMO margins (~14%).

Zambia Joint Venture (JV):

Structure: 51:49 JV with the Zambian government.

Revenue: Guaranteed \$25 million (approx. INR 210 Cr) revenue each in FY27 and FY28 from Indian facilities, even before the local plant is operational.

Plant: A new manufacturing facility in Zambia will be built, operational by mid-FY28.

Margins: Expected to be better than domestic CDMO margins due to favorable procurement prices from the government.

Working Capital: Favorable terms (50% advance, 50% on dispatch). Investment required for inventory (90-120 days).

### Key Challenges & Industry Dynamics

API Price Deflation: A major headwind. Driven by excess capacity in China and India and China's strategy to counteract Indian production-linked incentive (PLI) schemes. The management is cautious and cannot predict when prices will stabilize.

Schedule M Implementation: No immediate positive impact. Benefits will only materialize after the regulations are fully implemented. There is currently pushback from MSME lobbies seeking delays or dilution.

Loss-Making Segments (API/Trade Generics): These are a drag on profitability. The company has given itself a timeline until FY27 to turn them around; if unsuccessful, a divestment will be considered.

Asset Utilization: The blended gross block to turnover multiple is 3x. Older, fully-utilized plants operate at ~4x, while newer facilities are still ramping up.

### Capital Allocation & Strategy

Capex: The Jammu facility (planned capex: INR 265 Cr) is under review. The primary benefit (GST refund) has diminished due to a rate cut from 12% to 5%. Only land has been acquired so far.

R&D Spend: ~2.5-3% of revenue, focused on formulation development. The company has an in-house API R&D centre but will primarily focus on backward integration only for cephalosporins.

**All E Technologies Ltd.**

**Business Overview:** All E Technologies Ltd. is a mid-tier IT services player with over 25 years of expertise in enterprise digital transformation. The Company is deeply embedded within the Microsoft ecosystem, offering ERP (Dynamics 365), CRM, Power Platform, Data Engineering, and AI-led services. Unlike pure resellers, its service-led + IP-driven model provides higher-value engagements and stronger margins. Proprietary IP (Travel365, Baffins, CE Connect) is being scaled to strengthen differentiation and create annuity-like revenue streams. The Company operates in India and the US as core markets, while Africa and the Middle East are emerging focus regions. Positioned to ride secular IT trends of cloud adoption, AI integration, and data monetization, though near-term growth faces headwinds from weak global IT spending sentiment.

**Financial Performance**

**Growth Outlook:** Management has cut back FY26 aspirations, the earlier 25–30% organic growth target is unachievable due to elongated client decision cycles and slower pipeline conversion. No formal quantitative guidance has been issued.

**Revenue Visibility:** ~88–90% of revenues are recurring/repeat in nature, largely from long-term managed services, license renewals, and support contracts, providing high visibility and stability even in downturns.

**Margins:** Blended model (licenses + high-margin consulting/implementation) delivers a superior margin profile vs. resellers. Management is prioritizing margin discipline by avoiding low-yield projects, even at the expense of growth.

**Growth Strategy (Four Strategic Pillars)**

**Full-Stack Provider Evolution** – Move from point solutions to being a strategic transformation partner; aim to capture larger IT wallet share by offering ERP, CRM, BI, automation, and AI under one integrated suite.

**Proprietary IP Monetization** – **Travel365:** Industry-specific ERP tailored for the travel sector.

**Baffins & CE Connect:** BFSI-focused engagement and process optimization solutions. These IP-led products drive higher margins, repeat usage, and stronger client stickiness.

**Data & AI Services** – Positioned as the primary long-term growth engine. Services include advanced analytics, AI-led automation, and predictive modeling for clients, while also using AI internally for productivity.

**Geographical Expansion** –Africa: Early traction; management expects near-term revenue contribution.

Middle East: Early-stage buildout; contribution likely visible in 12–18 months.

**Key Risks**

**Macroeconomic Sensitivity:** Global IT spending slowdown may hurt discretionary projects cushioned by strong recurring revenue base.

**Microsoft Dependence:** Over-reliance on Microsoft stack poses concentration risk offset by deep partnership benefits and IP-led diversification.

**Execution Risk in New Markets:** Scaling in Africa/Middle East could face operational hurdles mitigated through phased rollout and leveraging proven delivery frameworks.

**Competitive Intensity:** IT services is highly competitive Company differentiates through IP-led solutions, mid-market focus, and full-stack positioning.

**Outlook**

**Short-Term (2–3 Quarters):** Expect muted revenue growth, dependent on global macro recovery and faster client decision-making cycles. Margins to hold up given management's selective approach.

**Long-Term (FY26+):** Fundamentals remain intact – recurring revenue model, IP strategy, and AI-led offerings provide a strong base for re-acceleration once demand normalizes. The INR 1,000 Cr revenue ambition is still valid, though timelines are extended.

**Aldigi Tech Ltd**

**Outlook:** All Digitech Limited demonstrated resilient operational performance in Q1 FY26 with 11.3% YoY revenue growth and robust margin expansion amid structural transformation within the Fairfax ecosystem. The company remains well-positioned to capitalize on India's expanding BPM market while maintaining its leadership in payroll services, despite navigating evolving US trade policies and AI disruption challenges. Management expressed confidence in achieving mid-teen growth rates (10-15%) while investing in AI capabilities to enhance service delivery and operational efficiency.

**Corporate Structure and Strategic Positioning:**

All Digitech operates as a subsidiary of Digitized Solutions, which emerged from Quest Corp's three-way demerger completed earlier this year. The company is held 74% by QuestCorp, which is part of the wider Fairfax investee ecosystem led by Ajit Isaac. This structural realignment provides enhanced strategic focus while maintaining access to the broader Fairfax network's resources and expertise.

Management has realigned business segments to better reflect market positioning: the payroll business is now termed "Tech and Digital", emphasizing the technology-driven, scalable nature of the platform, while the BPO operations continue as "Business Process Management". This repositioning aligns with parent company Digitized Solutions' reporting structure and market perception.

**Operational Excellence and Market Leadership:**

All Digitech maintains its leadership position as India's largest payroll services provider, processing close to 18 million employee records per month. The Smart Pay platform was upgraded to version 4.0 in FY24, delivering operational efficiencies and extended processing windows for clients. Smart HR platform has been repositioned for the SME segment and rebranded as Bazilli HRMS version 2.

The company operates delivery centers across India (Chennai, Noida, Bangalore) and a significant facility in Manila, Philippines, with approximately 2,000 seats. The Philippines center has experienced threefold growth over the past 2.5 years, expanding from 600 FTEs in early 2023 to nearly 2,000 currently.

BPM services encompass voice delivery from Manila and non-voice operations from Chennai, serving primarily US customers. The company has developed verticalized capabilities in banking and financial services, insurance, and healthcare, with the healthcare vertical being a newer addition showing strong client growth since early 2023.

**Technology and AI Integration Strategy:**

Management has established an AI center of excellence within Digitized Solutions with dedicated C-level leadership to drive AI initiatives across all business lines. The company is embedding AI elements into both internal payroll platforms and client-facing HRMS solutions to enhance operational efficiency and service delivery.

Rather than viewing AI as a threat, management positions the company to coexist with AI agents through a "human-in-the-loop" model. While acknowledging potential displacement of 5-7% of lower-value work annually, the company expects to offset this through new business acquisition and value-added services.

AI implementation is expected to reduce the linear relationship between payroll volume growth and headcount requirements, particularly in the T&D business. The company is also developing total cost of operation models for new customers, sharing automation savings while retaining a portion for improved profitability.

**Market Dynamics and Competitive Positioning:**

Management acknowledged the evolving US trade policy environment, including recent tariff implementations and H1B visa restrictions. However, the company expects minimal direct impact due to its offshore-centric delivery model with limited onshore presence. Management is prepared to establish US delivery centers if client requirements or regulatory changes necessitate onshore capabilities.

The company's scale in payroll services enables significant technology investments, superior client relationship management, and market confidence in new business acquisition. In BPO services, the company focuses on moving from cost center to profit center positioning for clients through value-added services in collections efficiency and sales conversion.

Both BPM and payroll businesses demonstrate strong recurring revenue characteristics. BPM operations are entirely annuity-based, while payroll services feature predominantly recurring monthly per-employee charges with minimal one-time implementation fees.

**Growth Strategy and Capital Allocation:**

Tech and Digital business generates margins exceeding 40% following recent reclassification. International BPM operations maintain margins slightly below payroll business levels, while domestic BPO operations run at single-digit margins and are maintained rather than grown. Management intends to focus investment on the two higher-margin segments.

The Philippines operations represent a key growth driver, particularly in collections services for US financial services clients. The company is evaluating potential acquisitions and partnerships to enhance capability and market access.

Management targets mid-teen growth rates (10-15%) for FY26 without providing specific margin guidance. However, the company expects margin expansion of 100-150 basis points annually driven by operational efficiencies, international business mix improvement, and technology investments offsetting salary inflation.

**Risk Factors and Mitigation:**

While acknowledging potential volume impact from AI adoption in routine processes, management emphasizes opportunities in sales, collections, and complex customer.

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**Allied Digital Services Ltd**

**Outlook:** Allied Digital is poised for sustained growth, with a balanced mix of recurring services and high-value solution projects. Revenue visibility is strong given multi-year contracts and large ticket wins. Margins may face short-term pressure due to global cost dynamics, but medium-term profitability is supported by recurring contracts, cybersecurity, and AI-enabled efficiency gains. Government smart city projects and global enterprise contracts are expected to drive top-line expansion, while the company's net cash position and acquisition pipeline provide optionality for inorganic growth. Overall, Allied Digital demonstrates robust growth potential, operational resilience, and strategic positioning in cloud, cybersecurity, and AI-driven IT services.

Allied Digital is a 41-year-old organization, founded in 1984, and currently led by a second-generation entrepreneur. The company operates in 70 countries with over 3,000 employees, serving 200+ customers across diverse geographies and industries. Notably, Allied Digital has implemented 14 Safe City projects in India and counts 10 Fortune 100 clients among its customer base. The company is net debt-free with strong cash reserves of INR 188 crore, enabling flexibility for large contracts and potential acquisitions. FY24 revenue stood at INR 807 crore, and the near-term target is to achieve INR 1,000 crore within the next four quarters.

**Service Capabilities**

Allied Digital operates across five core service lines:

**Cloud Infrastructure Management** – Partnerships with AWS, Azure, GCP, VMware; data center implementations across smart cities and enterprise clients.

**Cybersecurity (AIM360)** – Assess, Implement, and Manage framework for vulnerabilities, with SIEM, threat intelligence, and identity management solutions.

**Digital Engineering Services** – Implementation of smart city solutions, automation, access control, and integrated building management.

**Software Services (Digital Desk)** – Proprietary ITSM platform for incident management, monitoring, and workflow automation, currently in version 6 with AI-enabled features.

**Workplace Management Services** – Hybrid IT infrastructure management across devices, servers, storage, network, and cloud for global clients, forming a recurring revenue base.

Revenue is classified into Services (recurring contracts) and Solutions (one-time projects), with solutions eventually converting into long-term service contracts, ensuring stickiness and recurring revenue visibility.

**Digital Desk** is Allied Digital's in-house ITSM platform, deployed across 100+ customers, with AI integration for chatbots, agentic AI, and auto-discovery tasks. The AI strategy is in auto-discovery phase, moving toward auto-remediation, while leveraging open-source LLMs for scalable client deployment. Talent strategy includes reskilling existing employees and hiring fresh graduates adept in AI technologies. Attrition in core teams remains low (~3%), while frontline operational staff sees mid-teens attrition, which is manageable.

**Geographic:** Headquartered in Mumbai, Allied Digital has regional headquarters in the US (California) and EU (Ireland), with subsidiaries across Europe, UK, and recently UAE, where a 9,500-employee deployment is underway for a major banking client. The company opens offices only when revenue is secured, ensuring focused operational expansion.

**Significant wins include:** Pune Safe City Project Phase II (~INR 500 crore) – Additional CCD camera implementations.

**Global Financial Institution:** Phase-wise rollout of hands-and-feet IT support across North America, Europe, Asia Pacific.

Global Pharmaceutical Company (~INR 420 cr): Multi-country IT infrastructure and workplace management contract, revenue recognition starting Q1 of next calendar year.

All contracts are typically five-year agreements, often renewed, ensuring recurring revenue and long-term customer relationships.

FY24 revenue: INR 807 crore, targeting INR 1,000 crore in FY25.

EBITDA margins: historically 11–12%, with pressures from global cost trends.

DSOs: 70–75 days, manageable even for government contracts.

Cybersecurity margins are decent to strong, as part of integrated solutions.

**Smart City & Government Projects** – Key growth drivers in India global business focused on enterprises (~65% of revenues).

**Data Centers:** Positioned to implement and manage data centers without heavy capital expenditure; expected growth from government and enterprise demand.

**Acquisitions:** Actively evaluating mid-size companies (USD 5–20 million revenue) in India and abroad; focused on profitability and strategic fit rather than volume.

**AI & Automation:** Digital Desk and AI integration expected to optimize operations, reduce manual effort, and enhance customer experience.

**Aprameya Engineering Ltd**

**Outlook:** The company is well-positioned for continued growth, driven by a robust order book providing clear near-term revenue visibility and an aggressive geographic expansion plan aimed at de-risking the business from regional political cycles. Its integrated turnkey model addresses a significant market need for single-vendor accountability in healthcare infrastructure, creating a strong competitive advantage. The increasing contribution from long-term CAMC contracts will further stabilize earnings through recurring revenue streams. While managing the working capital cycle remains a focus, the resolution of past receivables issues strengthens the financial foundation. Overall, the company's innovation-driven portfolio and strategic expansion are expected to sustain its momentum in the growing Indian healthcare infrastructure market.

**Revenue and Margins****Revenue Mix and Services**

The revenue structure is dominated by healthcare infrastructure projects, which contribute nearly 90% of total revenue. Within this, EPC and turnkey projects account for 85% or more of revenue. In turnkey projects, about 20% of revenue is allocated to interior and infrastructure costs, while 75–80% comes from medical equipment. Standalone medical equipment dealership contributes 8–10% of revenue, and after-sales service—including Comprehensive Annual Maintenance Contracts (CAMCs) and consumables—contributes 5–8%. Margins from turnkey projects align with the company's overall PAT margin of around 12%.

**Turnkey, EPC, and Integrated Model**

Aprameya transitioned to a turnkey healthcare EPC model in 2020 after successfully delivering a modular integrated operation theater at SMS Medical College in Jaipur. Since then, the company has executed over 125 turnkey projects, including 185 dialysis centers. The integrated model allows the company to serve as a single vendor for entire healthcare infrastructure projects, mitigating delays often caused by multiple vendors. Services span architectural design, MEP, interiors, equipment integration, supply, and commissioning, with a focus on specialized units such as modular OTs, ICUs, NICUs, CCUs, and EP labs.

**Order Book**

The order book at the beginning of the year was INR 600 mn, most of which is executable in the first half of FY26, providing strong revenue visibility for the near term.

**After-Sales Services and CAMCs**

The service segment, particularly CAMCs, forms the third pillar of the business. These contracts generate recurring revenue, typically 3–5% of the project value annually, post-warranty, and often last 5–8 years. The company currently manages CAMC projects valued at INR 600-700mn, with charges set at 4% of total project cost. These contracts are mainly initiated in Rajasthan from projects completed in FY21–FY23.

**Innovation-Driven Portfolio**

The company emphasizes innovation to enhance patient outcomes and operational efficiency. Key offerings include a Mobile CT Scan for emergency settings, a Mobile Stroke Unit (MSU) equipped with CT scanning, point-of-care lab, telemedicine, and thrombolytic drugs for rapid response during the “golden hour,” and Electrophysiology (EP) Lab Systems that improve cardiac diagnostic accuracy and reduce procedure time. Additionally, the company offers a Surgical Soft Tissue Robot with 3D 4K imaging and enhanced instrument flexibility, sourced through an Indian manufacturer in a joint venture with an international partner.

**Tendering and Client Profile**

About 90% of revenue comes from state and central government hospitals, with the remainder from private chains such as SIMS, Sterling, and Nara. Government tendering follows either a standard L1 (lowest bidder) process or a direct order route for proprietary solutions. The company addresses a gap in government procurement by acting as a single-source partner for complex turnkey projects, which private hospitals typically source through multiple vendors.

**Receivables and Working Capital**

Previous issues with government receivables have largely been resolved, with remaining collections expected within two weeks. The working capital cycle, which historically reached up to 180 days due to revenue concentration in Q3 and Q4, is being actively managed to reduce receivables below 180 days.

**Geographic Expansion and Growth Drivers**

Currently operational in Gujarat, Rajasthan, Maharashtra, and Delhi, the company is expanding into Uttar Pradesh, Jharkhand, Odisha, and Dhan. The long-term strategy is to add three to four states annually, targeting presence in 12 states by 2027–28. This geographic diversification helps de-risk the business from procurement slowdowns during election periods, which typically freeze new tenders for about six months. Other growth drivers include innovative solutions like the MSU, recurring revenue from CAMCs, and procurement efficiency improvements.



**Arham Technologies Ltd**

**Outlook:** Arham Technologies is strategically positioned to capitalize on India's growing consumer electronics market, leveraging its Starshine and Aaton brands to target both semi-premium and price-sensitive customers. With a focus on smart TVs, fans, and air coolers, supported by new ventures into large-size TVs and interactive flat panels, the company aims for significant growth (INR 1,000 Mn in FY26, INR 5,000 Mn by 2030). Government incentives, GST reductions, and a strong brand-building strategy enhance its competitive edge. While challenges like thin OEM margins and regional brand presence remain, Arham's focus on quality, backward integration and market expansion positions it for sustainable growth.

**Company Overview**

Arham Technologies is a Chhattisgarh-based company that manufactures and sells consumer electronics and electrical appliances under its brand Starshine and a new budget brand Aratton. The company focuses on smart TVs, ceiling fans, BLDC fans, air coolers, washing machines, and mixer grinders.

**Product Portfolio:**

**In-house Manufacturing:** Smart TVs, ceiling fans, BLDC fans, and air coolers.

**Contract Manufacturing:** Washing machines and mixer grinders are sourced from contract manufacturers.

**Revenue Contribution:** Smart TVs contribute most of the revenue, followed by fans, air coolers, and then washing machines and mixer grinders.

**Geographical Presence:** Operates in Chhattisgarh, Madhya Pradesh, Odisha, Maharashtra, Andhra Pradesh, Jharkhand, Uttar Pradesh, Goa, and exports to Nepal.

**New Brand (Aratton):** Launched in 2025 to target the price-sensitive, entry-level market with cheaper TVs and fans, complementing the semi-premium Starshine brand.

**Financial and Operational Performance****Revenue Guidance:**

Targeting to cross INR 1,000 Mn in FY26, with an expected 30-35% CAGR over the next few years. By 2030, the goal is to reach INR 5,000 Mn.

FY27 revenue is projected at INR 1,700-1,800 Mn, including INR 250-300 Mn from the new facility for large-size TVs and interactive flat panel displays.

Recent GST reductions are expected to boost growth by 10-15%, as they reduce the price gap between organized players like Arham and the gray market.

**Margins:** Current EBITDA margin is 15-18%, expected to remain in this range due to depreciation costs from new capex and increased ad spending for brand building.

Future margin growth is expected as brand value increases, allowing Arham to command premium pricing, like established brands like LG or Samsung.

**Revenue Mix:**

95% of revenue comes from the Starshine brand, with 5% from OEM sales mainly ceiling fans for regional brands.

Plans to shift to a 90:10 mix (own brand:OEM) as OEM fan manufacturing grows, but TVs will not be part of OEM due to thin margins (12-14% for OEM fans).

**Capacity Utilization:**

Current utilization: ~30-40% for smart TVs (80,000-83,000 units annually against a capacity of 3 lakh units) and 40% for fans (2.5-3 lakh units capacity).

Fan capacity is expected to be fully utilized by 2028, with plans to add more capacity thereafter.

**Capex Plan:**

Announced INR 185 Mn capex for upgrading plant and machinery to manufacture large-size TVs (43-inch, 50-inch, 55-inch) and interactive flat panel displays used in education, offices, and conferences.

**Funding:** INR 75 Mn via bank debt, the rest from internal accruals and potential fundraising (INR 450 Mn planned for working capital, branding, and marketing).

Operations to start by March 2026, contributing INR 250-300 Mn in FY27 (25-30% of current revenue) and growing at 30-40% CAGR thereafter.

**Fundraising:**

Plans to raise INR 450 Mn for working capital, branding, and marketing.

**Strategic Initiatives****New Product Lines:**

Expanding into large-size TVs (43-inch and above) due to rising demand for post-GST changes and interactive flat panel displays, which share similar technology and supply chains.

Interactive flat panel displays target the education and corporate sectors, driven by a INR 300 Bn government budget for upgrading schools and colleges.

**Market Expansion:**

Strengthening presence in existing states (Chhattisgarh, Madhya Pradesh, Odisha, etc.) and expanding to Uttar Pradesh, Jharkhand, Bihar, Gujarat, and Rajasthan, focusing on semi-urban and rural areas.

Urban demand is growing due to OTT platforms driving sales of budget TVs for secondary use.

Exports started to Nepal with plans to explore more markets.

**Backward Integration:**

Planning to manufacture fan components (blades, body covers) in-house to improve margins by 4-5%. Aaton's volumes will support this by increasing overall production scale.

**Government Business:**

Started supplying to the government 6 months ago, generating INR 70 lakh in revenue with higher margins than private sales. Targeting increased government contracts, especially for interactive flat panel displays, due to the INR 300 Bn education budget.

**Operational Details****Manufacturing Facility:**

Located in Raipur, Chhattisgarh, on a 99-year lease from the government in an electronics manufacturing cluster. Can be converted to freehold after 10 years with a fee.

Current capacity: 3 lakh TVs and 2.5-3 lakh fans annually, with significant room for growth.

**Guidance**

**Revenue Growth:** Targeting INR 1,000 Mn in FY26, INR 1,700-1,800 Mn in FY27, and INR 5,000 Mn by 2030, with a minimum 30-35% CAGR.

**Margin Stability:** EBITDA margins to remain at 15-18% in the near term due to depreciation and ad spends. Long-term margin growth is expected as brand value increases, allowing premium pricing.

**Capacity Expansion:** New capex for large-size TVs and interactive flat panels to start by March 2026 with full fan capacity utilization by 2028. Additional fan capacity planned thereafter.

**Backward Integration:** Manufacturing fan components in-house to boost margins by 4-5%, supported by Aaton's volume growth.

**Mainboard Migration:** Eligible by December 2025 after crossing INR 1,000 Mn revenue, with migration targeted for the start of FY27.

**Market Penetration:** Expanding into Uttar Pradesh, Jharkhand, Bihar, Gujarat, and Rajasthan, with a focus on semi-urban/rural markets and urban second-TV demand.

**Arihant Superstructure Ltd**

**Outlook:** FY26 marks Arihant's strategic pivot leveraging new Navi Mumbai Airport operational launch and 75% portfolio positioning within 10-40 minutes travel time from airport. The company's diversification into villa segment (25% of GDV) with first-mover advantage and 45%+ EBITDA margins provides competitive differentiation from supply-heavy MMR market. Environmental clearance approval for key projects removes major execution bottleneck, enabling construction restart from October 2025. Management's pre-sales guidance of INR 13,00-14,000 mn for FY26-27 supported by strong project pipeline and premium positioning strategy across affordable, mid-income, and luxury segments.

**Company Background:** Operating in Mumbai Metropolitan Region since establishment, Arihant has expanded from 8 geographies in 2021 to 12 different locations currently. The company doubled both land bank (160 to 320 acres) and Gross Development Value (INR 6,700 mn to INR 12,500 mn) over last 3-4 years through strategic acquisitions and project development.

**Business Segments:** **Affordable Housing** (38% of portfolio) targeting INR 5 mn ticket sizes serving lower income groups. **Mid-Income Housing** (37% of portfolio) focusing on INR 5-10 mn price range. **Luxury Segment** (25% of portfolio) offering INR 10-40 mn properties with significant margin upside through villa developments at Chembur providing annuity income from FY29.

**Strategic Positioning:** **Airport Proximity Advantage** with 75% portfolio within 40 minutes of new Navi Mumbai Airport creating significant infrastructure value appreciation. **Villa Segment Leadership** providing de-risked 25% portfolio share with first-mover advantage in non-competitive micro-market, targeting 45%+ EBITDA margins through land acquired at attractive cost.

**Project Portfolio:** **Orient World Villas** at Chembur launched with excellent market response, including development of five-star hotel and sports club generating annuity income from FY29. **Residential Projects** across Panvel airport area (57% of portfolio), Kharghar, Taloja (11%), and Vashi (6%) providing comprehensive MMR coverage. **Mixed-Use Development** combining residential with hospitality and recreational facilities.

**Financial Performance:** Q1FY26 EBITDA margin of 30.5% driven by project completion mix, expecting annual average of 25% improving to 27-30% over 2-3 years as higher-margin projects contribute. **Environmental Risk Mitigation:** Supreme Court judgment in August 2025 enabling environmental clearance receipt for two major projects with construction restart from October 1, 2025.

**Growth Strategy:** **Product Diversification** across residential, commercial, and hospitality segments. **Geographic Focus** maintaining MMR concentration while exploring premium micro-markets with lower competition intensity. **Margin Enhancement** through luxury positioning and value-added services including IGBC Platinum certification for ESG compliance.

**Market Challenges:** MMR supply increase addressed through non-competing area focus and execution excellence leveraging 30-year track record. **Cost Management:** GST reduction from 28% to 18% on cement providing construction cost relief of INR 50-75 per sq ft. Inflation pressures managed through government policy support and material cost stabilization.

**Aris Infra Ltd**

**Outlook:** FY26 positions as breakout year with aggressive 40% revenue growth guidance targeting INR 95-100 mn EBITDA and INR 50-60 mn PAT, driven by IPO proceeds deployment and debt reduction benefits (INR 250 mn repaid, reducing annual interest cost from INR 41 mn). The company's unique combination of materials aggregation (90% revenue) and real estate development management services (10% revenue, 50-60% margins) creates multiple growth vectors, while technology platform automation of 400+ workflows enables 4-5x workforce efficiency supporting scalable expansion. Working capital optimization from 120 days (filing) to targeted 85-90 days within two quarters, combined with 75-80% customer retention and contract manufacturing expansion to 35-38% of materials revenue, establishes foundation for sustained margin improvement.

**Company Background:** Asset-light construction materials platform aggregating 1,800+ suppliers serving 2,800+ customers including marquee infrastructure players (L&T, Tata Projects, APCO, AFCON) and real estate developers (Wadhwa, Transcon, Sobha Realty). Listed Q1 FY26, the company operates across 1,100+ pin codes with 800 daily truck deliveries and 15+ million metric tons delivered lifetime. Technology-first approach with proprietary platform handling entire business workflow automation from vendor negotiation through delivery and invoicing.

**Business Segments: Construction Materials** (90% revenue) focuses on fragmented unorganized sectors - stone aggregates and RMC contributing 60-65% of materials revenue with strong consolidation opportunity. Steel/cement deliberately reduced from 52% to 10-11% concentration for risk management, offered only to high-value clients. Contract manufacturing represents 35-38% of materials revenue, providing superior margins: aggregates 10-12% EBITDA vs 5-6% sourcing, concrete 7-8% vs 3.5-4.5%.

**Services Division: Uniton Subsidiary** provides end-to-end real estate development management for second-tier developers, charging 10-14% fees on Gross Development Value with 50-60% margins. Current portfolio: 2.5 million sq ft under management representing INR 1,200 mn GDV with INR 150-170 mn revenue visibility over 24-36 months. Services provide 24-36 month revenue visibility while creating cross-selling opportunities for exclusive materials supply.

**Technology & Operational Efficiency: Platform Automation** handling 400+ workflows enables lean 40-50 person back-office managing INR 80+ mn monthly materials business. **Real-time Credit Management** supporting working capital reduction from 97 days (Q1 FY26) toward 85-90 day target through technology-driven diversification and customer relationship management. **Contract Manufacturing** providing supply security and volume discounts without fixed asset ownership or operational complexity.

**Financial Performance: Q1 FY26 Results** INR 215 mn revenue (achieved without IPO proceeds), 9.14% EBITDA margin (highest ever), INR 5 mn PAT (80% of FY25 full-year PAT). **Debt Optimization** INR 250 mn debt repayment (INR 204 mn from IPO, balance from operations) eliminating expensive term loans, retaining only operational bill discounting facilities. **Growth Guidance** 40% annual revenue growth, INR 95-100 mn EBITDA target, 5% PAT margins translating to INR 50-60 mn PAT.

**Services Growth Strategy: Development Management** targeting second-tier developers lacking in-house capabilities, providing money (through HNI investor network of INR 1,000-1,500 mn), materials (through Aris platform), and management (300-400 years combined real estate experience).

**Risk Mitigation** through financial closure requirements before project engagement, focusing on fast-moving plotted/villa developments under 30-month duration. Revenue recognition at 20% sales achievement with robust project selection criteria.

**Competitive Advantages:** Integrated Offering combining materials, services, and technology unique in fragmented INR 30,000+ mn construction materials market. Contract Manufacturing without fixed asset risk providing supply security and superior margins through volume partnerships. Technology Moats through proprietary automation reducing workforce dependency while enabling 4-5x efficiency versus traditional players. Customer Relationships with 75-80% retention supporting monthly rolling demand of INR 80+ mn with expansion target to INR 100-120 mn.

Arkade Developers Ltd

**Outlook:** FY26 represents transformational scaling with upcoming luxury projects Filmistan (INR 3,000 mn GDV) and Thane (INR 2,000 mn GDV) launching by year-end, driving revenue recognition of INR 1,800 mn over next 18 months. The company's asset-light model with rapid 2-3 year project cycles from land acquisition to OC delivery enables sustainable 20-30% revenue and 18-20% PAT margin growth. Strong balance sheet with negative net debt and proven execution track record delivering all 31 projects before RERA deadlines provides competitive advantages in luxury housing segment where quality and timely delivery command premium positioning.

**Company Background:** 39-year legacy company founded in 1986 by Mangal Jain, with MD Amit Jain bringing 30 years industry experience since joining in 1995. Successfully delivered 31 projects (18 greenfield, 13 redevelopment) serving 5,500 families across 5.5 million sq ft development. IPO in 2024 raised INR 410 mn with 113x subscription, listing at 30-35% premium reflecting strong market confidence.

**Business Model:** **Asset-Light Strategy** with rapid monetization avoiding long-term asset holding, enabling quick turnaround and strong cash flow generation. **Balanced Portfolio** maintaining 50-50 greenfield-redevelopment mix - greenfield providing higher margins but capital intensive, redevelopment offering lower margins but minimal initial capital outflow. **Geographic Focus** expanding from western suburbs to eastern corridor (Mulund, Bhandup) and Thane, maintaining MMR concentration in mature, high-demand market.

**Project Portfolio:** **Ongoing Projects** with INR 2,000 mn GDV including six active developments (two greenfield, four redevelopment) with INR 776 mn sold and INR 1,285 mn to be sold as of June. **Upcoming Pipeline** includes Filmistan (4 acres, INR 3,000 mn GDV) and Thane (6.2 acres, INR 2,000 mn GDV) targeting launches by FY26 end. **Revenue Recognition** expecting INR 1,800 mn recognition by March 2027 from current ongoing projects.

**Execution Excellence:** **Delivery Track Record** completing all projects 8-10 months before RERA deadlines through established contractor relationships spanning 8-10 years. **Quality Focus** with in-house capabilities across project management, BD, legal, sales, and marketing departments. **Market Positioning** in luxury segment with ticket sizes ranging from INR 1.5-2 mn (eastern suburbs) to INR 2-2.5 mn (western suburbs) and premium INR 6+ mn (Santa Cruz luxury project).

**Financial Performance:** **Strong Metrics** with Q1FY26 revenue of INR 165 mn (+31% YoY), EBITDA INR 34 mn, and PAT INR 29 mn. **Growth Trajectory** from INR 237 mn revenue (FY22) to INR 695 mn (FY25), with PAT growing from INR 50 mn to INR 157 mn over same period. **Cash Management** achieving negative net debt of INR 21 mn as of March 2025 with debt-equity consistently below 0.74x.

**Sales Strategy:** **Launch Velocity** targeting 25-30% sales at project launch, scaling to 95-97% by OC with minimal inventory remaining. **Payment Structure** through construction-linked payments ensuring consistent cash flow throughout project lifecycle. **Premium Positioning** through superior construction quality, strategic locations, and timely delivery creating sustainable competitive advantages.

**Growth Strategy:** **Market Expansion** potential beyond MMR if attractive opportunities emerge, though current focus remains on mature Mumbai market given strong demand and developer migration from other regions. **Margin Sustainability** expecting 18-20% PAT margins through careful project selection, timely execution, and market-appropriate pricing strategies. **Scalability** through proven 2-3 year project cycles enabling rapid capital recycling and portfolio growth.

Arvind Smartspace Ltd

**Outlook:** FY26 represents a strategic inflection point as Arvind Smartspace pivots from 70-80% horizontal to a balanced 50-50 horizontal-vertical portfolio within two years, enabling higher volumes through high-rise developments. The company's INR 3,000 mn project launches planned for current year, backed by strong 25% CAGR booking growth and net debt-negative status, positions it for sustained 25-30% PAT growth. Strategic focus on Mumbai, Bangalore, and Ahmedabad markets targeting INR 10,000 mn bookings represents ambitious but achievable scaling given Mumbai's market expansion from INR 1.2 lakh mn to INR 2 lakh mn and company's proven execution track record with 73% JV/JDA model providing capital efficiency.

**Company Background:** Part of the 160-year-old Lalbhai Group, Arvind Smartspace was created in 2008 and listed in 2015 post-demergence from Arvind Limited. Led by Vice Chairman Kulin Lalbhai with active promoter involvement including three capital infusions, the company has delivered 6.5 million sq ft with 44 million sq ft ongoing and 56 million sq ft planned projects. Strategic partnership with HDFC Capital includes INR 900 mn platform where HDFC holds 8.8% equity stake with board representation.

**Business Segments:** **Horizontal Development** currently dominates at 70-80% of portfolio value through plotted developments and villas, with strong leadership position in Ahmedabad market. **Vertical Development** represents 20-30% through high-rise, mid-income, and luxury apartments in Bangalore and emerging MMR presence. Strategic shift targeting 50-50 mix within two years enables higher scalability while maintaining de-risked execution model through conservative project underwriting.

**Geographic Strategy:** **Three-Market Focus** on Ahmedabad, Bangalore, and MMR targeting leadership in at least two of India's top three real estate hubs. **Revenue Mix Evolution** expects 70% from Mumbai and Bangalore, 20-30% from Ahmedabad within three years. **MMR Entry** validated through 93-acre horizontal project signed in January and pending redevelopment project near Santa Cruz, leveraging strong landowner comfort and business relationships.

**Financial Performance:** **Strong Cash Generation** with INR 340 mn free cash flow last year, INR 460 mn previous year, maintaining net debt-negative status with INR 50 mn surplus in Q1FY26. **Booking Growth** at 25% CAGR reaching INR 1,300 mn with collections of INR 930 mn. **Business Development Success** with record years FY24 (INR 4,150 mn projects added) and FY25 (INR 4,450 mn), targeting INR 5,000 mn annually going forward.

**Profitability Framework:** **Margin Discipline** with PAT margins of 23-25% and EBITDA margins above 25%, refusing projects below threshold. **Growth Guidance** of 25-30% annual PAT growth over next 2-3 years building on INR 100 mn+ PAT achievement. **Capital Optimization** targeting debt-to-equity ratio of 0.7, moving from current net debt-negative status for improved capital efficiency.

**Product Strategy:** **Launch Strategy** targeting 30-40% sales at launch through competitive pricing (0.5% discount to nearest competitors) and strong brand trust. **Premium Amenities** including large clubhouses (60,000-1 lakh sq ft) and golf courses enhancing property appreciation. **Execution Timeline** with horizontal projects completing in 18-30 months versus high-rise projects requiring 3-4 years affecting revenue recognition speed but maintaining margin targets.

**Partnership Model:** **HDFC Capital Platform** provides strategic flexibility with INR 900 mn joint investment where HDFC funds two-thirds and Arvind one-third with performance-weighted returns. **Joint Development Focus** covering 73% of projects while increasing outright acquisitions and moderate debt usage for enhanced flexibility. Strong internal cash flows have reduced reliance on HDFC capital despite platform availability.

**Outlook – Scaling Towards Leadership**

Management remains confident of sustaining a 30% CAGR over the next three years, targeting AUM of 310 bn by FY26 and 500 bn by FY28, with a longer-term ambition of reaching 1 tn within seven years.

Profitability is set to scale in tandem, with FY26 PAT guided at ~8.5 bn and FY28 at ~17 bn, while ROE is expected to expand to 16–18% and ROA to 4–4.5%.

Key levers include margin expansion from high-yield products, cost-of-funds optimization, fee income growth through insurance and new capital markets businesses, and better operating leverage as branches mature.

**Conclusion:** Capri Global has positioned itself as a tech-driven, fee-rich, and diversified NBFC with a secure lending model and robust asset quality. With strong capital backing, scalable technology, and multiple income engines, the company is on track to deliver sustainable growth and profitability, while building resilience against sectoral and macro risks.



**Ashapuri Gold Ornament Limited****Overview**

**Trusted B2B Manufacturer:** AGOL operates a capital-efficient wholesale model, supplying to a prestigious and diverse clientele including Titan/Tanishq, Malabar, Kalyan Jewellers, and Senco.

**Significant Client Shift:** A major strategic shift occurred in FY25, with Corporate Clients (like large branded chains) now contributing 70.46% of revenue, up from just 43.69% in FY23. This signifies a move up the value chain and provides greater business stability.

**Deep Design & Manufacturing Capability:** With over 18,000 designs and a fully in-house manufacturing facility run by 300+ artisans, AGOL controls quality, cost, and lead times. Their 93% capacity utilization indicates high demand.

**Strong Balance Sheet:** The company is nearly debt-free (Debt-to-Equity of 0.08 in FY25), which provides financial flexibility for future expansion. Key ratios like ROE (8.21%) and ROCE (11.19%) are healthy and improving.

**Well-Positioned in a Favorable & Underpenetrated Market**

**Huge Addressable Market:** The organized jewellery manufacturing sector in India is highly fragmented, with organized players holding only an 11% market share. This presents a massive opportunity for a compliant, scaled player like AGOL to capture market share from the unorganized sector.

**Industry Tailwinds:** The Indian gems and jewellery industry is projected to grow at a CAGR of 8.6%. Supportive government policies, like the recent cut in customs duty, and strong export projections (\$100 Bn by 2027) create a positive macro environment.

**Clear and Actionable Growth Strategy**

**Wallet Share Strategy:** Deepening relationships with existing large clients to become a more significant supplier.

**Long-Term Supply Agreements:** Actively working to secure long-term contracts with reputed chains, ensuring revenue visibility.

**Geographic Expansion:** Strengthening the sales force to penetrate high-potential markets and Tier 2 cities further.

**Digital & Design Innovation:** Enhancing online presence and continuing to launch trend-focused collections to stay relevant.



**Asian Granito India Ltd (AGL)****Strategic Outlook & Growth Drivers**

**Brand Repositioning:** AGL is extending its association with its brand ambassador (Kapoor) for another 3 years to strengthen brand recall. Management also committed to half-yearly earnings calls and more active investor engagement to improve transparency and perception.

**Market Positioning:** The company aims to close the gap with Somany and emerge as the No.2 player in the sector over the next few years, supported by deeper penetration in Tier-2/3 towns.

**Capacity Utilization:** Built-up capacities from the recent rights issue are running at 60–65%; management targets 80–85% utilization, which should bring operating leverage benefits.

**Product Mix:** Share of in-house manufacturing (currently ~30%) is expected to rise to 50–55%, improving margins by reducing dependence on outsourcing. Retail sales will be a stronger focus, given superior profitability.

**Export Focus & De-risking:** Overseas diversification remains a key lever against India's cyclical real estate cycle. A wall tiles plant in Nepal will be operational by December 2025, while subsidiaries in UAE, US, UK, Indonesia, Thailand, and Senegal will follow a "retail cash & carry" model with reduced credit periods. The UAE unit already generates 20–25% net margins.

**Diversification Beyond Tiles:** AGL has acquired a 26% stake in AL Proteins Pvt Ltd to tap into the cattle feed protein derivatives space, aiming to reduce reliance on building materials alone.

**De-merger & Structural Changes**

Court approval for Scheme 2 is expected in the next couple of months, post which all four manufacturing entities will be consolidated under AGL.

Post-merger, promoter holding will rise to 50–51%, while share capital will expand to ~29.6 crore shares.

The merger is expected to add INR200–225 crore in incremental sales and ~INR25 crore in EBITDA, while adding fixed assets (~INR200 crore) and ~INR100 crore of debt. Depreciation will also rise by ~INR20 crore annually.

Management sees this as a critical step in resolving promoter perception issues and centralizing capacity under one listed umbrella.

**Financial Guidance & Profitability Outlook**

**Topline Growth:** Consolidated revenues are projected to grow 15–20% annually, with FY26 topline guided at INR2,000 crore and similar growth expected in FY27. Industry demand growth is seen at 10–12%, suggesting AGL targets market share gains.

**Margins:** Target EBITDA margin range is 10–12% (vs 5–6% currently). PAT margin is expected at 5–6% in FY26, rising to 7–8% in FY27.

**Levers for Margin Expansion (6–7% total improvement):**

~3% from realization gains (ASP increase from INR300/sq ft to ~INR330/sq ft via branding).

~2% from higher utilization.

~1–2% from merger synergies.

**Capex & Debt:** No major greenfield capacity plans. Capex limited to the Nepal JV (~INR10 crore) and a CP fitting plant (~INR50 crore, 3–6 months timeline). Consolidated debt post-merger to be ~INR400 crore, comfortably serviceable from cash flows.

**Sanitaryware – High Growth Focus**

Current sanitaryware revenues (~INR65 crore in FY24) are expected to scale to INR100–110 crore in FY25, with a 3–4 year target of INR300–350 crore.

Segment has turned profitable: EBITDA margins at 16–17%, PAT margins at 10–11%.

New CP fittings plant will support the next growth phase and strengthen brand recall.

**Outlook**

AGL is entering a margin-accretive growth phase, with structural consolidation (merger), higher in-house production, and international expansion driving visibility. While debt levels will rise post-merger, cash flow generation appears adequate. Management's clear guidance of 20% growth across topline, EBITDA, and PAT for the next two years, combined with stronger promoter alignment and brand repositioning, suggest improving investor confidence and potential re-rating catalysts.

**Atam Valves Ltd**

**Outlook:** The company is positioned for strong growth, targeting a 25-30% CAGR increase with a long-term goal of reaching INR 10bn by FY30. Profitability is expected to improve significantly, driven by the expansion into high-margin niches like marine applications and the strategic B2B faucet business. Key near-term catalysts include the imminent API certification, which will unlock the lucrative oil and gas export market, and the merger with AMCO, which promises enhanced capacity and cost savings. While high inventory and working capital requirements present short-term challenges, the underlying demand from the industrial, plumbing, and building sectors provides a solid foundation for achieving its aggressive growth targets.

**Revenue**

Atam Valves focused to grow 25% to 30% YoY for the next two to three years. The long-term strategic goal remains highly ambitious, with a target of reaching INR 10bn in revenue by 2030.

**Profitability Margins**

The company aims to maintain a PAT margin between 9% and 10%, with a sustainable EBITDA margin target of around 18%. Current margins are slightly lower, hovering between 15% and 16%, but are projected to improve. This anticipated expansion is largely driven by the introduction of higher-margin product lines, most notably the marine applications segment, which is expected to deliver PAT margins of 25% to 30%.

**Revenue Mix and Key Segments**

The company's revenue is derived from three primary verticals: plumbing, industrial, and oil & gas/marine. Historically, the boiler segment within the industrial vertical contributed 30% of revenue, while hydro accounted for 10%. The firefighting and plumbing segment made up the remaining 40% of the explained mix. The boiler segment is a strong, established area with an estimated market size exceeding INR 5bn, where the company supplies directly to OEMs. The plumbing and firefighting segment, which relies on a dealer network, offers higher margins and is expected to see a significant boom over the next decade. The newly developed marine applications niche is focused on specialized materials and is considered very profitable due to limited competition.

**New Business Expansion**

The company is expanding into the faucets business. The strategy is to focus exclusively on the niche, elite, and top-end markets, avoiding direct competition with local manufacturers. The business model will be strictly B2B, targeting real estate owners and builders directly to secure project approvals. Initially, the company will act as a trader, sourcing products from suppliers in countries like China, and hopes to achieve EBITDA margins of 25% to 30% in this segment.

**Capacity and Utilization**

The company's current manufacturing capacity stands at 96,000 pieces per month, with utilization rates around 60%. There are concrete plans to double this capacity within the next two years through the introduction of new machinery. Furthermore, the acquisition of AMCO Industries, which has a total capacity of INR 2bn presents significant additional capacity, though it is currently not being utilized efficiently.

**Order Book and Demand**

Given its reliance on a dealer network, the business operates as a regular, ongoing process rather than being defined by a large, fixed order book. The typical ongoing order book is consistently around INR 50-60 mn at any given time. This order book is expected to increase monthly as the company secures new approvals from contractors and builders, indicating healthy underlying demand, particularly in the building and infrastructure sectors.

**Working Capital and Inventory**

Working capital management is a key focus area, as inventory levels have risen significantly. Current inventory is equivalent to almost 50% of revenue, a level attributed partly to previous year's order delays but primarily to the company's strategy of maintaining huge ready stock to ensure prompt supply and demonstrate capability to new buyers. These high inventory levels are expected to persist for at least the next two years. Additionally, the need to extend credit to new dealers and developments will further impact the working capital cycle.

**Debt:** The debt associated with the AMCO acquisition includes a term loan of approximately INR 70mn and a cash credit facility of about INR 20mn.

**API Certification for Exports**

The pending API Q1 certification is a critical milestone for the company. The audit is scheduled for November, with expected certification by January or February of the next year. This certification is crucial for entering the global oil and gas market, with the US being the primary target, followed by markets in Saudi Arabia, Abu Dhabi, and Europe. The company is already in talks with several OEMs who require this certification before placing orders, and it is considered vital for achieving the long-term INR 10bn revenue goal.

**Manufacturing, Raw Materials, and Merger with AMCO**

The planned merger with AMCO Industries is a strategic move to consolidate manufacturing operations. Atam Valves currently specializes in cast iron and non-ferrous products, while AMCO manufactures stainless steel, cast steel, and forged steel valves, accounting for 40% to 50% of Atam's total sales. The merger rationale is to leverage AMCO's larger infrastructure and latest machinery, improve margins by eliminating the separate margin taken by AMCO, and streamline operations. The process is underway, with completion targeted by the end of FY26. A key operational note is that stainless steel products, which AMCO specializes in, have a longer turnaround time of over three weeks compared to cast iron's four-to-five days.

AMCO's current PAT margin is about 5% to 6%, which the merger aims to improve.

**Growth Drivers and Cost Savings**

The primary growth drivers include the expansion into high-margin segments like marine applications and premium faucets, the expected boom in the plumbing and firefighting sector, and the potential market access granted by the API certification. Significant cost savings and margin improvement are anticipated from the merger with AMCO, which will eliminate inter-company margins and create operational synergies by leveraging a larger, combined manufacturing infrastructure.

**Australian Premium Solar Ltd**

**Outlook:** Revenue and profitability are expected to continue their robust growth trajectory, supported by significant capacity expansion from 400 MW to 1.2 GW in the near term. The ambitious backward integration into solar cell manufacturing will further enhance margins and supply chain control from FY27-28 onwards. Strategic diversification across retail, C&I, solar pumps, and a planned entry into the large ground-mount segment positions the company to capitalize on diverse demand streams while protecting margins from industry overcapacity. With a net debt-free status and disciplined capex management, the company is well-equipped to execute its growth plans and strengthen its market position.

**Revenue Mix and Segment Diversification**

By the end of the current financial year, the revenue distribution is expected to be diversified: solar pump projects will contribute 30–35%, the residential and Commercial & Industrial (C&I) market will account for 15–20%, and the distribution (wholesale) segment will make up the remainder. Currently, the distribution department contributes 50% of total revenue. This deliberate diversification across distribution, retail, and solar pumps helps maintain margin stability compared to companies focused solely on project supply.

**Margins and Cost Efficiency**

EBITDA for Q1 FY26 was 21.32 crore, with an EBITDA margin of 13.91%, reflecting an improvement of over 200 basis points year-on-year. Segment margins vary: distribution operates at 9–11%, solar pumps near 15%, and retail between 14–18%. The planned vertical integration via a 1 GW solar cell facility is expected to contribute EBITDA margins of 25–30%.

**Capacity and Module Expansion**

Current solar panel manufacturing capacity is approximately 400 MW. The first phase of expansion adds a 400 MW TopCon panel line, expected to be operational within three weeks, with commercial production starting shortly. An additional 400 MW is planned by March 2026, bringing total effective capacity to about 1.2 GW by next year. This expansion will support growing demand in EPC and distribution segments.

**Solar Cell Manufacturing and Backward Integration**

The company is developing a 4 GW solar cell manufacturing facility near Ahmedabad. The first 1 GW phase is expected to be operational within 18–20 months, likely commissioning around FY27–28. This backward integration is projected to generate additional revenue of INR 6.5–7.5bn. The capex for the first phase is nearly INR 10bn covering land for 4 GW and machinery for 1 GW.

**Capex, Debt, and Working Capital**

The capex for the 800 MW module expansion is estimated at 10–12 million USD (~INR 1bn). All necessary machinery and funding have been arranged. The company maintains a net debt-free position. The gross asset block is around INR 350mn, expected to rise to INR 500–600mn by FY26-end and nearly INR 1,000mn by FY27, driven by machinery investments.

**Order Book and Volume**

The solar pump order book stands at 325–350K units, though execution is capped at 350K before March 2026 due to guidelines. This translates to about 40 MW in volume, requiring roughly 8,000 systems. Retail orders are fulfilled within 4–6 weeks, while distribution relies on 80 active distributors across four states providing monthly orders.

**Raw Materials, Imports, and Supply Chain**

Silicon is sourced from China, Australia, and the USA. India lacks a complete domestic supply chain for advanced technologies like HJT. The existing 10 GW TopCon capacity in India is consolidating around that technology. The company currently does not focus on exports, with 0% export market share, and utilizes full production for domestic demand.

**Business Segments: Retail, C&I, Wholesale, Pump, and Ground Mount**

The EPC segment includes residential, C&I, and ground-mount projects. The company serves over 15,000 residential customers and has recently expanded aggressively into C&I. Distribution has expanded beyond Gujarat and Rajasthan to include Maharashtra and MP, with hiring underway in Northern and Southern states. Solar pump tenders are active in 12 states. Captive panel consumption accounts for about 40% of solar pump project costs. While residential, C&I, and pumps make up 35% of India's market, ground-mount projects represent 60–65% of turnover demand—a segment the company plans to enter in the next 3–6 months.

**Solar Module Technology: DCR vs. Non-DCR**

The company focuses on premium modules like TopCon and TopCon Plus, with the cell facility designed for TopCon Plus, which offers about 0.3% higher efficiency than standard TopCon. The new machinery will support back contact and future tandem technologies. Non-DCR TopCon panels sell for INR 12.5–13 per watt, while DCR TopCon panels realize INR 24–26. HJT panels are about one rupee higher per watt than TopCon but require double the capex and lack a mature supply chain.

**Industry Demand, Market Size, and Growth Drivers**

India's solar module demand is estimated at 40–45 GW, while nameplate capacity is 75–80 GW. At 70% utilization, production capacity is around 56 GW, indicating overcapacity. Module capacity could reach 200 GW in two years, leading banks to hesitate in financing new entrants. APS's growth is driven by capacity expansion, vertical integration, and product innovation. Diversification across segments is key to maintaining margins. To support expected turnover growth—potentially tripling in 12–18 months—the company plans to double its staff.

**Autoline Industries Ltd****Capacity & Capex**

Expanded facilities in Sanand (20,000 sqm + 23,000 sqm) and Pune (6,000 sqm), with new robotic lines, high-precision presses (1000-500 tons), and Industry 4.0 capabilities for robotic welding.

Current capacity supports 1200-1300 cars/day; utilization is low but ramping up. Capex of 160 Cr over the last two years focused on tooling and automation; asset turn expected at 2.5-3x at peak.

Investments include 75 Cr in tooling loans for new models (e.g., Sierra); debt matures in April 26. No major new capex planned; focus on optimizing for 1000 Cr revenue by FY27 and 1200 Cr by FY28.

**Financials & Margins**

Q1 FY26 revenue: 151 Cr (flat YoY), EBITDA: 13 Cr (8.8%), PAT: 13 Cr (including 19 Cr exceptional from stake sale). FY25 revenue: 657 Cr, EBITDA: 68 Cr (10.1%), PAT: 23 Cr.

Margins impacted by new capacity ramp-up and steel price reductions; finance cost 33-35 Cr in FY26, reducing to 20-25 Cr in FY27.

**Debt**

Equity ~1x by FY27; tooling loans (75 Cr) are short-term.

Targeting 1000 Cr revenue by FY27; exceptional income from 98 Cr stake sale in subsidiary (booked 19 Cr profit in Q1, balance 10 Cr pending).

**Growth Drivers**

Tied to new Tata models (Sierra, EV/PV/CV) and Mahindra expansion (250-300 Cr revenue target). Non-auto segments like solar trackers and EV components add diversification.

GST/army reductions and 8th Pay Commission boost demand; automation/AI improves efficiency. Tooling business provides recurring revenue (135-140 Cr peak from Sierra).

Export focus and value-added products; strong ties with Tata (60% revenue, 60% CV/40% PV) and Mahindra; new Sanand plant aligns with customer footprint optimization.

**Product Differentiation and Moat**

Art-to-part capability: From design to manufacturing, with patents (e.g., Canelo assembly) and Industry 4.0-enabled robotic welding/high-precision presses.

Customer footprint optimization and diversification to EV/construction equipment; strong ties with Tata/Mahindra/Ashok Leyland/Daimler/Hyundai.

Tooling orders ensure recurring components; short-term loans repaid by OEMs. Focus on value-added products like solar trackers differentiate from peers.

**Client Strategy**

60% revenue from Tata (60% CV, 40% PV); Mahindra growing to 250-300 Cr; others include Ashok Leyland, Daimler, Hyundai (35% total).

Tooling orders secure recurring business; 18-month loans for tools repaid by OEMs. Expanding offshore (e.g., ADSL for railroads); balanced portfolio (65% major clients, 35% others).

Focus on new Tata/Mahindra models; short-term financing for tools ensures cash flow.

**Aztec Fluids & Machinery Ltd****Company Overview & Business Model**

A leading B2B manufacturer of coding and marking equipment (printers, inks) and provider of track-and-trace solutions. Sells both hardware (printers) and high-margin, recurring consumables (inks). Positions itself as a solution provider, not just a product seller, focusing on service and minimizing customer downtime. Second only listed player in its segment. Has a dual-brand strategy: premium Aztec and value brand BJet (from Jettings acquisition). With a guidance of Targeting ~25% YoY growth and aims to sustain/improve EBITDA margins (15-18% at the consolidated level). The management is confident in achieving this through a strong order backlog.

**Growth Drivers & Strategic Initiatives**

Jettings Acquisition: Acquired for INR 17.7 Cr. Provides backward integration, market reach (especially in South India), and operational synergies.

New Automated Facility: New plant in Kanera (80% automated) can assemble 50 printers/day and produce 3,000-4,000 liters of ink/day. This enhances scale and margin control.

Technology & Innovation (Key Differentiator):

Industry 4.0 Focus: Developing AI-enabled, IIoT-integrated printers with predictive analytics.

Track & Trace: A major growth lever. Proprietary AI-enabled serialization helps clients with compliance (e.g., DGFT, FDA) and anti-counterfeiting. Creates long-term customer stickiness and recurring revenue.

Export Expansion: Actively scaling up in Africa, Southeast Asia, and Australia.

**Other Highlights**

Margin Sustainability: Margins are considered sustainable due to localization of supplies (reducing import dependence) and ongoing supply chain efficiencies post-Jettings integration.

Capacity Utilization: Current utilization is low (~30%), but the business is cash-flow positive. The goal is a INR 350 Cr topline in 3-4 years. Margins are structural and not solely dependent on high utilization.

Capex & Debt: Future capex (INR 8-10 Cr over 2-3 years) will be for R&D and systems, funded internally. The company is nearly debt-free.

**BR Goyal Infrastructure Ltd.**

**About Company:** The Company operates as a diversified EPC player with operations across roads, buildings, water projects, and toll collection contracts. The Company maintains a strategic presence across 7-8 states with a focused approach on secured government contracts. The business verticals are structured to create a balanced portfolio between traditional EPC and emerging high-margin segments like water treatment. The Company has evolved from a local Indore-based contractor to a pan-India player since its inception in 1999.

**Growth Drivers:** The Company's growth trajectory is supported by multiple catalysts, including a robust bid pipeline of 3,000-4,000 Cr., strategic focus on larger ticket-size projects (500+ Cr.), and expansion into water treatment projects through joint ventures. Management is actively shifting the project mix toward better-funded central government schemes to enhance execution certainty and profitability. The water treatment segment presents significant growth potential with margins of 10-12%, substantially higher than traditional EPC business.

**Financial Performance:** For FY26, Company targets revenue of 700 Cr. (implying ~40% growth) with PAT expectations of 40-45 Cr. The medium-term outlook projects 20-25% revenue CAGR driven by order book scaling and margin improvement. The Company's strategic initiatives focus on achieving blended EBITDA margins of 8-10% and PAT margins of 6-7.5% through operational efficiencies and project mix optimization. The current order book breakup shows roads (56%), buildings (7%), water (11%), and toll collection (20%).

**Market Position:** The Company demonstrates operational strengths through its focus on financially closed projects, typically funded by multilateral agencies, which mitigates payment risks. The enhanced bidding capacity (550 Cr. independently, 1,000 Cr. via JVs) provides competitive advantage in pursuing larger projects. The established bank consortium with 260 Cr. limits (35 Cr. fund-based) supports current growth requirements without immediate need for equity dilution. The RMC business operates at 65-70% utilization with potential for improvement.

**Funding Strategy:** The Company maintains a conservative debt profile with long-term debt of 70-75 Cr., including equipment financing. Bank guarantees of 250 Cr. provide adequate bidding capacity for current operations. Management emphasizes funded projects to minimize working capital stress, with retention money and earnest money deposit typically around 6% of project value. The capital expenditure plan is minimal at 4-5 Cr. annually, focusing on optimal utilization of existing 90 Cr. gross block.

**Industry Dynamics:** The infrastructure sector faces intense competition from both local and national players. BR Goyal differentiates itself by targeting specific geographies and project types where it has competitive advantages. The Company's strategy of focusing on projects with secured funding provides relative insulation from payment delays affecting the sector. The water treatment segment shows promising growth but requires demonstrated execution capability against established competitors.

**Outlook:** The Company presents a compelling growth story centered on order book scaling and margin expansion, though execution capabilities need demonstration. The Company's strategic focus on funded projects and larger contracts appears well-timed to capitalize on India's infrastructure push. Success hinges on converting the strong bid pipeline into executable orders while maintaining profitability. The stock offers leveraged exposure to infrastructure growth, but requires careful monitoring of execution milestones and working capital management. The medium-term targets appear achievable if the Company successfully transitions to larger project execution.



**Baheti Recycling Industries Limited**

**Outlook:** Baheti Recycling Industries is exceptionally well-positioned to capitalize on India's aluminum recycling industry consolidation through strategic modernization and capacity expansion initiatives. The company's comprehensive technology upgrade program, featuring advanced tilting rotary furnaces delivering 50% labor cost reduction and 20% fuel savings, combined with IATF certification enabling direct OEM access to prestigious clients including Motherson Sumi and Kapur Maruti, creates sustainable competitive advantages. With capacity expansion from 29,000 to 38,000 tons by FY26 and revenue growth targets of 2530% annually, supported by strong fundamentals including 30.46% ROE and robust EBITDA margins, the company demonstrates compelling growth potential in a consolidating market favoring organized players.

**Business Model & Strategic Positioning**

Baheti Recycling operates as an integrated aluminum recycling specialist converting imported and domestic scrap into two primary product categories: aluminum deoxidant for steel purification processes and over 5060 specialized aluminum alloy grades serving automotive, die casting, electrical, transmission, and piston manufacturing industries. The company's strategic positioning emphasizes technical expertise in producing specialized alloy compositions required by multinational clients operating just-in-time inventory systems. Global sourcing relationships across UK, Europe, and international markets overcome domestic aluminum scrap availability constraints while sophisticated hedging strategies protect against commodity price volatility and foreign exchange fluctuations. The business model creates substantial switching costs for customers through technical differentiation and enables premium pricing versus generic recycled aluminum products from smaller unorganized competitors.

**Financial Performance & Growth Trajectory**

The company demonstrates robust financial fundamentals with sustainable EBITDA margins of 710% maintained through disciplined operational management and strategic commodity hedging mechanisms. Revenue growth targets of 2530% annually are supported by capacity expansion from existing 29,000 tons to 38,000 tons by FY26-end, representing measured response to growing demand. Management maintains conservative financial discipline with INR 780 million modernization investments funded entirely through internal accruals, avoiding external financing requirements. The sophisticated M1 formula pricing mechanism links margins to aluminum commodity prices ensuring profitability across market cycles while focusing on volume growth as the primary performance metric. Strong return on equity of 30.46% reflects efficient capital allocation and operational excellence.

**Technology Innovation & Modernization Program**

Comprehensive modernization initiatives center on transitioning from traditional pit furnaces to state-of-the-art tilting rotary furnaces delivering significant operational advantages including 50% labor cost reduction, 20% fuel savings, and enhanced production efficiency through automated processing capabilities. Infrastructure investments include a 1.75-megawatt solar power facility providing 60% reduction in electricity costs while supporting sustainable operations and environmental compliance initiatives. Automated segregation plant development enables productivity improvements from 500kg to 1,2001,300kg per worker daily while ensuring consistent processing quality across diverse scrap grades. The strategic IATF certification achievement creates competitive moats enabling direct access to automotive OEMs and tier-one suppliers previously inaccessible, generating substantial revenue expansion opportunities.

**Bajaj Steel Industries Limited**

The company is actively focusing on increasing the export contribution across all its divisions. Company's export orders yield better margins, which helps compensate for the thinner margins in the domestic PEB segment. The ability to offer a complete EPC solution provides an added advantage in securing high-value export orders. Management expects margins to be maintained or become slightly better in the future as the turnover increases and fixed costs are apportioned over a larger revenue base.

**Operational Highlights**

The company's unexecuted order book stood at a strong **INR 5.6 Bn**. Management expects to execute **~INR 4.50 Bn** of the current order book within the next two to three quarters.

Two significant orders from Africa, which constitute roughly **20% of the ginning division's order book**, have been delayed.

**Segment Breakup & Performance**

The company's revenue from its diversified engineering verticals is primarily driven by Cotton Processing Machinery at ~60%, followed by PEB ~15%, with both the Electrical Panels and HED divisions contributing ~9-10% each.

**Cotton Ginning**

Bajaj Steel is a global leader and the **only company in the world** that manufactures machinery for all four available cotton processing technologies.

The company is confident of maintaining its revenue in the **INR 3.5-4 Bn** range in this segment.

The business's historical cyclicalities has been significantly reduced by expanding into diverse export markets (USA, Brazil, Africa, etc.) with staggered cotton seasons.

**Pre-Engineering Buildings (PEB) Expansion**

The manufacturing capacity for this division was recently increased from 10,000 MTPA to **35,000 MTPA** in Jan-25, positioning it for significant growth.

**Electrical Panels** division has a strong export orientation, with **90% of its turnover in FY25 coming from exports**.

A new manufacturing shed is under construction and is expected to be completed by **December 2025**.

**Heavy Engineering Division**

This segment manufactures heavy structures and equipment on a customized, built-to-print basis for OEMs in the steel, cement, and power sectors.

It also manufactures passenger boarding bridges (aerobridges), having supplied over 75 units in India and abroad.

**Biomass Pellets Opportunity**

Management is very bullish on the emerging demand for biomass pellet and torrefaction plants, driven by the global shift towards renewable energy.

The Indian government's mandate for co-firing biomass pellets, currently at **6-7%** is a key domestic driver.

The company considers itself an early entrant, having already supplied equipment for a plant in the USA.

While US tariffs have an impact, Bajaj Steel remains competitive as the sole US-based manufacturer's prices are significantly higher, even after accounting for the import duty.

The company's direct export to the US is relatively small, at around **INR 150-200 Mn** out of a total INR 3,000 Mn in exports.

**Capex & Expansion Plans**

The company has a significant capex plan of **INR 3-3.5 Bn** to be deployed over the next **3 to 3.5 years**. This is a continuous process that has already commenced, with **INR 150-200 Mn** incurred in the FY26E from internal accruals.

The majority of the new capital will be allocated towards expanding the **PEB, Heavy Engineering, and Electrical Panel** divisions.

The capex will be funded through a mix of **internal accruals, debt, and potentially equity issuance** as needed.

**Guidance**

Management is expecting **over 35% growth** in its non-cotton verticals such as PEB, Electrical Panels, and Heavy Engineering for the current financial year. The ginning business is expected to remain stable with moderate growth.

Post-capex revenue range of INR 7-10 Bn. The company aims for a **3x increase in turnover** from its non-cotton divisions upon the completion and ramp-up of its planned investments.

**Balaji Telefilms Ltd**

**Outlook:** Balaji Telefilms is repositioning itself for a new growth cycle under “Balaji 2.0,” with a strategic shift towards motion pictures and digital as primary growth engines, while TV remains stable but under margin pressure. The INR 350 crore OTT order book, strong Netflix partnership, and a predictable film pipeline from FY27 underpin medium-term growth visibility. With cash flow turning positive in digital and significant tax shields in place, profitability is expected to improve meaningfully. Over the next three years, management envisions films becoming the largest revenue contributor, followed by digital and then TV.

**Television Business:** TV continues to be a core pillar, delivering over 773 hours of content with hit shows like Kumkum Bhagya and Bhagya Lakshmi. However, realizations per hour remain ~25% below pre-Covid levels, keeping margins under pressure. Management noted TV has become a volume-led business, and while yields are stagnant, scale and efficiency help sustain profitability.

**Motion Pictures:** Films such as LSD2, The Buckingham Murders, and The Sabarmati Report reaffirmed Balaji’s creative strength. The upcoming big-ticket release Vrushabha (budget INR 70+ crore) will be key. Management reiterated films deliver ~18% margin (22% including recycling of rights) over six years, though volatility arises from uneven release schedules. A more predictable pipeline is being built from FY27 onward, positioning films as the top growth driver.

**Digital Business:** The digital vertical remains central to Balaji 2.0. Currently, 172 shows are live with 46 in production. The transition to a hybrid SVOD–AVOD model, the launch of the Cutting app, and expansion into YouTube (10M+ subs, INR 25 lakh monthly revenue) are driving traction. The company has an INR 350 cr order book from OTT giants like Netflix, Amazon, and Jio Studios. Digital B2C, which earlier burnt INR 23 lakh per month, is expected to turn cash positive from Q2 FY26 onward.

**ALT Merger & Tax Benefits:** The merger of ALT Digital Media and Marinating Films into Balaji Telefilms strengthens operational synergies and provides significant tax benefits. Management expects ~INR 117 crore GST input credit and accumulated losses (~INR 285 crore) to ensure Balaji pays no direct taxes for at least the next four years.

**Netflix Strategic Partnership:** Unlike transactional deals with other platforms, the Netflix tie-up is a long-term strategic collaboration, leveraging Ekta Kapoor’s creative strength to develop scalable IP for global audiences. This differentiates Balaji’s digital positioning in the OTT ecosystem.

**B2C App Strategy:** Following the ban of the ALT app due to “edgy content,” Balaji pivoted to Cutting, offering family-oriented shows. Management emphasized disciplined investment, targeting sustainable growth without aggressive cash burn. Telecom bundling contributes ~INR 10–12 crore annually, while syndication provides an additional revenue stream.

**Regional and Genre Strategy:** Balaji will stay focused on Hindi content, given weak yields in regional markets. Management is open to commissioned projects in regional languages but will not invest in originals. The company also sees limited near-term disruption from AI-driven content, though selective adoption for cost efficiencies is underway.

**Basilic Fly Studio Ltd.**

**Company Overview:** Basilic Fly Studio Ltd. is a 12-year-old, Chennai-based full-service VFX Company with a significant global footprint, catering primarily to high-end Hollywood and international markets, including major production houses across North America, Europe, Australia, and New Zealand. Following the strategic acquisition of 'One Office', a 20-year-old UK and Paris-based studio, the combined entity has scaled to approximately 800 artists globally, positioning itself among the top 10 VFX companies worldwide with operations across India (Chennai, Pune, Bengaluru) and Europe (London, Paris). The Company's key competitive edge lies in its integrated "concept-to-final delivery" model, with a strong emphasis on high-value pre-production services. This involves deep collaboration with filmmakers from the initial stages to design complex digital assets, which not only commands better margins but also creates sticky client relationships by securing subsequent post-production work, a capability shared by only an elite group of four or five global studios.

**Financial Performance**

**Aggressive Growth Trajectory:** Management has a clearly articulated plan to significantly scale the business, targeting a doubling of the top line over the next two years. This growth will be fueled by a dual-pronged strategy: organic expansion (capitalizing on a strong surge in demand and a robust order pipeline) and inorganic growth (actively pursuing M&A opportunities in new geographies like North America and adjacent verticals such as immersive experiences).

**The standalone India business demonstrated resilience in FY25, maintaining EBITDA margins of approximately 29.5% despite industry-wide challenges, underscoring the inherent cost efficiency and profitability of the Indian operations.**

The consolidated EBITDA margins (~21-22% in FY25) were diluted by the integration of the higher-cost 'One Office' entity. However, management outlined a clear path for margin expansion, projecting a return to 30-34% EBITDA margins over the next 2-2.5 years.

**Order Book & Client Concentration:** The Company operates with strong visibility. The order book was reported at approximately INR 300 Cr. as of January 2025, with about INR 200 Cr. already executed in the current fiscal year (FY26). Furthermore, fresh project wins of approximately INR 180 Cr. have been secured on FY26 year-to-date, primarily from top-tier clients. Revenue is concentrated with key global players, with the top 5 clients contributing 55-60% of total revenue. Netflix is the largest single client, accounting for approximately 30% of revenue.

**Capital Allocation**

**Deployment of QIP Proceeds:** The capital raised through the recent QIP is primarily designated for strategic mergers and acquisitions. Management confirmed that active discussions are underway, currently in the negotiation phase, with due diligence to follow. The M&A strategy is focused on acquiring companies that provide immediate access to new client networks, proprietary technology, valuable digital asset libraries, and seasoned industry talent.

**Path to Mainboard Listing:** The Company is regulatory-eligible for mainboard listing by Sep 26, following the mandatory three-year period on the SME platform. Notably, management has proactively begun adopting mainboard compliance standards, including the publication of quarterly results, effective from the current quarter, signaling a commitment to enhanced governance and transparency.

**Best Agrolife Ltd**

**Outlook:** FY26 is expected to be a consolidation year with emphasis on profitability, inventory control, and OPEX reduction. Revenue guidance for FY26 is maintained at INR 1,600–1,700 crore, with patented products projected to reach 50% of revenues by FY27. Long-term growth will also come from exports once product registrations are secured. While exports remain small at 3–5% of sales, the company is actively pursuing product registrations in multiple geographies, which should open a new growth avenue over the long term. Additionally, the ongoing INR 90 crore Gajraula capex is expected to deliver up to 3–3.5x asset turnover once fully operational.

**Product Portfolio & R&D**

The company has filed for ~200 patents. 9 patented products have been launched in the past 3 years.

The contribution of patented products was ~30% of revenues in FY24, increased to ~40% in FY25, and management targets ~50% by FY27.

Aims to launch 2–3 new patented products every year.

Key successes include products like Ronfen, which has already crossed INR 200 crore annual sales, and newer products are expected to enter the INR 100 crore+ club in coming years.

**Guidance**

INR 1,600–1,700 crore in revenue for FY26, despite weather disruptions.

Patented portfolio contribution in Q1FY26 stood at 45%, higher than the annual average.

Sales returns, which were previously 18–22%, have reduced to <5% in Q1FY26, with FY26 expectation of 10–12%.

Focus shifts towards branded and patented business resulted into technical sales have stabilized at INR 500–700 crore, down from INR 1,200 crore 2 years ago.

**Capex & Manufacturing**

Undertaking a INR 90 crore capex at Gajraula, expected to be operational in about 1 year. First-year revenue contribution is expected at 1x of capex, scaling up to 3–3.5x asset turnover thereafter.

Manufacturing is largely self-reliant on Indian raw materials (98–99%), giving a 30–40% gross margin advantage vs. imports.

**Market Expansion & Exports**

The company has a holding structure in Mauritius and subsidiaries in Shanghai and planned in South America to support exports.

Registrations are underway in countries like Vietnam, Sri Lanka, Nigeria, and Brazil, though timelines are long i.e. 4–6 years for new products.

Currently, exports contribute only 3–5% of revenues, but management expects them to become a significant growth driver over the long term.

**Other Highlights**

Working capital utilization was high at 85%, but is expected to improve in FY26 due to lower inventory and receivables.

The company reduced its loans by INR 150 crore over the last 2 years. It raised capital recently, receiving 25% of the planned amount, with the balance due by June 2026, which will improve the capital structure.

CRISIL downgrade but attributed it mainly to temporary profitability pressures, not business fundamentals.

The agrochemical market is highly competitive, with the top player holding only ~10–11% market share. Focused on direct farmer engagement, with 700–1,000 field staff conducting awareness programs, Jeep campaigns, and farmer meetings.

Digital and media marketing (Doordarshan, FM radio, localized campaigns) is being added to strengthen brand recall.

**Bhadora Industries Ltd.**

The company is confident of sustaining the 16% EBITDA margin. The significant margin expansion from prior years was driven by three key factors: a strategic shift from low-margin government tenders to higher-margin EPC contracts, a focus on cables over low-margin conductors, and efficient cost management, where costs did not rise in line with the sharp revenue growth. The company is targeting a revenue growth of 20-25% FY26E. This growth is expected despite the existing plant already running at optimum capacity utilization.

**Operational Highlights**

The company has successfully pivoted its business model towards EPC contractors. The revenue contribution from the EPC segment has surged to 90% in FY25. This focus is set to continue, with EPC clients expected to contribute 80-90% of revenue going forward.

**Order Book**

The current order book stands at a healthy INR 1.7-2 Bn, with an execution timeline of 10-12 months. Management expects to execute at least 50% of this order book by the end of FY26.

**Commodity Price Risk Mitigation**

The company is well-insulated from volatility, as 95% of its orders are secured with a price variation clause.

**Industry Update**

The overall Indian cable market is poised for strong growth, with management projecting a 14-15% CAGR over the next 5-7 years.

The High-Tension cable market, which the company is entering, has an estimated annual size of over INR 600-700 Bn.

RDSS (Revamped Distribution Sector Scheme) is an INR 3.1 lakh crore program where 60% of the outlay is earmarked for cables.

Smart Metering and Smart Cities, this program requires extensive upgrades and underground cabling.

The HT cable segment is less crowded than the LT market due to high entry barriers like significant initial investment.

The company has a long-standing industry presence and approvals across most states, providing a strong competitive moat.

**Capex**

The company has embarked on a transformative, multi-phase expansion on a newly acquired 15-acre plot of land.

**In phase 1**, the company plans an investment of INR 600-650 Mn, to product diversification will move up the value chain, expanding its manufacturing capability from the current 1.1 kV (LT cables) up to 33 kV (Medium/High Voltage cables).

This phase alone is expected to add INR 3-3.5 Bn to the company's revenue potential.

The company is working to expedite the commissioning in Q1FY27E.

**In Phases 2 & 3**

Subsequent phases will further upgrade capabilities to 66 kV and then to 128 kV. All three phases are planned for completion within the next five years.

Upon completion of all three phases, the new facility is projected to have a total revenue-generating capacity of INR 9-10 Bn.

**Other Updates**

The new plant, being set up in Madhya Pradesh, is eligible for a significant 40% capital subsidy on the cost of the plant, machinery, and the technical building.

With all three phased expansions, the company will focus on exports in regions like SAARC and African nations, followed by the Middle East and then North America.

Future expansion phases will be funded through a mix of debt and internal accruals, with a potential for another fundraise if required.

**R&D Focus**

The company is actively working on developing new, specialized cables for niche segments currently dominated by only a few players in India.

**Guidance**

For FY26E, the revenue is expected to see 20-25% YoY growth.

In the long term, the company has a clear vision to achieve a topline of INR 9-10 Bn upon the successful commissioning and ramp-up of its three-phase expansion plan.

Management is confident of sustaining the 16% EBITDA margin level even at a significantly larger scale.



**Black Box Ltd**

**Guidance and Future Outlook:** Management remains confident of achieving FY25–26 guidance despite near-term delays in procurement cycles among clients. Growth will be driven by rising demand from data centers, which are expected to scale from 10–12% of revenues to 15–20% going forward, along with increasing contributions from hyperscalers and managed services. India's contribution is expected to gradually rise to 10% of revenues through large-scale infrastructure projects. Over the long term, Black Box sees a strong runway supported by AI adoption, global digital transformation, and the continuous refresh of enterprise and public sector infrastructure.

**About the company:** Black Box Ltd. is a global leader in digital infrastructure solutions, with operations in over 35 countries and a workforce of more than 3,500 employees. The company partners with leading global technology providers and serves more than 150 Fortune 500 clients across key sectors such as financial services, technology, semiconductors, healthcare, retail, and public infrastructure. With its headquarters in India and strong delivery centers in Bangalore, Mumbai, Singapore, Australia, and New Zealand, Black Box derives the majority of its business from North America and Europe while maintaining a growing presence in Asia.

**Business Segments:** The company operates across three major business segments. Integration services contribute about 85% of revenue, covering large-scale data center builds, hyperscaler infrastructure, high-speed connectivity, private 5G, enterprise networking, workplace modernization, and cybersecurity through its global SOCs. Technology products, which account for around 13% of revenue, include proprietary mission-critical solutions for air traffic control, IoT, AV systems, and industrial deployments, supported by R&D hubs in Ireland and Bangalore. The consulting segment, contributing 2% of revenue, is focused on customer experience, digital workplace transformation, and niche advisory services.

**Geographic Mix:** North America is the largest geography, contributing close to 70% of total revenues and acting as the primary growth driver. Europe, the Middle East, and Africa together account for approximately 14% of revenues, while Asia-Pacific, led by Singapore, Japan, Australia, and New Zealand, contributes about 12%. India currently contributes nearly 6% of the topline, with management targeting a medium-term expansion to around 10% through large-scale municipal and infrastructure projects.

**Vertical Mix:** The company maintains a well-diversified vertical portfolio. Financial services and banking contribute around 22% of revenues, while technology and hyperscalers, including semiconductor clients, add another 22%. Healthcare contributes 10%, whereas consumer and public infrastructure, including airports, smart cities, and other critical projects, contribute nearly 22%. Overall, close to 80% of revenues are derived from the top 200 customers, demonstrating both depth of relationships and stability in business.

**Market Opportunity and Strategy:** The global IT market is estimated at \$5.4 trillion, of which digital infrastructure forms a \$600–750 billion opportunity. Within this, Black Box addresses a market size of \$120–150 billion through its integration services, product portfolio, and consulting capabilities. The company is targeting an aspirational revenue scale of \$2 billion in the medium term, which would translate into a 1.5–2% market share of its addressable market. The strategy focuses on capturing demand from AI-led infrastructure requirements, growing connectivity needs, and large-scale IT modernization driven by enterprises and public institutions.

The company has set a roadmap to expand margins further to 11–13% through scale benefits, better utilization of its Bangalore Center of Excellence, and higher contribution from managed services.

**Competitive Landscape:** Competition comes from a mix of regional system integrators and select global players such as ConvergeOne and Carousel. Black Box differentiates itself through a global delivery footprint combined with local execution, a hybrid model of on-site delivery backed by India-based shared services, and the ability to serve clients seamlessly across 35 markets with single-vendor accountability. Long-standing client relationships, deep partnerships with OEMs, and proven expertise in infrastructure execution provide additional advantages.

**Key Industry Tailwinds:** The company is positioned to benefit from multiple industry tailwinds. The adoption of AI is driving increased demand for new data centers, private 5G networks, secure enterprise connectivity, and workplace modernization. Infrastructure modernization across airports, healthcare institutions, financial services, and retail chains continues to create new opportunities. In India, large projects related to airports, smart cities, and digital public infrastructure offer a strong volume-led growth opportunity, though the business remains price-sensitive in this region.

**Operational Highlights:** The company has shifted its focus towards large deal wins and deeper penetration of its top 300 customers, while reducing dependence on long-tail accounts. Tariff-related uncertainties have minimal impact since most of the business is services-led and product tariffs are passed through to customers. The impact of H1B visa restrictions is negligible, with only a handful of visas being used historically. Working capital remains negative due to the timing of project cycles and payroll, though payable days are expected to stabilize at around 60 days.



**BLS International Services Ltd****Capacity & Capex**

Processes 4M visa applications/year with 142,000 touchpoints in digital services; asset-light model minimizes capex, focusing on tech integration (AI, data security).

Expanded via acquisitions (e.g., Idata added 37 centers); no major capex, but investments in AI for accuracy and embassy integration.

Aadhaar contract starting Q3 FY26 adds capacity; negative working capital supports efficiency without heavy infrastructure.

**Financials & Margins**

FY25 revenue: 2200 Cr (46% CAGR FY21-25), EBITDA: 630 Cr (29%), PAT: 540 Cr. Q1 FY26 revenue: 710 Cr (+44% YoY), EBITDA: 204 Cr (28.7%), PAT: 181 Cr.

Visa margins: 40%, digital: 11%; overall margins improved from 8% to 29% via self-managed shift. Net cash: 928 Cr FY25 (post 1000 Cr acquisitions), 100 Cr Q1 FY26.

Dividend payout up to 30%; seasonality impacts (Q1 strong, Q3 lean); targeting 25-30% FY26 growth.

**Growth Drivers**

New tenders (13-14 in FY24, e.g., Slovak global); 50% countries not outsourced yet. Acquisitions (Idata, Citizenship Invest, Adi Fidley) add synergies; Aadhaar contract starts Q3 FY26.

Digital expansion: Loan distribution at 1500 Cr/month; citizenship programs in India/Nigeria/Hong Kong. Visa volumes up 19% in Q1 FY26; tech focus aids bidding.

Exclusive long-term contracts (5-10 years) provide visibility; HNI focus for citizenship; regional/global tenders drive 25-30% growth.

**Product Differentiation and Moat**

Exclusive contracts with 46 governments across 70 countries; negative working capital and asset-light model. Tech integration with AI for accuracy/data security.

Services include visa/consular/e-governance/banking BCs; citizenship/residency programs via acquisitions. 17% market share; no single-country dependence.

Self-managed model boosts margins; synergies from BC points for loans; long-term contracts ensure stability.

**Client Strategy**

Serves 46 governments (e.g., Spain, Germany, Italy, India); 17% market share via self-managed model. Expands synergies (e.g., BC points for loans).

Focus on HNI for citizenship; bidding for regional/global tenders. Asset-light approach aids quick scaling; tech focus enhances embassy integration.

Acquisitions like Idata add centers; Aadhaar contract targets domestic growth.

**Blue Water Logistics Ltd**

**Outlook:** Blue Water Logistics Ltd is aimed for strong growth, targeting a 2x topline by FY26 driven by air freight, NVOCC, and pharma verticals, alongside geographic expansion in Tier 2 cities and overseas markets. While margins may stay stable in the near term due to expansion, scalability, growing customer base, and diversification are likely to support long-term profitability.

**Company History and Operations**

Blue Water Logistics started in the year 2010 as a customs house agent (CHA), initially performing only custom clearance. Slowly, the company began transportation services for export and import goods. From 2014 onwards, they gradually entered the freight forwarding business. By 2019, the company established itself as a freight forwarder, transporter, and customhouse agent.

The company's main core business is end-to-end logistic solutions. They pick up cargo from the exporter warehouse and deliver it to the consignee warehouse in other countries. They utilise their own vehicles and the vehicles and networks of their partners to handle all business inside and outside India.

**Growth Targets**

The company is planning to grow 2x FY26. Subsequently, they are planning for a 50% to 60% growth every year for the next three to four years. The long-term target is a 15% to 20% CAGR in the top line.

**Drivers for 2x Growth (FY26):** The anticipated growth will come from:

- o Opening many new offices all over India.
- o Expanding the air freight forwarding division.
- o Entering the pharma business (a large segment in Hyderabad and other Asia areas).
- o Expansion into the NVOCC sector.

**Margins and Profitability:**

Current Operating Margin varies between 10% to 12%.

Current PAT Margin is around 5% to 6%.

Expects margins to remain like FY25 as they are currently in expansion mode but anticipate they may increase going forward.

The gross margin in the freight forwarding business is approximately 10%.

Future operating margins are expected to increase as the business scales up because the variable expenditure will become fixed.

**Business Segments and Expansion Plans**

**Air Cargo and Segment Split:** The air cargo business is newly developed and expected to ramp up within the next 1 to 2 months. The pat margin for air cargo is like the shipping margin. Going forward, the company expects the revenue share to be 25% to 30% from Air and 70% from Sea cargo.

**New Areas of Focus:**

Increasing the capacity of the existing ISO division.

Planning to start other NVOCC dry boxes.

Planning to start the project cargo business within the next 2 to 3 months.

Planning for future 3PL (Third Party Logistics), including warehousing and distribution, though this will take some time.

**Geographic Expansion:**

Currently, 30% to 40% of business comes from South India (Hyderabad, Bangalore, Chennai, Visakhapatnam). The balance 60% to 70% is growing from North India (Mundra, New Delhi, Jaipur, and Indore).

The company operates from most Tier 1 cities and has started in Tier 2 cities like Indore and Gandhidham. They plan to expand further in Tier 2 cities.

Internationally, they have opened Dubai and are planning to open offices in Vietnam and Thailand to improve import business to India.

**Capex:** The only main asset is the trucks. They plan to increase their fleet from the current 56 trucks to around 100 trucks within the span of one year. Borrowings increased last year and are planned for the long term because the business is working capital-centric, requiring advanced payments to shipping lines, transporters, and for customs.

**Client Base:** The company had a total of 450 customers in FY25. They have reached around 625 customers this year, adding approximately 200 customers. They expect to reach more than 1,000 customers in FY26 due to increased branches and new teams joining.

**Geopolitical Risks:**

They are not facing issues with geopolitical environments or tariffs. Their concentration in the US market is low around 2% to 2.5%, and the US business they handle is primarily pharma, which currently has no duties.

**BMW INDUSTRIES LIMITED**

**Outlook:** BMW Industries is transitioning from a pure conversion player to a comprehensive steel solutions partner through the upcoming INR 5.8 bn Bokaro greenfield project, which will add 900,000 MT capacity upon commissioning in Q4 FY26. Backed by PLI 1.1 incentives, proximate raw material sourcing, and 62 MW renewable energy self-sufficiency, the company is positioned to deliver mid-teen RoCE by FY28 while maintaining normalized EBITDA margins around 11%.

**Business Model & Strategic Positioning**

Established in 1981, BMW Industries specializes in value addition of steel semis and finished products focusing on pickling, cold rolling, galvanizing, color coating, TMT rolling, and pipes & tubes. The asset-light model sources base steel from Tata Steel and SAIL hubs in Jamshedpur and Bokaro, enabling cost-efficient operations under long-term contracts. Brownfield assets contribute 80% of revenues, providing stable cash flows and high capacity utilization ahead of the Bokaro expansion.

**Bokaro Greenfield Project & PLI 1.1 Incentive**

The sanctioned INR 5.8 bn CAPEX in FY25 covers 300,000 MT cold-rolled coils, 540,000 MT galvanized/Galvalum output, and color-coated products. Commissioning begins in Q4 FY26 with first revenues by March 2026. PLI 1.1 qualification secures production incentives enhancing project IRR, while equity funding of 30% and term debt for the balance ensures balanced capital structure and limited dilution.

**Financial Performance & Margin Profile**

In FY25, standalone revenue reached INR 5.57 bn with EBITDA of INR 1.19 bn (OPM 21%) driven by conversion-margin operations. Post-project normalized EBITDA margins are expected at 11%, in line with downstream peers, as steel costs flow through. Cash conversion cycle improved from 91 to 69 days over five years, and RoCE averaged 11%, targeting mid-teen levels post ramp-up.

**Market Dynamics & Growth Drivers**

India's steel demand is projected to grow at a CAGR of 79% to 400 MT by 2030, driven by infrastructure and urbanization. Value-added steel consumption (coated, HRPO, TMT) has risen to 27% of output, favoring downstream processors. Safeguard duties support domestic producers, enabling BMW to command a 1520% premium over base steel prices and diversify into segments such as solar, construction, and white goods.

**Operating Efficiency & Sustainability**

BMW maintains 99% uptime across five plants with a 62 MW solar-wind renewable energy setup supplying 70% of power needs, reducing energy costs by 10% and lowering carbon footprint. Dedicated logistics infrastructure ensures full-rake deliveries and just-in-time supply. Employee turnover stabilized at 15% post workforce optimization, reinforcing operational reliability.

**Brand Concept Ltd**

**Outlook:** Targeting ~20% annual growth over the next 2-3 years, with expansion driven by larger-format Bagline stores, tier-2 and tier-3 penetration, a rising e-commerce share and growth in government and institutional channels. Its new manufacturing facility is expected to reach 50,000 pieces/month by March, which will gradually reduce import dependence from ~60% to 30% over the next 2 years and help stabilize margins.

**Business Overview**

The company operates across 3 key categories: travel gear, small leather goods, and women's handbags. It primarily works with international licensed brands such as Tommy Hilfiger, Juicy Couture, and now Off-White, handling design, development, manufacturing, and distribution end-to-end.

Focus is on profitable growth, with management emphasizing a 20% CAGR target over the next 2 to 3 years.

Strategy is multi-channel: expanding exclusive stores, tier-2 and tier-3 penetration, e-commerce, quick commerce, institutional and government sales.

**Financial Performance and margins**

Over the last 2 years, revenue has 2x, but profitability has 1/2 due to rising fixed expenses and borrowings. Travel gear ranges between 40-45%, women's handbags and small leather goods are ~50%.

Business development and marketing expenses rose from 2% of sales in FY24 to 6% in FY25. These are expected to normalize at 4-5% of sales.

Employee costs currently account for 10-11% of sales; aims to bring down to 8% in the next 2-3 years.

**Capital Structure & Investments**

The promoters infused INR 20 crore via warrants, not an external fundraise.

Borrowings more than 2x YoY, mainly to fund working capital and a new manufacturing facility costing ~30-35 crore.

Depreciation and interest costs from manufacturing investments are expected to add ~INR 30 crore annually.

**Growth Drivers**

The overall bags and luggage industry in India is pegged at INR 34,000 crore, with travel gear contributing INR 20,000-22,000 crore and handbags INR 10,000-12,000 crore.

Women's handbags as a 100 crore opportunity for the company in the next 5-7 years, led by Juicy Couture.

Competitors like Da Milano (~INR 350 crore) and Lavie (~INR 300 crore) prove scalability of the category.

Digital business contributes 45-50% of sales, and management is comfortable with it rising above 45%.

**Stores & Distribution**

The Bagline store format is being revamped into larger 12,000 to 15,000 sq. ft. outlets.

Focus will be on quality over quantity of stores, with selective openings in marquee locations rather than rapid rollouts.

Airport stores in Bangalore and Mumbai have been opened; Bangalore is already profitable, and Mumbai shows encouraging early signs.

**Other highlights**

The industry faces ongoing pricing pressure due to discount-led strategies of D2C players and inventory liquidation.

Management chose to protect margins by rationalizing product pricing, even if it meant slower growth temporarily.

Licensing contracts are typically 5 to 15 years.

Off-White marks entry into luxury and streetwear. This is seen as an experimental but strategic expansion into a high-margin niche.

Current in-house plant has one machine with capacity of 25,000 pieces/month.

Already achieved 85-90% utilization, producing ~20,000/month within 3 months of launch.

A second machine will be commissioned within this year, targeting 50,000 pieces/month by March.

Currently, 55-60% of products are imported, but within 2 years imports are expected to reduce to 25-30%.

For handbags, 90% are imported today, but domestic production may be set up once the category scales.

**Bulkcorp International Ltd****Capacity & Capex**

Installed capacity: 4800 MT/year; utilization ~70%, with room for 30% more. Post-IPO additions include new machines/lines; solar-powered facilities reduce costs.

India leads FIBC production post-China shift; no specific capex details but focus on efficiency gains and in-house liner manufacturing.

Two facilities; balancing 50% high-margin specialized bags, 50% standard for volume.

**Financials & Margins**

Export-focused; margins impacted by post-2022 capacity increases. Balancing 50% high-margin specialized, 50% standard bags.

Utilization 60-70% industry-wide; targeting efficiency for better margins. No specific FY25 numbers; focus on sustainability for cost savings.

Hedging policy: 50% exposure hedged; natural hedge via imports/exports.

**Growth Drivers**

Shift from China boosts India as largest FIBC producer; domestic demand from agro/chemicals/pharma rising. Export growth to USA/Europe/Australia/Latin America.

Post-IPO expansion; no new industry capacity adds but demand up. Exhibitions/collaborations (e.g., Netherlands for MAP bags) drive orders.

Efficiency push; specialized bags for margins; Vietnam overflow aids. Labor shortages globally favor India.

**Product Differentiation and Moat**

In-house liner manufacturing, solar-powered facilities; specialized bags (50% mix) for food/pharma. Certifications ensure quality.

Edge over China in buyer comfort/sustainability; collaborations for innovative products like MAP bags for dry fruits.

Customized bags; not commodity-dependent; high-value focus (e.g., \$10,000 product/bag) requires specialized skills.

**Client Strategy**

Export-oriented (~90% revenue); balanced domestic/export. 50% high-margin specialized clients; tapping Vietnam overflow/China shift.

Exhibitions for awareness; collaborations for high-value products. No specific names, but global presence in Europe/USA/Latin America.

Order book ~2 months; 60–70-day lead time; focus on food/agro/mineral sectors.

**Canary Automations Ltd****Company Profile and Financial Performance**

Canary Automations Limited, led by CEO Shades Shinas (who is also the executive director), has over 34 years of experience in the industry, having started in 1991. The company operates as an IT solution provider based out of Bangalore, with subsidiaries in North America and Singapore (covering the APAC region).

**Key financial and operational highlights include:**

**Growth:** The company has grown 37% in revenue (CAGR) over 5 years. Over the last five years, it has seen 42% growth in EBITDA (CAGR) and 41% in PAT (CAGR).

**Order Book:** Canary Automations maintains a strong current order book of over 170 to 180 crores. The available funnel stands at 250 CR.

**Capital Structure:** The company has a low debt-to-equity ratio of 0.1%.

**Revenue Mix:** Approximately 70% of the revenues are recurring in nature.

**Customer Concentration:** The top 10 customers contribute about 55-60% of the revenue.

**WRM Receivables:** Historically, the Water Resource Management (WRM) business, which is tender-based, operated on a 40% (SITC: Supply, Install, Test, Commission) and 60% (O&M: Operation and Maintenance) payment model. Due to high upfront material costs (around 50% of project value) and slow government payments, this model resulted in high receivables. Moving forward, the company is transitioning to a 70% (SITC) and 30% (maintenance) model, which is expected to drastically reduce receivables, which currently stand around 45 crores (down from 68 crores).

**Core Business Segments and Product Transformation**

Canary Automations is moving up the value chain, transforming from providing IT services to IT solutions, and is now heavily focused on product development, which holds the highest value proposition in the IT landscape.

IT Solutions (70% of revenue):

The company offers solutions focusing on digitization, modernization, cloudification, automation, transformation, and intelligence.

They assist companies in adopting the entire digital transformation, including the AI framework, data, and machine learning.

Key sectors served include BFSI (Banking, Financial Services and Insurance), manufacturing, and pharma, collectively referred to as BRIM.

**Product Development:**

The first product released is Auryis, launched four to five weeks prior to the discussion.

Auryis is an AI-based product targeting the drug discovery and pharma industry, specifically focusing on audits and regulatory compliance (e.g., CFR part 11). It automatically monitors regulatory changes and maps them against the company's internal processes to identify gaps, ensuring audit readiness without halting regular operations.

Water Resource Management (WRM) (30% of revenue):

This business line provides technology solutions to government bodies, typically secured through turnkey tender projects.

Key offerings include end-to-end canal modernization (adopting technology for 50-70 year old canals in India) and flood early warning systems for urban cities (successfully implemented in Gorakhpur and Chennai).

The proprietary product in this area is the DSS (Decision Support System), which integrates with IoT-based hardware to collect and analyse data on water flow for end-users like farmers and industries.

**Strategic Partnerships and Competitive Edge**

Canary Automations leverages strong partnerships and domain experience to maintain a competitive advantage.

**Microsoft elite Partner:** The company is one of just 16 Microsoft Elite partners globally, and is uniquely positioned as the only partner in the entire India region. This status grants access to products before their market release and the first right of rejection for customers.

**GitHub Co-pilot:** Canary is a major co-pilot enabler for the APAC region. It is a go-to partner for GitHub in their goal to enable 100,000 developers in India, having already enabled approximately 35,000 community members.

**Domain Expertise:** With over 30 years in the industry, the company demonstrates high stability, maturity in processes, and reliable delivery. They have repeat customers, with many having been clients for over 10 years.

**New Partnerships:** Recently signed partnerships include GitLab, Sneak, and Atlassian. The company has also raised its partnership level with SAP to a solution and silver partner, specifically targeting ERP implementation and integration.

**Technology Focus:** The company is strategically investing in AI/ML and DevOps, driven by market demand for faster delivery (45 to 60 days delivery expected with AI) and stringent security requirements, especially from the BFSI segment.

**Growth Strategy and Recent Acquisition (Fortira)**

The company's growth strategy centers on global expansion, aggressive upskilling, and a strategic acquisition in North America.

**Global Expansion and Vision 2028:** The company is working towards Vision 2028, aiming to establish itself globally. The strategy is to move towards market-specific technology offerings, investing based on market demand rather than legacy technologies.

**Upskilling Commitment:** A major internal mandate requires that at least 25% to 30% of the entire team must be upgraded and upskilled in AI and ML competencies.

**Acquisition Rationale:** In April, Canary Automations acquired a 51% stake in Fortira, a 20-year-old, well-established, and profitable American company based in New Jersey. The enterprise valuation was \$5 million.

**Strategic Fit:** The acquisition aligns with Canary's sectoral focus, as Fortira also works on AI/ML and data, serving the BFSI, manufacturing, and pharma industries. Fortira previously only served the American market.

**Growth Leverage:** This acquisition provides a "land and expand strategy" for Canary in North America, opening doors to large enterprise customers. Fortira has approximately 150 employees and maintains EBITDA margins similar to Canary (around 10-12%).

**Capital Small Finance Bank Ltd**

**Overview:** Capital Small Finance Bank was India's first Small Finance Bank and focuses on middle-income customers. The bank's business is centered on secured lending products, including loans for agriculture, MSMEs, trading, and housing, avoiding exposure to Microfinance Institutions (MFIs). Financially, the company has shown strong performance, with a 39% compound annual growth rate in profits over the last five years

**Financial Highlights and Business Overview:-**

The bank specializes in the Middle-Income Group (MIG), targeting clients with annual earnings between Inr 0.4 Mn and Inr 5 Mn for both its asset and liability products.

It has zero direct MFI exposure and does not engage in unsecured lending. The credit portfolio is highly granular, with an average ticket size of around Inr 1.6 Mn.

To become the primary banker for its customers. This allows the bank to have complete visibility of their cash flows and cater to all their financial needs, including consumption loans like auto financing and gold loans for existing borrowers.

Management has identified three primary levers for future ROA expansion: NIM expansion, growth in non-interest income, and operating expenditure (Opex) benefits.

Return on Assets (ROA) has consistently improved from 0.9% in FY22 to 1.4% in FY25. The management aims to maintain the ROA between 1.32% and 1.4% for the current year and improve it further in subsequent years.

The bank is targeting a mid-to-high teens Return on Equity (ROE) over the next 3 to 5 years.

The bank reported a NIM of 4.1% for Q1 and aims to maintain it at current levels for the remainder of the fiscal year, despite the declining interest rate environment.

A key lever for future NIM expansion is improving the Credit-Deposit (CD) ratio from the current average of 81% to the mid-to-high 80s.

The bank has consistently maintained a CASA ratio of over 36%. Its cost of deposits remains efficient at sub-6%, contributing to a competitive cost of funds of around 6%.

The bank enjoys a high term deposit rollover ratio of more than 90%, indicating a stable and loyal customer base.

**Other Highlights:-**

After establishing a presence in an economic hub, it aims to build a dense branch network in that area. Currently present in five northern states and two union territories, the bank plans to expand into Western Uttar Pradesh (UP) in the current fiscal year.

The asset portfolio is well-diversified with Agriculture (30%), Mortgages (27%), MSME (22%), and a Corporate book (14%) constituting the major segments.

The bank lends to MIG farmers (loan needs of Inr 0.5 Mn – Inr 2.5 Mn) and avoids small and marginal farmers, which helps it stay away from political issues like debt waivers. This portfolio has shown remarkable resilience, with cumulative gross write-offs of less than Inr 10 Mn over the last 25 years.

Management emphasized a consistent and stable asset quality. GNPA is maintained in a tight range of 2.5% to 2.8%, with NNPA between 1.3% to 1.45%.

The bank's strength lies in its recovery and upgradation of bad loans, which largely matches the fresh slippages each year.

Credit cost has historically been very low, ranging from 0.1% to 0.12% of total assets.

The recent floods in North India are expected to have an immaterial impact on the bank's balance sheet. Exposure in the most affected geographies is less than 2% of the total portfolio, and the bank does not foresee any significant asset quality concerns or slippages.

After a muted growth of 11% in FY24 due to a capital shortfall, the bank is targeting a 20% growth in advances for the current year and plans to accelerate it further in the coming years. MSME and Loan Against Property (LAP) are expected to be the key growth drivers.

The bank is well-capitalized with a Capital Adequacy Ratio of over 24% and an LCR of over 200%. Management believes it has sufficient capital for its growth ambitions for the next 2.5 to 3 years.



**Capri Global Ltd**

**Company Overview:** Capri Global has emerged as one of the fastest-growing NBFCs with a clear focus on secure, collateralized lending. Its portfolio spans gold loans, MSME loans, mortgage-backed Micro LAP, affordable housing, and retail construction finance. The company's model is designed around security—backed by either gold or real estate such as self-occupied homes and commercial premises—catering to underserved borrowers like kirana shops, toy retailers, and roadside Dhaba's. With no single product or geography accounting for more than 22% of the book, and a presence across 10 states through 1,138 branches and 11,400 employees, Capri maintains a highly diversified risk profile.

**Multiple Engines of Growth:** A key differentiator is its strong fee income stream, which contributes nearly 25–28% of total income. Insurance distribution alone is expected to double in FY26 to around 2.5 bn in premiums, adding over 1.2 bn to the bottom line.

Car loan origination, at nearly 100 bn annually, generates 2.4 bn in fees, while co-lending already contributes close to 18% of the book. Technology plays a pivotal role in driving this growth—Capri's in-house tech center with 150 engineers and 25 data scientists enabled the rapid rollout of 750 gold loan branches within just 15 months.

The company is now targeting another 200 branches this year, equally split between gold loans and MSME/housing, with a clear ambition of becoming a pan-India player.

**Financial Momentum Continues:** The company's financial performance underscores its scalability. AUM has expanded from 60 bn in FY22 to 247.5 bn in Q1 FY26, representing a 50% CAGR—making Capri the fastest-growing among the top 20 NBFC-HFCs. In Q1 FY26 alone, AUM grew 42% YoY and 8% sequentially.

Net interest income rose 38% YoY, non-interest income surged 53%, and operating profit more than doubled to 3.1 bn.

PAT stood at 1.75 bn, up 131% YoY, supported by improving operating leverage with cost-to-income declining sharply to 46% from 65% a year ago.

Return metrics are strengthening, with ROE at 13% post the 20 bn QIP and ROA at 3.2% compared to 1.9% last year.

**Healthy Margins, Strong Asset Quality:** Blended yields improved to 16.9% in Q1 FY26, up from 16.3% in FY25, supported by higher share of gold and Micro LAP loans.

NIMs stood at 8.9% with spreads of 7.2%. Asset quality remains robust with GNPA at 1.5–1.7% and NNPA below 1%.

Credit costs are contained under 1%, with provisional coverage maintained conservatively at 41%. Balance sheet strength is evident with net worth of 64 bn, capital adequacy of 35%, and borrowings of 159 bn from over 25 banks and institutions.

Cost of funds, currently 9.6%, is expected to decline by 40–50 bps by year-end, aided by resets, low-cost CP issuances, and a potential credit rating upgrade.

**Co-Lending – A High-Return Lever:** Capri's co-lending strategy has emerged as a powerful, ROE-accretive growth driver. In its 20:80 partnership with banks, Capri originates and underwrites loans, retains 20% exposure, and earns a spread of nearly 10% as fee income on the bank's 80% share.

This asset-light model requires minimal capital, supports higher returns, and is expected to account for 20% of the loan book by FY28, translating to 95–100 bn of AUM.

**Career Point Edutech Limited (CP Edutech)**

Career Point Edutech Limited (CP Edutech) is steadily evolving into an asset-light, high-margin education services provider with dual growth engines-formal education services and test preparation. Management guidance signals near-term profitability visibility and medium-term earnings compounding, driven by enrolment growth, partner expansion, and diversification into allied health programs. With a debt-free balance sheet, strong margin sustainability, and defined capital return policies, CP Edutech offers investors a scalable education platform with improving visibility on both top-line and bottom-line growth.

**Financial Outlook and Margin Sustainability**

For FY26, management expects PAT in the range of INR 27–28 crore, supported by enrolments already secured across verticals. By FY28, PAT is targeted at INR 60–65 crore. The Q1 FY26 operating margin of 63.2% is expected to sustain, reflecting the strength of the consultation fee-based model. Management reiterated confidence in delivering meaningful top-line growth, led by at least 30% YoY growth in the formal education segment alone, and a corresponding uplift in bottom-line performance. Return liquidity was reported at 32.7% in FY25, and the company remains debt-free, providing significant financial flexibility.

**Growth Drivers: Formal Education**

The formal education vertical, encompassing K-12 schools, colleges, and universities, provides stable, recurring revenues with high entry barriers. Growth is anchored on underutilized capacity-current enrolment of ~8,000 against a managed capacity of ~44,000. The company plans to drive growth through new course launches, annual fee escalations, and strategic partnerships. Expansion is focused on Tier 2 and Tier 3 cities, particularly in Rajasthan, Haryana, and Jaipur, with eventual forays into southern India.

Importantly, CP Edutech is building a portfolio in allied health sciences, including nursing and pharmacy, with approvals already secured in Himachal Pradesh and expected imminently in Rajasthan. While management remains cautious on entering the medical college segment, these paramedical initiatives should add both scale and profitability over the medium term.

**Growth Drivers: Test Preparation**

The test prep vertical is being scaled through asset-light models, franchising, and school partnerships. The franchisee network is targeted to reach 25 centers by FY26-end, becoming operational in FY27. The flagship CP Techno Academy program, which integrates live interactive classes into schools, is set for rapid expansion from 75+ schools currently to 2,000 over the next three years. Additionally, new test prep offerings in CUET, CLAT, and NDA are being introduced, widening the addressable market and leveraging CP's brand equity.

**Strategic and Capital Allocation Plans**

Management's long-term strategy centers on a "flywheel" model, where students progress through multiple stages of the CP ecosystem (K-12 → Test Prep → Higher Education → Post-Graduate), maximizing customer lifetime value. Capital allocation remains shareholder-friendly, with a policy to distribute ~40% of PAT through dividends or buybacks, subject to board approval. While primarily focused on organic growth, CP Edutech remains open to inorganic opportunities in education and allied sectors.

**CP Capital (NBFC Business) Outlook**

Although CP Edutech and CP Capital now operate independently, the repayment of loans and advances (~INR 41–43 crore) from CP Capital back to CP Edutech provides additional liquidity visibility. CP Capital is in the process of strengthening its tech backbone and plans to monetize non-core real estate assets worth INR 20–25 crore over the next two years. Senior leadership hires from the banking/NBFC sector are also on the agenda, which could support longer-term stability of the group structure.

**Outlook**

CP Edutech is well-positioned to deliver strong earnings growth, underpinned by scalable, asset-light models in both formal education and test prep. With visible profitability in FY26, a clear medium-term PAT trajectory, and expansion into high-demand allied health courses, the company is emerging as a differentiated play in the education services sector. The combination of debt-free operations, high margins, and disciplined capital allocation strengthens its investment case. Sustained execution in enrolment ramp-up, franchise rollout, and allied health initiatives will be the key catalysts for valuation re-rating.

**Ceinsys Tech Ltd****Outlook**

*The company remains confident of achieving FY25 order inflows of INR 8,000-9,000 Mn, supported by strong bidding activity across multiple states and sectors. The order book is also becoming more diversified, with ~30% of inflows expected outside Maharashtra and ~40% beyond water-related projects. The pivot to larger, AI- and IoT-enabled projects, combined with strong government and private order visibility, gives management confidence in achieving its INR 8,000–9,000 Mn inflow target for FY25. Near-term profitability is weighed by investments in subsidiaries, but breakeven is expected soon, while inorganic growth and overseas traction offer meaningful upside.*

**Guidance**

Company is on track to achieve order inflows of INR 8,000-9,000 Mn, with execution spread over 18-24 months. Strategic pivot to large projects with ticket size INR 1,000-1,500 Mn, reducing exposure to small, bandwidth-heavy assignments.

Company expects in the medium term to achieve higher margins expected as project mix shifts towards AI-enabled and IoT-driven solutions.

Looking for opportunities in geospatial and mobility in the U.S. and Europe, with clarity expected by Q2FY26.

**Capacity & Execution**

Currently executing 25+ large projects and 40–50 smaller ones, with the top five contributing ~80% of revenues. Vidarbha River Linking DPR progressing well with Phase-1 completed, Phase-2 underway. Expected to contribute INR 400-450 Mn in Q2FY25. IoT-based projects and DPR assignments for the Maharashtra government are on track. Adani ECC project underway, with a 3-year licensing contract worth INR 210 Mn providing recurring revenue visibility.

**Market Dynamics**

Government orders: Tender activity reviving after JGM audit; strong pipeline in UP, Rajasthan, Gujarat, MP, Delhi, and Maharashtra.

Private sector is expanding base with large contracts; Adani Group remains a key client.

Non-Maharashtra projects expected to rise to ~30% of inflows compared to ~15-20% historically.

Water sector now accounts for ~60% of business as it was more than 80% earlier. New verticals include roads, transport, telecom, like BharatNet-III, land records digitization, and energy (RDSS).

U.S. subsidiary building pipeline of 12-13 opportunities across telecom, manufacturing, and energy, with conversions expected from FY26.

**Operational Update**

Working capital cycle stable at 100-125 days; receivables under control.

Employee costs rose due to expansion of AI/software teams and business development staff.

ESOPs rolled out to retain critical talent ahead of the growth phase.

Company is net debt-free, with INR 1,050 Mn in cash reserves, expected to rise to ~INR 1,300 Mn by FY26E.

**Technology**

Company has AI embedded into multiple offerings e.g., aerial LIDAR data processing, cutting down time and manpower.

Patent filed for an AI-based road asset-monitoring tool. PoCs completed in the energy sector for large private clients.

Currently 75-member AI team and ~80-member software team working on proprietary solutions.

Digital twin and BIM capabilities are being integrated into infrastructure and AEC projects.

**Global Expansion**

U.S. subsidiary focused on telecom, energy, and manufacturing domains; breakeven expected in FY26.

Strategic partnerships being built to strengthen local presence and client servicing.

Inorganic growth in geospatial/mobility under active consideration, with two opportunities under negotiation. Decision expected by Nov-25.

**Competitive**

Competitive edge lies in combining GIS expertise with AI, IoT, and systems integration, differentiating it from smaller niche players.

Management remains focused on scaling replicable, large-value projects across states, while avoiding smaller contracts with limited returns.

**Chamanlal Setia Exports Ltd****Capacity & Capex**

The company has a total warehousing capacity of 82,500 MT, with a daily processing capability of 660 MT, which is expandable. It also has silos with 18,750 MT capacity for efficient storage.

Recent expansions include shifting operations from rented to owned facilities in Mundra and Gandhidham. The new Mundra unit is already operational, with full-year impact expected in FY26, potentially adding over 100 Cr in revenue. Another unit was in a trial run and is now likely operational.

No major capex is planned beyond maintenance; the focus is on optimizing existing facilities. The company targets 100 Cr revenue per expanded unit once demand ramps up. Certifications like BRC, USDA Organic, Kosher, and HACCP ensure compliance for high-quality processing, including steaming, silos, and dryers.

**Financials & Margins**

Exports contribute 84-85% of revenue, with the balance from domestic markets. No specific FY25 numbers were disclosed, but the company emphasizes stable margins despite crop fluctuations.

Profitability varies due to commodity pricing; lower paddy prices in FY25 resulted in break-even or limited profits on inventory. Q2 FY26 is expected to be better as markets stabilize and prices rise slightly.

Revenue target for FY26 is 2000 Cr, contingent on materializing a major Saudi client. The company maintains ECGC cover up to 4 Cr per customer, ensuring financial security. Dividend policy is not specified, but consistent payouts are implied.

**Growth Drivers**

Strong export demand drives growth; India's Basmati exports reached 6 MT in FY25, up from 5 MT previously. The company benefits from this trend, with minimal flood impact on Basmati crops (only 20% affected in damaged areas).

New markets like Russia are emerging, with recent exhibitions (e.g., Moscow, Gulfood, Anuga, Thaifax, Agropec) yielding orders; a new Russian client sent advance payment, and 2-3 more are in pipeline. Domestic online sales are growing via platforms like Paytm, Big Basket, and Blinkit, aiming to increase domestic share.

Participation in global exhibitions (e.g., Anuga in October) and long-term relationships (e.g., 1990 German client, 1987 Dubai client) support customer acquisition. Floods in Punjab affected 1.5-2 lakh hectares, but overall crop is stable, and lower paddy prices aid affordability.

**Product Differentiation and Moat**

Flagship brand Maharani offers varieties like 1509, 1121, steamed, and raw Basmati, with state-of-the-art processing including steaming, silos, and dryers for quality control.

Long-term relationships and participation in exhibitions differentiate it; not dependent on single markets like US (max 5% via direct/sister concern) or Iran (no exports for 20 years). Focus on ECGC-clean buyers and advance payments for new clients builds trust.

**Client Strategy**

Serves 400+ buyers across multiple countries, with no single client exceeding 5% of revenue. Shifts to FOB/CIF with insurance to minimize transit risks.

Focus on diverse buyers to mitigate tariffs (e.g., US) or issues (e.g., Iran); requires advance payments from new clients. Expanding to Saudi Arabia and Russia via exhibitions, with a potential major Saudi client adding 100 Cr+. Model emphasizes multiple countries and buyers for resilience; the recent Moscow exhibition secured advances from Russian clients. Domestic push via online platforms complements exports.

**Chandan Healthcare Ltd**

**Outlook:** Chandan Healthcare is positioned to scale rapidly with its integrated diagnostics model, strong doctor referrals, and focus on Tier-2/3 cities, enabling steady patient volumes. Expansion into new geographies, high-margin B2G contracts, and synergies with pharmacies and hospitals should drive sustainable growth and margin resilience over the medium term.

**Unique Business Model and Competition Strategy**

Company provides full diagnostic services under one roof. This includes all types of pathological tests, radiological tests (X-ray, ultrasound, CT, mammography), ECG, 2D echo, and BMD.

This comprehensive approach caters directly to patient needs and is crucial for receiving references from doctors. Doctors often refer patients to both pathology and radiology, which Chandan's system can handle whereas large online competitors often cannot. They attract 300 to 400 patients daily at their centers.

**Focus on Local Competition**

Their main competitor is the local, unorganized sector, which accounts for about 85% of the overall diagnostic market. They can easily beat these unorganized local players by offering better quality services at competitive rates, leveraging their status as a listed company, and holding multiple accreditations over 11 NABL accreditations.

**Geographic Presence and Expansion Plans**

**Current Presence:** The company currently operates in Uttar Pradesh, Uttarakhand, Bihar, and Rajasthan. They cover all 13 districts of Uttarakhand.

**Recent/Upcoming Expansion:**

- They recently entered Bihar via the acquisition of a center in Patna.
- They recently started a diagnostic center in Rajasthan.
- In the next two months, they will open new centers in Bhopal (Madhya Pradesh), Raipur (Chhattisgarh), and Delhi.

**Major Flagship Project:** They are constructing a huge central lab in Lucknow. This will be the largest center and centralized lab in Lucknow. It is expected to open in the next nine months and will handle all super specialty tests for the diagnostic centers across the seven states they operate in.

Aims to cover all of India within the next five years.

**Business Segments and Margins**

Chandan Healthcare operates across five segments, entering them gradually to ensure fast break-even first:

**B2C (Business-to-Customer):** The primary offline, footfall-based model. Margins: Diagnostic business has margins greater than 33%.

**B2B (Corporate Business):** Includes dealing with insurance companies, banks, and public sectors.

**B2G (Government Business):** Includes contracts like the one in Uttarakhand. Margins: This segment offers very high margins, around 40% EBITDA. The company seeks B2G contracts in new states after establishing profitable diagnostic centers.

**Online Services/Health Checkups:** This segment generates about INR 100 Mn of business per year. They have a mobile application called Chandan 24x7. While they participate in online business (approximately 10% of total business), they do not rely heavily on it due to high competition.

**Franchise Business:** This is the most recent addition, started 2-3 months ago. The initial plan is a pathology franchising model.

**Group Companies and Synergies**

The Chandan group includes Diagnostic, Pharmacy, Hospital, and pharmaceutical businesses. These companies help and support each other. Chandan Pharmacy Limited: Chandan Healthcare holds a 52-53% stake.

The pharmacy operates in retail around 45 stores in UP, Rajasthan, and Bihar, wholesale supplying medicines to group hospitals, and acts as a stockist for the pharmaceutical business.

**Crucial Synergy:** All pharmacy units serve as collection points for the diagnostic business, providing permanent and reliable sample collection centers.

**Margins:** The pharmacy business currently has a 6% EBITDA margin, which they aim to increase by performing wholesale and stockist functions.

**Hospitals:** They operate a 380-bed hospital in Lucknow and a 200-bed hospital in Haldwani (both Greenfield expansions).

The diagnostic business gets a small revenue around INR 60 Mn from the hospitals for super specialty tests that the hospitals do not perform themselves.

Hospitals contribute significantly to the pharmacy business through centralized medicine purchasing.

**Centralized Purchasing:** By purchasing medicines directly from top companies (like Cipla, Cadila, and Sun Pharma), Chandan achieves high margins beyond 40% by cutting out wholesalers/middlemen.

**Chemkart India Ltd****Investment Thesis & Key Drivers**

Chemkart India is undergoing a strategic pivot from its traditional distribution-led model toward value-added manufacturing, with a sharp export focus. The company's **Vision 2030** centers on evolving into a leading Contract Research, Development, and Manufacturing Organization (CRDMO) in nutraceuticals and personal wellness. Management is targeting a **5x scale-up within the next four years**, driven by its greenfield expansion, alignment with government schemes like *Make in India* and the PLI framework, and customer demand for "China Plus One" sourcing alternatives.

**Growth will be anchored by:**

**Commencement of manufacturing at JNPT SEZ**, slated for H2 FY27.

**Novel technology adoption** (liposomes, micro-encapsulation, nano-emulsions), which can drive higher-value, margin-accretive business.

**Export-led model** (80-85% of output targeted for exports), providing both scale and resilience while avoiding domestic input duties/GST.

**Financial Guidance & Outlook**

Management provided a multi-year revenue roadmap, with a sharp shift in margin profile once manufacturing gains traction.

**FY26:** Revenue expected at INR 240-250 crore. H1 has already crossed INR 100 crore; H2 is projected at ~INR 140 crore, aided by rising input costs and stocking demand. Cash flow is expected to turn positive this year.

**FY27:** The SEZ facility is scheduled to begin contributing from H2, with an estimated INR 40-50 crore in incremental manufacturing revenue.

**FY28:** Contribution from the new facility should scale sharply, to over INR 150 crore.

**FY30:** Revenues are targeted to cross INR 1,000 crore, with PAT margins expanding to 16-18% as manufacturing reaches steady state.

EBITDA margins, currently ~16-17%, are expected to expand steadily towards 20-25% as the mix shifts away from trading to manufacturing.

**Strategic Expansion - JNPT SEZ Facility**

Located within 2 km of India's largest port at Navasheva, the JNPT SEZ plant is Chemkart's cornerstone for growth.

**Timeline:** Facility transformation expected in the next 10 months; revenues to flow from H2 FY27.

**Capex:** INR 34 crore, fully funded via IPO proceeds. Chemkart remains debt-free.

**Capacity (Phase 1):**

Powder processing: 3,300 TPA.

Ingredients: 120 MT annually (~10 MT monthly) of high-value ingredients priced at \$50-100/kg.

**Utilization:** 75-80% utilization expected by FY28. Phase 2 expansion is planned post-FY28.

**Customer traction:** Management expects "Day One" orders from existing Indian clients for overseas markets, but clarified the SEZ will focus on foreign customers and domestic players seeking export opportunities to avoid channel conflict with its trading business.

Margin structure is expected to be highly accretive, with manufacturing stabilizing at 25-30% EBITDA margins by the second year of operation. Importantly, the working capital cycle in manufacturing will be materially shorter than trading (currently 90-95 days), with partial advance payments expected from customers.

**Subsidiaries, R&D & Future Plans**

Chemkart is also developing two subsidiaries that enhance vertical integration:

**WinStar:** Focused on R&D and molecule development. Currently scaling up the team with PhD-level scientists to lead new molecule discovery.

**Easy Raw Materials (ERM):** Focused on manufacturing finished formulations.

The company plans to enter **bioactive molecules manufacturing by 2028**, potentially through a JV or self-owned facility.

Management hinted at updates on this initiative in the coming months.

No further equity raising is planned for Chemkart at the parent level. However, subsidiaries may require capital infusion of ~\$10 million (INR 100 crore) as their businesses scale. Management emphasized that all development will remain within the Chemkart group, which should be viewed positively by investors.

**View**

Chemkart is entering an inflection phase as it transitions from trading to manufacturing. The **JNPT SEZ plant** is a structural driver that could more than double margins, supported by differentiated technology platforms and strong export positioning. With a debt-free balance sheet, visibility on near-term orders, and a scalable long-term vision in bioactives, Chemkart appears well-positioned to achieve its **5x growth target by FY30**, though execution of the SEZ facility and customer ramp-up remain the key near-term variables to monitor.



Chetna Education Ltd**Company Overview**

Chetna Education Ltd. is a 47-year-old publishing house with a stronghold in the Maharashtra State Board and CBSE markets, offering over 750 active titles. The company publishes ~50 new titles annually and operates with a team strength of ~480 employees, of which ~250 are in sales.

Chetna reported revenues of INR 92.5 Cr. in FY24 and INR 102 Cr. in FY25, with PAT at ~INR 13 Cr. The business has demonstrated steady year-on-year revenue growth of 20–25% over the past three years.

Post-COVID, the company strategically expanded into digital content, creating a differentiator versus traditional publishers. Chetna has also incubated a 100% subsidiary – Deja, focusing exclusively on digital education solutions.

**Business Model**

Chetna operates a blended physical + digital model. Its “QR Series” embeds QR codes in physical textbooks, enabling students to access 36,000+ educational videos for stepwise conceptual learning. This has significantly increased adoption and customer stickiness. To address concerns around excessive mobile usage, Chetna launched Deja, a personalized OTT education platform (akin to a “Netflix for education”). Each partner school can host its own channel, embedding Chetna’s digital content as well as school-generated material (e.g., annual day events, teacher-led lectures). The OTT is accessible on seven platforms including mobile, tablets, laptops, and smart TVs, with a SaaS-based subscription model priced at INR 360 per child per year (INR 1/day). The pilot rollout has onboarded 140 schools, of which ~80–90 use the platform actively, with 1,000+ videos streamed daily.

**Strategic Developments**

**Digital Transformation-** QR-integrated textbooks strengthening Chetna’s position in blended learning.

OTT platform Deja expected to scale from 140 schools to 4,000–5,000 schools in the next 2 years.

**Partnership Ecosystem:**

**Physics Wallah (PW):** Competitive exam prep content (IIT-JEE/NEET) to be delivered via Deja. Includes both recorded and live lectures, with revenue-sharing/royalty arrangements.

**Birla Group – Empower:** Mental health curriculum integrated on the OTT platform.

**Indian Talent Olympiad (ITO):** Olympiad preparation content now available through Deja.

**Expansion Roadmap:** Focused on deeper penetration in CBSE and Maharashtra State Board rather than diversifying into ICSE/international boards at this stage. Targeting the K–3 age group with dedicated video-based curriculum and music-led NEP syllabus content (recent tie-up with a leading music personality). International markets: Initial entry into UAE (Dubai) underway, pending regulatory clearance on SMS-based access protocols.

**Key Highlights**

**Growth Outlook:** Management guided for a **25–30% topline growth in FY26**, driven by deeper penetration and syllabus revisions under NEP.

**Revenue Mix:** FY25 split – **55% State Board, 45% CBSE**; expected to converge to ~50:50 by FY26. Coaching institute contributions are ~10–12% of revenues.

**Digital Revenue:** Subscription revenues from Deja to meaningfully accrue from **FY27** onwards, with significant scalability potential.

**OTT Economics:** Asset-light aggregator model with technology outsourced to a partner firm. Revenue-sharing agreements with content providers (PW, Birla, ITO). Expected EBITDA margins for Deja are **40–45%**

**Competition:** Positioned as a “**YouTube of Education**” **but ad-free and school-branded**, creating stronger engagement and retention.

**Customer Stickiness:** High switching costs for schools once OTT channels are launched, given parental involvement and institutional branding.

**Outlook**

Chetna Education has successfully transitioned from a traditional publisher into an **edtech-enabled education solutions provider**. The QR-based hybrid model has driven adoption, while Deja provides a **scalable, subscription-led recurring revenue opportunity**. Key near-term drivers include **penetration of CBSE schools, NEP-driven syllabus changes, and expansion of Deja’s OTT ecosystem**. Partnerships with marquee names like Physics Wallah and Birla Group add credibility and broaden the value proposition.

Execution risk around **digital adoption, regulatory approvals (UAE rollout), and school onboarding** remain, but the **asset-light OTT model, strong content pipeline, and diversified revenue base** provide comfort. Overall, Chetna appears well-positioned to deliver **sustained 20–25% growth**, with digital initiatives unlocking **margin expansion and annuity-style revenues** over the medium term.



**Choice International Limited (CIL)****Financial Projections & Capital Outlook**

Management outlined an ambitious financial roadmap with clear guidance on growth and capital deployment:

**Revenue and Profitability Growth:** CIL has set a **25–30% CAGR target** for both revenues and profitability over the next five years. The company views ROA and ROE improvements as a natural outcome of this growth trajectory.

**Capital Conversion:** Around **INR 400 crores from recent warrant issuances** is expected to be converted into equity **by December of the current financial year**.

**Capital Allocation Priorities:** Incremental capital will be channelled toward **NBFC lending growth** and the **newly licensed AMC business**, which are capital-intensive. Other verticals will rely on internal accruals.

**Growth Levers: Broking & Wealth Distribution**

The broking and wealth management businesses are positioned to benefit from India's structural financialization trend.

**Industry Opportunity:** Management expects **continued growth in equity participation**, with more retail investors beginning their investment journeys.

**Wealth AUM Target:** The company has set a **INR 8,000 crore AUM target within the next 2.5 years**, reflecting aggressive scaling ambitions.

**Margin Expansion:** Broking and distribution margins (currently **18–20%**) are projected to **expand moderately** due to operating leverage.

**Customer Acquisition Strategy:**

**Financial Inclusion:** Partnerships with governments to conduct **financial awareness programs** for college students.

**Technology-Led Engagement:** Enriching its proprietary mobile app with **high-end features** to attract younger investors.

**Growth Levers: NBFC Business**

CIL's NBFC arm follows a conservative, secured lending approach focused on risk management.

**AUM Growth:** Targeting **20–25% AUM growth** annually, primarily through Loan Against Property (LAP).

**Risk Controls:**

Low LTV ratios (**50–55%**) ensure lending discipline.

**CIBIL-integrated monitoring systems** flag external EMI defaults by borrowers, allowing proactive risk response, including loan recalls.

**FinTech Partnerships:** Management currently **rules out tie-ups with FinTechs**, as LAP requires **physical presence** for due diligence, which FinTech models cannot replicate effectively.

**Growth Levers: Advisory (Government Consulting & Investment Banking)**

The advisory segment provides resilience through its **counter-cyclical nature**.

**Order Book:** CIL holds an **order book of INR 586 crores**, representing contracted revenues with **execution visibility of 24–36 months**.

**Resilience in Downturns:** Economic slowdowns often increase government spending on infrastructure projects, ensuring **revenue stability** for the advisory segment.

**Project Discipline:** Focused only on **mission-critical central government projects** with strict timelines.

**Investment Banking Momentum:**

Currently managing **24 IPO mandates** with a combined fundraising potential of **INR 6,600 crores**.

Strategic focus on mid-sized IPOs in the **INR 100–500 crore range**.

Management expects **IB growth to outpace group average** in the near term.

**Growth Levers: Insurance Distribution**

Insurance is emerging as a structural growth driver.

**High Growth Potential:** Management expects insurance distribution to **scale rapidly in the next 2–3 years**.

**Strategic Priority:** Insurance is likely to become an **independent business vertical** as contribution expands.

**Technology & Differentiation**

CIL is actively embedding technology across its businesses for cost efficiency and competitive differentiation.

**AI Deployment:** Currently used in **backend systems** for reporting, analytics, and dashboards to reduce costs.

**Future AI Role:** While regulations currently limit AI-driven investment advice, management indicated willingness to **lead adoption once permitted**.

**Hybrid Model Advantage:** The firm differentiates itself by combining **digital platforms** with a **deep physical presence** in semi-urban and tier-3 markets, enabling customer acquisition beyond metros.

**Key Takeaways**

**Aggressive Growth Roadmap:** Management's 25–30% CAGR target signals confidence in scaling revenues and profitability across verticals.

**Capital Conversion by FY25-end:** INR 400 crore equity conversion provides visibility on capital availability, especially for NBFC and AMC.

**Broking & Wealth:** Targets INR 8,000 crore AUM in 2.5 years, with margin expansion aided by scale.

**NBFC:** Disciplined secured lending with strong risk controls, avoiding FinTech-led dilution of underwriting quality.

**Advisory & IB:** Strong visibility with INR 586 crore order book and 24 active IPO mandates.

**Insurance Distribution:** Expected to emerge as a **core vertical in 2–3 years**.

**Technology Edge:** AI-driven backend efficiencies and hybrid model strengthen execution in tier-2/3 markets.

**CIE Automotive Ltd**

**Outlook:** The company's outlook is favorable. In India, growth is supported by policy-driven demand and a robust order book, while margin expansion is expected through operational efficiencies. In Europe, flat-to-marginal growth is anticipated, but profitability is likely to be maintained through a margin-focused strategy and selective offshoring. The diversified exposure across ICE vehicles, EVs, forgings, and castings positions the company to manage risk effectively while capturing long-term growth opportunities in both regions.

**Domestic:** The Indian market is poised for a positive growth trajectory, driven primarily by the recent GST cuts. This policy change is expected to boost vehicle sales over the next one to two quarters, with analysts projecting a notable improvement in growth trajectory, potentially mirroring historical trends seen post-excise cuts in 2010–11 when the market experienced double-digit growth over two to three years.

OEMs such as Maruti and Hyundai are expected to benefit significantly due to strong component supply chains. Two-wheelers are projected to maintain steady growth of 5–7%, which may accelerate due to GST advantages, while light vehicles, currently growing at 3–5%, could see improved demand. Tractors are likely to sustain consistent growth, unaffected by GST, and commercial vehicles show growth potential but remain sensitive to fleet modernization trends and competition from alternative transport like rail.

Operational strategies in India focus on enhancing competitiveness through efficiency, cost optimization, and selective capital expenditure, with capacity planning aligned to handle anticipated demand.

Overall, the medium-to-long-term outlook for India is positive, with margins expected to improve from the current ~18% and a robust order book valued between INR 800–1,000 cr annually, particularly in forgings, gears, and iron/aluminum castings.

**Europe**

In Europe, light vehicle production has stabilized at 16.5–17 mn units, which remains 10–15% below pre-COVID levels. The market faces challenges such as the slower transition to EVs due to charging infrastructure limitations and battery range constraints, strict CAFE regulations restricting ICE vehicle production, and rising imports, especially from China.

Despite flat top-line growth, European operations are expected to maintain EBITDA margins around 15% through cost optimization and operational efficiency. Selective offshoring of iron castings, gears, and forgings from Europe to India is underway, driven by both environmental considerations and cost benefits, although complete relocation is not planned. These initiatives are projected to contribute incrementally to revenue growth by 2–3%.

Overall, while top-line growth in Europe is expected to remain flat or slightly negative over the next two to three years, a strong order book in EV-related components provides significant upside potential, and profitability is expected to remain protected through operational efficiency and offshoring strategies.

Regarding EV penetration and component strategy, India continues to see low EV adoption, with around 3–4% penetration in cars and 6–7% in two-wheelers.

ICE vehicles remain highly competitive, especially following the GST reductions, which has slowed the pace of EV adoption. Nevertheless, the company's component business remains well-insulated due to its diversified portfolio, including forgings, gears, and other high-margin parts. In Europe, the adoption of EVs is faster, which creates a moderate risk to traditional engine components with an estimated exposure of around €150 mn. However, the strong order book in EV components mitigates this risk and provides a path for stable revenue over the medium term.

Concord Control Systems Ltd

Management reiterated a large long-term opportunity in rail safety & locomotive electronics (Kavach, DPWCS, remote monitoring, locomotive subsystems) and targets 40-50% revenue CAGR over the next 3-5 years with EBITDA margins of ~22-25%. Company positioning is a mix of manufacturing & R&D followed by inorganic acquisitions, and management expects locomotive subsystems (DPWCS / remote monitoring / HMIs / DDUs) to be the largest near-term growth driver, contributing ~50-60% of revenues over the next few years.

**Guidance-** The company expects to achieve a 40-50% CAGR in revenue in the next 3–5 years and an EBITDA margin target of 22-25% as the business scales.

**Operational highlights**

Received an order of ~INR 195 Mn to manufacture, supply, install and commission 5 stations, 6 Remote Interface Units (RIUs) and 10 loco Kavach units across a 53 km section in South Central Railway.

To perform a trial that is mandatory to complete ~5,000 locomotive-km. Management expects installation + trials to complete in ~6-9 months with 2-3 months of rigorous running once installed.

**Orders Update**

The order is currently in the developmental/field-trial stage, serving as a step toward achieving approved vendor status.

Under the vendor quota system, developmental vendors are allocated 20%, while approved vendors account for the remaining 80%.

Management has completed key SIL-4 documentation steps and has progressed through ISA/SIL-4 stages; remaining hardware/software qualification is ongoing.

The company has four manufacturing facilities, located in Lucknow, Bangalore, and Hyderabad. Management emphasised in-house manufacturing + testing capability.

**Product mix-** The company operates five business verticals, such as Traction, Coaching, Locomotive, Wayside and Advanced Rail (electronics/IoT). They also incubated Concord Lab's collaboration with IISc Bangalore for specific products, such as wheel impact load detection (WILD, etc.).

**Orderbook/pipeline-** The company has a broad pipeline across zones and production units with small sectional tenders of INR 20-500 Mn to very large tenders of INR 10 Bn.

**Segment mix**

Locomotive subsystems (incl. DPWCS / Super Anaconda / remote monitoring/driver displays / HMIs) is identified as the single biggest growth engine; management expects ~50-60% contribution to revenues in the near term. They see a locomotive-subsystem TAM of ~INR 25-30 Bn over the near term for relevant sub-products.

Large TAM has ~INR 450-470 Bn opportunity over the next 4-5 years for the entire safety ecosystem.

**Capex/expansion** - The company plans to ramp up the Ahmedabad assembly/larger-scale line soon to reduce dependence on external foundries. Capex will be funded from internal cash and accruals.

**Other Updates**

The company expects a large tender from IPSS govt ~INR 32 Bn, Sahana is one of 16 shortlisted for demonstration with 200+ participants initially.

The company stated ~8 patents filed / in pipeline and multiple research publications; they are investing in hardware + software R&D.

### Control Print Ltd

Control Print is a domestic coding and marking business to fund new growth areas, including Track & Trace and international packaging solutions. While two of the three European subsidiaries are profitable, the V-Shapes packaging unit in Italy continues to be a drag on consolidated performance. The company's key focus for FY26 is to reduce the losses in the V-Shapes business and achieve break-even in the domestic Track & Trace division.

### Revenue Breakup

The company's core business follows a model with annuity-like revenue from consumables, with the **printers segment contributing ~12-14%**, followed by **consumables ~62-66%**, **spares ~8%**, & **services like AMCs at ~14%** of revenue.

Revenue was split **91% from India** and **9% from Europe**. It is expected to move towards an 85/15 split as European sales pick up, though India will remain dominant.

### V-Shapes

The Italian packaging subsidiary (V-Shapes) reported a loss of **€1.9 Mn** in FY25. The company confirmed it has already implemented a price hike starting in Aug-25.

### Operational Highlights

The company uses RFID technology and smart tags on its consumables, which ensures a sticky customer base and a recurring revenue stream.

The average life cycle of a printer at a customer's location is **~eight years**, assuming proper maintenance.

Management is targeting an installed base of **~22,500 printers** by the end of FY26.

The company's after-sales service is a key differentiator, with a presence across **2,700 pin codes** in **700 cities** in India.

### Segment

**Core Coding & Marking** segment is the primary profit generator. The business has historically grown at a rate of 15-18% per annum, or about 1.5 times the GDP growth rate.

**Track & Trace** division, started in FY24, operates within the standalone Indian entity.

Management expects this business to **break even in FY26**. The TAM for this segment is estimated at **INR 4-5 Bn**.

The primary goal for FY26 is to **reduce the losses** compared to the prior year by increasing revenue and optimizing costs.

### European Subsidiaries:

This digital printing company was profitable in FY25 and is expected to remain profitable in FY26.

**Codiology (UK)** is an end-of-line printing solutions company was also profitable and serves as a distribution channel for Control Print's India-made products in Europe.

### Industry Update

The Indian coding and marking industry is an **oligopoly**, with Control Print and three large MNCs (Videojet, Domino, Imaje Markem) controlling **75-80%** of the market.

Control Print is a dominant player in the **industrial printing segment**, with major clients in sectors like steel, cables, cement, and plywood.

The company sees significant room for growth in the **packaging printing segment**.

### Guidance

The core Indian business is expected to continue growing at **1.5x GDP**, in line with historical trends.

Management expects to return to previous EBITDA margin levels of **~24%** vs the current 19%.

The company targets reaching **22,500 printers** by the end of FY26E.

**Crest Ventures Ltd**

Crest Ventures has three primary business verticals: real estate, financial services, and investments. The company's core strategy is to use a proprietary capital-based, asset-light model, which involves engaging with landowners on development projects and funding them with their own equity and credit. This approach allows them to maintain a low debt exposure. The company has a history of strategic partnerships with large national and global players.

**Real Estate Projects:**

The company's real estate strategy is now focused on developing premium and luxury residential and commercial projects in Mumbai and its surrounding areas, moving away from past projects in other cities like Chennai and Jaipur.

**Completed Projects**

A commercial tower and mall developed in a 50/50 partnership with Phoenix Mills. The company sold its stake in the mall in 2022 for INR 9420 MN.

Crest Mukta: A commercial building in Mumbai with 100,000 sq. ft.

Crest Green Space: A 50-acre plotted and residential development in Jaipur.

Crest Towers: A residential project in Chennai.

Crest Park: A 10-acre plotted development in Jaipur, where the company had a private credit and a 3% DM fee arrangement.

**Ongoing Projects**

Crest Palli Hills: A marquee redevelopment project in Pali Hill, Mumbai. Construction began in May and is expected to be completed in the next 30 months. It has 22,000 sq. ft. of saleable inventory.

Crest Link: A redevelopment project on Linking Road, Mumbai. Residential inventory is 100% sold out. A portion of the commercial space has been leased to tenants like De Beers at INR 640 per sq. ft. monthly rent.

One National Park: A 50/50 joint venture with Phoenix Mills in Chennai. The company has a 600,000 sq. ft. commercial building that recently received its OC. It has already leased out 250,000-300,000 sq. ft. at rates of INR 100-110 per sq. ft.

**Pipeline Projects**

Crest Legacy: A large redevelopment project in Mumbai that the company acquired from NCLT. It has a total development area of 800,000 sq. ft., with 400,000 sq. ft. for sale. Construction is expected to begin by mid-next year.

Crest Aspen: A DM arrangement project in Mahim, focusing on one-bedroom apartments.

**Financials & Business Outlook**

Debt Position: The company is described as "fairly debt-free" compared to other developers. They prefer to use their own equity capital and take on leverage only when a project is ready to take off and can service the debt through sales or rentals.

Investment Portfolio: The company has a diverse investment portfolio, including a significant stake in Phoenix Mills and a recent social impact investment in Two Brothers Organic Farm.

Strategic Demerger: The management has proposed a plan to the board to demerge the financial services and investment businesses from the real estate business. The goal is to make Crest Ventures a purely real estate-focused company and unlock value for shareholders. This process is expected to take 1-2 years.

Revenue Recognition: The company is now in a phase where it can start to recognize revenue from its DM models and new project sales, leading to a more consistent flow of profits. A past spike in EPS was attributed to the one-time sale of its stake in Phoenix Market City, Chennai.

**Dar Credit & Capital Ltd****Specialized Market Focus and Competitive Positioning**

Dar Credit & Capital Limited operates as a specialized Non-Banking Financial Company (NBFC) with a core focus on **financial inclusion** through targeted lending to underserved segments. The company's primary customer base includes **municipal employees (Group D staff)**, small-scale traders, and MSME entrepreneurs. This specialization creates a **unique competitive positioning** with minimal competition, supported by a 30+ year track record. Sustainable barriers to entry exist because competitors struggle to replicate the specialized skills needed for market penetration and the relationship-based business model. The company's core advantage lies in its deep expertise in serving low-income individuals and understanding the unique payment cycles of government employees.

**Strong Financial Trajectory and Growth Targets**

The company demonstrates strong fundamentals and sustained profitability. Revenue grew from INR 247.7 mn (FY21) to INR 409.6 mn (FY25), with Profit After Tax (PAT) expanding from INR 34.2 mn to INR 70.4 mn over the same period. Management guidance targets aggressive gross loan portfolio expansion to **INR 4–4.5 bn by FY28**. The company possesses exceptional asset quality in its core municipal lending vertical, showing **negligible NPAs** due to regular salary-backed repayments and government employment security. Furthermore, a **robust Capital Adequacy Ratio (CAR) of 25%** provides substantial capacity for growth funding without immediate equity dilution.

**Operational Excellence and Funding Optimisation**

Dar Credit maintains significant operational advantages, including proprietary market knowledge accumulated over three decades and established relationships with municipal authorities. It employs **specialized collection methodologies** adapted to government employee payment cycles, ensuring proven collection efficiency even during temporary payment delays. The risk management framework focuses on employment stability rather than traditional income documentation. Importantly, the company is successfully lowering its cost of funds; recent borrowing facilities were secured at **9.5%**, compared to a historical range of 12–15%. This progressive borrowing cost optimization targets a **1.5–2% enhancement in Return on Assets (ROA)**.

**Strategic Expansion and Favorable Market Dynamics**

The growth strategy involves systematic branch expansion and diversification. Post-listing expansion includes the opening of **six new branches** across states such as West Bengal, Rajasthan, Bihar, and Jharkhand. Geographic diversification reduces concentration risk while leveraging proven operational methodologies. The company is also developing its MSME vertical to provide revenue diversification, balancing the stability of municipal employee lending with higher-yield opportunities. The long-term demand visibility is supported by **favorable industry dynamics**, including the **8th Pay Commission implementation** increasing government employee salaries and growing credit penetration in underserved segments, along with a supportive regulatory environment focused on financial inclusion.

**DB Corp Ltd****Capacity & Capex**

Circulation: 40 lakh copies/day (+3% QoQ); digital: 22M MAUs. Radio: 13 stations + 14 new.

Maintenance capex only; net debt-free with 1000 Cr cash. No major expansions; focus on optimizing existing print/digital/radio infrastructure.

Expanding digitally to UP/UK; no capex for real estate acquisitions.

**Financials & Margins**

Advertisement CAGR: 13%, PAT: 34% over 4 years. Q2 FY26 ad growth double-digit; August +10-15%, Sep Day 1 +40%.

Digital subscription run rate: 45M/month (up from 12-14M). Dividend payout: 55-60%; net debt-free.

Print ad yields improving; radio growth via new stations. Overall margins stable with focus on cost control (newsprint ~500/ton).

**Growth Drivers**

GST cut, festivals, govt spending (high single-digit), 8th Pay Commission boost ad from auto/FMCG/real estate/education.

Circulation push (4-5% annual target); digital expansion to UP/UK; radio via 14 new stations. Non-metro focus (90% India population).

Economic boosters (IT rebates, monsoon); Q2 ad double-digit; hyperlocal content drives engagement.

**Product Differentiation and Moat**

Largest Indian print media (3rd global); dominant in non-metro Tier 2/3 towns with hyperlocal/original stories (40%).

App features high time spent (3-4x peers), no pop-ups; young digital team (avg age 30). Editorial quality/speed defies global decline.

Brands like Dainik Bhaskar; events for engagement; consistent payouts build shareholder trust.

**Client Strategy**

Advertisers: Auto, 2-wheelers, retail/jewelry, FMCG, quick commerce, govt/PSUs. 70-75% digital revenue from subscriptions; print ad yields improving.

Engagement via events; focus on non-metro dominance. Consistent payouts (55-60%) to shareholders.



**DC Infotech and Communication Ltd**

**Outlook:** DC Infotech expects to maintain its industry-beating double-digit revenue and profit growth, targeting INR 1,000 crore topline within three years, largely through services and deeper IT/cybersecurity integration for mid-to-large corporates. With India's digital economy gaining momentum and enterprise IT demands surging in security, UCC, and AI/cloud, the company is positioning as a premium, consultative solution partner rather than just a product distributor. Near-term gross margin volatility remains, but management expects a steady trajectory as a higher services mix and global expansion materialize.

**Business Model & Strategy**

Integrated IT solutions provider: consulting, design, implementation, and support, with networking (50%), UCC (25%), and cybersecurity (25%) as key revenue streams.

Transitioning from hardware-centric to service-based model; current 19% services share targeted to double within 2–3 years.

Client retention above 95% as solutions are sticky and sit at the “IT backbone”; support is round the clock/long term.

Enterprise focus: Corporate, government, education sectors – not SMB or retail.

Service edge: Recently certified for top-tier (Zscaler) cloud data security, giving strategic credibility in managed security deployments.

**Financial and Operational Performance**

FY25 revenue INR 555.8 crores (+21% YoY); EBITDA INR 26.07 crores (+30% YoY); PAT INR 14.5 crores (+25%) with EPS INR 10.72.

FY25 Q4 profit dipped YoY due to one-off costs and some FX/US dollar pressures.

Order book stands at INR 38–40 crores with several new cloud AV/security projects to be executed in Q1–Q2.

Strategic partnerships with Samsung, Netgear, D-Link, Arbor, Zscaler, and others.

Recognitions: Ranked for third year on Financial Times Asia-Pacific high-growth list; specialized certification enhances long-term client engagement.

**Expansion, Technology, and Strategic Plans**

Near-term: Doubling the services business, with managed detection/AI analytics as core verticals.

Geographic: Large domestic base but expanding in Middle East/Africa, riding along with corporate clients' new operations.

Digital: Enhanced D2C mobility/app and support channels; highly customizable and consultative deployment as a moat.

Macro: Market benefit from rising digitization, rapid AI/5G/IoT adoption, and ongoing cyber threats – solutions designed to unify security and communications for enterprise-grade networks.

Financial flexibility: Management is open to select M&A for AI analytics and niche managed services.

DELAPLEX LIMITED

**Outlook:** Delaplex Limited is evolving from traditional software development into a specialized, high-margin technology services provider through a five-pillar strategy encompassing supply chain management, cloud solutions, AI/ML services, data management, and micro data center infrastructure. With a debt-free balance sheet, 15% PAT margins, and a 174-day debtor cycle, the company targets 30-35% annual revenue growth, leveraging its proprietary AI-driven accelerated development platform and breakthrough BSNL partnership for scalable micro data center deployments.

**Business Model & Strategic Evolution** Founded in 2008 and listed on the NSE SME platform in February 2024, Delaplex operates Centers of Excellence across five verticals. Supply chain management contributes 45% of revenue through middleware and warehouse execution systems integrated with legacy client platforms. Cloud and AI/ML services account for 37% of revenues driven by a proprietary UK acquired development platform that compresses typical four-month deployments into one-week configurations. The company's pivot away from commoditized body-shopping towards fixed-bid projects enhances pricing power and client stickiness, while global certifications and strategic acquisitions in the UK strengthen domain expertise and market reach.

**Financial Performance & Growth Trajectory In FY25,** Delaplex reported INR 700 mn in revenue, growing 24.3% year-over-year, with EBITDA margins of 31.9%. Management guidance targets 30-35% annual revenue growth over the medium term, with EBITDA expanding towards 30% and PAT margins approaching 25% within 23 years. The debt-free capital structure and strong cash flows provide funding flexibility for international expansion across North America, Europe, and GCC markets. Transitioning to milestone-based fixed-bid contracts reduces working capital intensity and improves cash flow predictability.

**Technology Innovation & Micro Data Centers** Delaplex's proprietary AI-driven accelerated application development platform underpins efficiency gains and margin expansion by enabling two-person, one-week delivery cycles. The micro data center vertical, launched through a BSNL partnership, addresses data sovereignty and edge computing needs by integrating cooling, power, fire suppression, and security in rack mounted solutions. This offering targets telecom exchanges and enterprise R&D facilities, delivering 40% software overlay to hardware solutions and positioning Delaplex as a turnkey infrastructure provider.

**Market Opportunity & Competitive** Positioning Global enterprise digital transformation and data localization mandates drive demand for Delaplex's solutions across regulated industries. International operations generate 80% of revenues, providing natural FX hedges and access to premium markets. Supply chain complexity, AI/ML adoption, and edge computing requirements create multi-billion-dollar addressable markets. Delaplex's domain-centric COE model and proprietary IP establish high switching costs relative to generic IT service providers, while strategic UK and North American presence accelerates market penetration.

Desco Infratech Ltd

**Outlook:** FY26 emerges as a transformative year for Desco Infratech as the company shifts from private sector dependency post-Hindenburg to establishing itself as a preferred vendor for public sector undertakings. With aggressive 100% YoY growth targets over the next three years and a vision to reach INR 1,000 mn revenue by 2030, execution excellence and market expansion will be critical success factors. Robust order book of INR 330+ mn provides strong visibility, while diversification into power & transmission offers additional growth levers. We expect continued margin sustainability supported by improved collection efficiency and operational leverage benefits.

**Company Background:** Founded in 2011 by CMD Pankaj Desai with 34+ years of gas distribution experience, Desco Infratech initially operated only in Maharashtra and Gujarat before expanding pan-India post-2015 under whole-time director Malhar Desai's leadership. The company successfully weathered the 2023 Hindenburg crisis, which affected 57% of revenue from private clients, by pivoting to public sector clients and achieving 102% revenue growth in FY25 to INR 59 mn from INR 29 mn.

**Business Segments:** **City Gas Distribution (CGD)** remains the core business with vast untapped potential - only 6.5% of India's LPG users have converted to PNG, presenting massive expansion opportunities. The company provides comprehensive EPC services and operations & maintenance for gas pipeline infrastructure.

**Power & Transmission** represents the emerging growth driver, expected to contribute 20% of topline in current year, expanding to 30-35% over next 2-3 years. Services include high-tension cable laying, transformer installations, and electrification projects focusing on 33kV systems.

**Financial Performance:** Order book stands at INR 330+ mn (INR 305-308 mn EPC, balance O&M) with execution timelines of 15-18 months for EPC and minimum 24 months for O&M contracts. Collection efficiency dramatically improved from 214 days in FY24 to 88 days in FY25, targeting sub-50 days by year-end. Current bidding pipeline of INR 252 mn with historical win ratio of 30-40%.

**Growth Strategy:** Management projects ambitious 100% year-on-year growth for next three financial years, targeting INR 1,000 mn revenue by 2030. **Geographical expansion** focuses on Northeast India (targeting 20-22% of order book within 1.5 years) and Southern India (expecting 50% revenue contribution). **Market opportunity** is substantial with government committed to INR 1,00,000 mn investment over next five years in CGD, expanding to INR 4.5-5,00,000 mn by 2040.

**Key Clients & Competitive Position:** Successfully transitioned client base to AAA-rated public sector units including Bharat Petroleum, Indian Oil, Hindustan Petroleum, Gail Gas, while maintaining relationships with Adani Group and Torrent Group. Company's 34-year industry experience and proven track record with repeat customers provide competitive advantages in a sector requiring specialized expertise and regulatory compliance.

**Risk Factors:** Management identifies force majeure events and government policy changes as primary risks. Geographic concentration risk being mitigated through pan-India expansion. Working capital intensive nature requires careful financial management as the company scales operations.

**Dev Information Technology Ltd**

**Guidance and Future Outlook:** The company aims to expand EBITDA margins from 9 percent to 11 to 12 percent over the next two years by focusing on profitable business segments, scaling international operations, and strengthening recurring revenue streams. Management remains optimistic about overseas opportunities in Microsoft enterprise and cybersecurity while continuing to build on domestic e-governance demand in blockchain, AI, and IT services.

**About the company:** Dev Information Technology Ltd highlighted a strong business performance with consistent growth across domestic and international markets. Management emphasized focus areas including cybersecurity, Microsoft enterprise solutions, and AI-led services, supported by deep partnerships with global technology providers. The company shared visibility on its order book, margin profile, client concentration, and future growth opportunities across both government and overseas markets.

**Geographic Presence and Expansion**

Strong physical presence in the United States and Canada with more than 125 clients

Expanding customer base in Australia, New Zealand, UK, and Europe with robust local partnerships

Focus on scaling revenue share from the North American market while strengthening presence in Australia

**Business Segments and Focus Areas**

Key business verticals include cybersecurity, managed IT, and Microsoft enterprise solutions

Around 30 industry solutions developed and listed on Microsoft marketplace

Strong partnerships with Microsoft, AWS, Adobe, and other global technology providers driving growth

**Order Book and Client Metrics**

Current order book provides visibility of 28 to 34 percent of annual revenue

Client attrition remains in single digits, showcasing strong retention

Top 5 clients contribute 20 to 24 percent of revenues, indicating diversified client base

**Revenue Mix and Margins**

38 to 40 percent of revenue denominated in US dollars, reducing domestic dependence

Government contracts generate gross margin of 12 to 14 percent, while overseas contracts deliver 24 to 30 percent

Managed IT and Microsoft enterprise businesses provide higher-margin opportunities

**Recurring Revenue and Government Projects**

Scaling managed services and AMC contracts to ensure predictable revenue streams

Empanelments with multiple state and central government agencies driving growth visibility

Targeting 20 to 28 percent year-on-year growth supported by government and overseas demand

**Workforce and Talent Strategy**

Employee base of over 1,100 with attrition in single digits

Strong talent pipeline through tie-ups with leading universities including Nirma University and MSU University

In-house training enabling deployment across both Indian and overseas markets

**Dhabriya Polywood Ltd**

**Outlook:** Dhabriya Polywood is positioned as a diversified building materials and furniture solutions provider with strong foundations built over three decades in the industry. The company demonstrated resilient financial performance in FY25 with revenue growth of 11.1% to INR 235 mn and margin expansion to 16.0%. Despite a slower start in Q1 FY26 with 5.8% growth, management maintains confidence in achieving 20-25% annual growth targets supported by a healthy order book of INR 140+ mn and strategic expansion initiatives. The company's focus on value-added products, geographical expansion, and operational efficiency improvements positions it well to capitalize on India's growing demand for sustainable building materials and modular furniture solutions.

**Business Model and Product Portfolio**

Dhabriya Polywood operates through three distinct product verticals that collectively generated INR 235 mn in FY25. The PVC Profiles segment contributes 58% of revenue (INR 136.4 mn) and represents a pure B2B model serving dealers and distributors with over 500 different profile sections for interior applications including false ceilings, wall panelling, and furniture components. The UPVC Windows & Doors segment accounts for 25% of revenue (INR 58.8 mn) and operates on a made-to-order basis, providing complete fabrication and installation services primarily to large real estate developers. The Modular Furniture segment represents 17% of revenue (INR 40.0 mn) and has become the fastest-growing vertical with 15.4% YoY growth, focusing on design-based solutions for kitchens, wardrobes, and office furniture.

**Manufacturing Infrastructure and Geographical Presence**

The company operates five manufacturing facilities strategically located to serve pan-India markets. The original Jaipur facility established in 1992 remains the flagship PVC extrusion plant, while the South India subsidiary Polywood Profiles Private Limited serves the southern belt since 2005. The newest Bangalore facility, operational for two years, produces both PVC fluted panels and UPVC windows, demonstrating the company's integrated approach. Management indicated that South India contributes 40-50% of total revenue, reflecting the region's strong construction activity and the company's established presence. The geographical distribution strategy aligns with India's construction hotspots while maintaining cost-effective logistics.

**Growth Strategy and Expansion Plans**

The company announced a strategic capex plan of INR 50-60 mn over the next 2-3 years, focused on adding new product solutions rather than expanding existing lines. The first phase involves WPC (Wood Plastic Composite) door production expected by the end of FY26. Management indicated that current capacity can support revenue expansion to INR 400+ mn before requiring major capacity additions, suggesting significant headroom for growth. The expansion strategy emphasizes backward and forward integration opportunities while maintaining secrecy around specific new products until formal announcements.

The company has intensified focus on the retail segment by introducing aluminum system windows and establishing a dedicated digital marketing department for brand building. Expansion into western markets shows progress with new project wins in Pune and Mumbai regions. Management emphasized the need for increased product awareness, particularly in Delhi NCR, acknowledging that brand recognition remains below optimal levels despite strong product quality. The retail and renovation market represents a significant opportunity, especially given the 10-year replacement cycle for existing installations and growing demand for termite-proof alternatives to wood.

**Raw Material Management and Margin Outlook**

The company sources PVC resin primarily from Reliance Industries for northern plants and Chemplast for southern facilities, creating direct linkage to crude oil price movements. Management reported favorable raw material conditions in Q1 FY26 with stable crude prices contributing to margin expansion. The polymer-based nature of key raw materials means the company benefits from crude price stability but faces volatility risks during oil price fluctuations. This commodity exposure requires active price management and customer contract structuring to protect margins.

Management set an ambitious target to improve EBITDA margins from the current 16% level to 18% within the current financial year. This improvement is expected through enhanced focus on value-added solutions such as fluted panels, soffit panels, and system windows that command premium pricing. The strategy emphasizes bottom-line improvement over pure top-line growth, indicating management's commitment to sustainable profitability. The margin expansion plan relies on operational efficiency improvements, better product mix optimization, and the introduction of higher-margin new products.

**Order Book Visibility and Project Pipeline**

The company maintains a healthy order book of approximately INR 140 mn, comprising INR 99+ mn in UPVC and aluminum windows and the remainder in modular furniture. This order book represents roughly 60% of annual revenue, providing strong visibility for the next 24-30 months based on typical project execution timelines. Regular order additions and execution create a continuous pipeline, though management noted they maintain rolling order book figures rather than tracking new order additions separately. The substantial order book provides confidence in revenue stability despite external market fluctuations.

The order book reflects successful penetration into new geographical markets, with recent wins in western regions complementing the established southern and northern presence. Management expects continued order flow from existing relationships with major developers as these clients have multiple projects in various stages of development. The project-heavy business model requires careful execution timeline management, but provides higher-margin opportunities compared to pure retail business. The 70-80% project business mix in UPVC windows demonstrates the company's strong institutional relationships and execution capabilities.

**Dhruv Consultancy Services Ltd**

**Outlook:** FY26 emerges as execution acceleration year following strategic transformation from nomination-based to competitive bidding model. With highest-ever order book of INR 270 mn and bidding pipeline exceeding INR 1,000 mn at 25% expected strike rate, the company targets revenue growth of 450-500 mn over next 2.5-3 years from current base. Technical scoring improvement to 95+ marks positions Dhruv among top five highway consultancy firms nationally, while international expansion across 150+ expression of interests in Africa, Asia, and Middle East provides multiple growth vectors beyond domestic infrastructure boom.

**Company Background:** Founded in 2003 by Pandurang Dandavate with 34+ years gas distribution experience, evolved from family business to listed entity (BSE SME 2018, mainboard 2021). Daughter Tanvi Dandavate serves as Managing Director with company achieving pan-India presence across 28 states and 20+ government clients including NHAI, state road development corporations, MMRDA, and private sector players like IRB, GMR, and L&T.

**Business Segments:** **Highway Infrastructure** forms core business encompassing detailed project reports, supervision (PMC), operations & maintenance, safety consultancy, and proof consultancy. **Multi-Modal Expansion** into railways (completed metro works), airports (targeting 250+ tier 3-4 cities under Modi 3.0), and ropeways as part of transportation system diversification. **Private Sector Services** including safety consultancy, equipment testing, and detailed designs for infrastructure companies.

**Technical Excellence:** **Scoring Leadership** improved from 88-89 marks at 2018 listing to current 95+ marks, establishing top-five national ranking in highway consultancy. **Project Portfolio** includes eight expressways under Dhruv supervision with several completed and operational. **Quality Recognition** through consistent repeat client relationships and technical expertise in iconic structures and complex infrastructure projects.

**Financial Performance:** **Order Book Strength** with INR 270 mn unexecuted orders for completion over two years. **Growth Trajectory** from IPO proceeds of INR 23 mn (2018) to current scale through three fundraising rounds supporting working capital, equipment acquisition, and international expansion. **Banking Support** from HDFC and Punjab National Bank with INR 50-55 mn exposure (fund-based and non-fund-based).

**International Expansion:** **Global Reach** through 150+ expressions of interest submitted across African and Asian developing countries plus Middle East markets. **First Success** with World Bank-funded Mozambique project (first part completed) validating international capabilities. **Strategic Positioning** in Middle East through private sector work in Saudi Arabia and systematic approach to international tender participation.

**Growth Strategy:** **Strike Rate Improvement** from historical 20% targeting 25% based on enhanced technical scoring capabilities. **Diversification Benefits** across airports, railways, ropeways, and international markets reducing dependence on domestic highways. **Margin Enhancement** through technical leadership enabling premium pricing and improved profitability from current competitive bidding constraints.

**Operational Capabilities:** **Professional Management** with full-time CEO (25 years experience), CFO, and company secretary complementing family leadership. **Equipment Investment** in state-of-art technology essential for modern assignments and international competitiveness. **Surety Bonds Initiative** exploring replacement of bank guarantees with more cost-effective surety bonds as market opens for consultancy firms.

**Diffusion Engineers Ltd****Order Book**

The order book is on a strong upward trajectory, growing from ~INR 1.2 Bn in December to INR 1.72 Bn as of H2FY26, and is currently close to INR 2 Bn.

The company's consolidated margin in FY25 was ~13.5%. Margins for welding consumables are higher than those for the wear parts and heavy engineering segments.

**Operational Highlights**

The company operates as a highly integrated engineering company, providing comprehensive wear-and-tear solutions. Focusing on manufacturing specialized welding consumables to producing wear plates and now fabricating large heavy engineering equipment.

Currently operating at ~85% capacity utilization across its main product divisions, signaling strong demand ahead of its new capacity coming online.

The company has a sticky customer base across core sectors like cement, steel, power, and mining.

Over 80% of its business comes from repeat customers, highlighting long-standing relationships.

Its manufacturing units are located in Nagpur, which is a strategic advantage for dispatching large, heavy industrial parts across India due to its central location, helping to rationalize logistics costs.

**Segment Breakup**

The company's business is diversified across four main baskets, with the three core manufacturing segments contributing roughly equally to revenue.

Special welding consumables, focusing on specialized electrodes and flux-cored wires for maintenance, repair (MNR), and hard-facing applications.

It has done forward integration from consumables; this segment manufactures composite wear plates and ready-to-fit wear parts for lining industrial equipment to protect against abrasion and erosion. Diffusion is one of the largest wear plate manufacturers in India.

The company manufactures large, critical equipment for core industries, including high-pressure grinding rolls (HPGRs), industrial fans, air separators, and wagon tipplers.

Industrial services & trading includes on-site repair and maintenance services and trading of specialized products like thermal spray powders from its UK-based joint venture.

**Capex & Expansion Plans**

The company is in the midst of a significant capacity expansion funded entirely by its recent IPO.

Welding consumables expansion will be completed within the next couple of months, and the new heavy engineering facility is expected to be commissioned by the end of FY26.

This new electrode line will add an incremental 10 tons/day of capacity.

Wear plate manufacturing capacity has been increased by 25% to 250 sq. meters per day. A new wire manufacturing line will boost a key raw material capacity by ~30%.

Management expects an asset turnover of 3.5x on the new capacities, which are projected to reach full utilization within 2-3 years of commissioning, i.e., by FY28-FY29.

**Other Updates**

Company has 4 decades of expertise in handling critical, high-value industrial equipment, making customers hesitant to switch to new, unproven suppliers.

The company is vertically integrated, with very few competitors possessing the end-to-end capabilities of manufacturing consumables, wear plates, and heavy engineering equipment under one roof.

The average working capital cycle is ~90-93 days. It is shorter for the fast-moving consumables business and longer at 3-9 months for the project-based heavy engineering and wear parts segments.

The company has a strong focus on exports, with a presence in over 30 countries across Asia, the Middle East, Africa, Europe, and North America.

**Guidance**

The company expects double-digit revenue growth, even as it operates at near-full capacity utilization.

For FY27E, with new capacities coming online, a growth rate of 20-25% is a fair estimate & in the mid-long term, post capex, the company is aiming for a topline of approximately INR 6 Bn.

Management expects margins to improve from ~13.5% to the 15-16% range in the mid-term, driven by economies of scale and an enhanced ability to produce, higher-value products.



**Digikore Studios Ltd**

**Outlook:** The company is targeting revenues of INR 60 crore in FY26, INR 75 crore in FY27, and INR 100 crore in FY28, with PAT margins expected to remain in the 18–20% range and move higher as AI adoption, brand jingles, and virtual production assets scale up. For H1FY26 revenues expects of INR 30–31 crore with ~INR 5.5 crore PAT and ~50% of revenues are already from direct clients, aiming to reach 80% by FY27 for higher margins and stronger cash flows. Order book as of mid-FY26 stood at INR 25 crore, with an additional INR 18 crore pipeline, excluding already delivered H1 projects. They have secured projects with Netflix, HBO, and European studios, while also building branded content IPs and SaaS tools for long-term growth.

**Client & Market Diversification**

~80% of revenue currently comes from North America, but the company has made a strong push into Europe, winning several new orders in the UK and EU. It has relationships with 70–80 global clients, including Netflix, HBO, Amazon, Disney, Sony, and Paramount.

The company has already secured landmark projects like Netflix's "One Piece" (Season 2) and other Hollywood feature films.

**Direct vs. Outsource Work**

Earlier, only 20–25% of revenues came from direct projects, while 75–80% came via outsource (tier-2) channels.

In FY26, it flipped this mix to 50% direct and 50% outsource work, which has already 2x its direct exposure. The target is to achieve 80% direct work by FY27, which will drive better margins, faster payments, and improved cash flows.

**New Growth Engines & Diversification**

**Branded Content:** Flagship IP Kaise Banta Hai had 17 episodes in Season 1 and 30 episodes in Season 2, delivering ~25% margins. Other IPs include Heroes (11 episodes) and Medical Gurus (250 episodes planned).

**Brand Jingles:** Over 600–700 jingles have been delivered in India; the UAE market launched recently with 10 clients in 15 days, and the US launch is targeted for Oct–Nov 2025. Pricing is INR 7,000–INR 8,000 in India, ~\$249 in the US, and INR 12,000–INR 13,000 in the UAE. Management sees brand jingles as a potential game-changer for revenue and profitability.

**SaaS Tools:** Platforms like imegasound.com and CellSync are live, with a third platform under development. SaaS is seen as a medium- to long-term growth engine with high-margin potential (~85%).

**Virtual Production Assets:** ~100 assets are listed on fab.com (Unreal Engine/Epic Games partnership) with revenues of \$2,000 in July, \$3,500 in August, and an estimated \$4,500 in September 2025. With 250 total assets to be listed, expects \$10,000–\$15,000 net revenue per month by early 2026.

**Operations & Capacity:** The company plans to hire 100+ employees over the next 2 months to meet rising demand. Current receivables stand at ~ INR 31–32 crore, mostly from tier-2 clients, while direct projects have better payment cycles. Working capital cycle for outsource work is 100–120 days, while direct projects follow milestone-based payments. Full normalization of cash flows is expected in 6–8 months.

**Other Highlights:** The company is also experimenting with generative AI in collaboration with Amazon for VFX delivery. Management acknowledged that AI could disrupt low-end VFX services (roto, paint, matchmove), but it has diversified into multiple verticals (branded content, SaaS, jingles, virtual assets) to mitigate risks and ensure long-term survival.

Plans to raise INR 35 crore via QIP/preferential issue along with INR 15–20 crore promoter warrants. Of the INR 35 crore, INR 20 crore will be used for debt reduction to lighten the balance sheet and INR 15 crore for working capital. The Maharashtra AVGC XR Policy offers subsidies on power costs, permissions for 24/7 operations, and other incentives, which will support company's productivity and cost efficiency.

**DigiSpice Technologies Ltd**

**Outlook:** DigiSpice Technologies has demonstrated a compelling turnaround in Q1 FY26, transitioning from a scale-focused to a profitability-driven rural fintech platform. The company's flagship subsidiary, Spice Money, has achieved market leadership in the AEPS segment with an 18.29% market share while delivering robust financial performance across key metrics. With the largest non-bank Business Correspondent network covering 95% of rural pin codes and serving 25 Mn customers monthly, the company is well-positioned to capitalize on India's digital financial inclusion opportunity. The diversification into higher-margin products, strong operational leverage, and technology-first approach indicate sustainable growth prospects in the expanding rural fintech market.

**Market Leadership in AEPS Ecosystem**

DigiSpice has consolidated its position as the dominant player in India's Aadhaar Enabled Payment System (AEPS) market, capturing an 18.29% market share in the off-us AEPS segment during Q1 FY26. This represents a notable increase from approximately 17% in the previous year, achieved despite industry volatility and regulatory challenges that have impacted the broader AEPS ecosystem. The company's AEPS business generated approximately INR 50 Bn in monthly GTV, positioning it as the market leader in this critical financial inclusion infrastructure.

The company's AEPS success stems from superior platform stability, with transaction success ratios improving from 63.8% in FY24 to 71.3% in Q1 FY26. This enhanced reliability has been crucial for maintaining agent and customer confidence, particularly in rural markets where trust is paramount. Management emphasized that while competitors focus on commission-driven strategies, DigiSpice's moat lies in service quality, platform stability, and comprehensive product offerings that drive merchant stickiness and loyalty. The introduction of subscription packs has further strengthened this position, with over 120,000 packs sold in Q1 FY26, representing an 85% year-on-year increase and contributing 12.4% to gross margins.

**Agent Network Scale and Rural Penetration**

DigiSpice operates India's largest non-bank Business Correspondent network, with over 1.58 Mn registered agents (Spice Money Adhikaris) covering more than 250,000 villages across the country. This extensive network reaches 95% of rural pin codes and serves approximately 25 Mn customers monthly, establishing an unparalleled distribution infrastructure for rural financial services. The network density averages 16 customers per agent, indicating strong local market penetration and agent productivity.

Geographically, the network shows strategic concentration with 84% of agents located in North, East, and Central India, while the company is actively expanding in South and West regions where it sees significant growth opportunities. The agent network spans across 6,475 blocks and covers regions with populations below 20,000, demonstrating deep rural reach that traditional banks find challenging to serve cost-effectively. Management highlighted that over 650 of the company's 1,000 employees are field-based, supported by technology platforms that enable real-time monitoring and productivity enhancement.

The network's strength lies in its zero-investment model for agents, which has enabled rapid scaling while maintaining service quality. Agents benefit from multiple revenue streams including AEPS transactions, collections, account opening, and credit distribution, creating sustainable income opportunities that drive retention and growth.

**Product Diversification and Revenue Mix Evolution**

DigiSpice has successfully diversified its revenue streams beyond core AEPS transactions, with collections business emerging as a significant growth driver. The collections business, encompassing both Cash Management Services (CMS) and Bharat Bill Payment System (BBPS), generated approximately INR 145 Bn in quarterly GTV with 57% year-on-year growth. CMS alone contributed INR 130.62 Bn in Q1 FY26, representing the company's second-largest revenue stream after AEPS.

The gross margin contribution mix has evolved significantly, with AEPS and micro-ATM services now representing 54.8% of gross margins compared to 63.6% in the previous year. Collections business has grown to contribute 20.4% of gross margins, while subscription packs have increased their contribution to 12.4%. This diversification reduces dependence on any single product line and creates multiple touchpoints for customer engagement.

Emerging product lines show strong momentum, with credit distribution achieving 165% year-on-year growth to INR 1,100 Mn in quarterly disbursements. The secured credit segment, particularly gold loans, represented 78% of credit disbursements and showed 3x year-on-year growth. The Current Account and Savings Account (CASA) business maintains healthy float balances of INR 2250 Mn with an average balance of INR 2,100 per account, providing recurring revenue streams.

**Technology Infrastructure and Digital Transformation**

DigiSpice has invested heavily in technology infrastructure to support its scale and improve operational efficiency. The company operates a "digital-first" growth model with custom-built systems for real-time monitoring of field teams and partners. The Salesforce app enables daily geo-tagged beat plans, improving visibility, accountability, and coverage across the extensive agent network. This technology-enabled approach has allowed the company to improve contribution margins without expanding the field force, demonstrating scalability benefits.

The platform's technical reliability has been a key competitive advantage, with AEPS transaction success ratios consistently improving over the past eight quarters. Management emphasized that platform stability is crucial for agent and customer trust, particularly in rural markets where failed transactions can damage relationships and business credibility. The company's technology stack supports multiple product lines seamlessly, enabling cross-selling opportunities and comprehensive service delivery through a single platform.

Future technology initiatives include AI-driven solutions for cost reduction and enhanced customer service, API-level integrations with enterprise partners for scalable collections and lending solutions, and continued investment in mobile-first platforms optimized for rural users. The company views technology as the primary enabler for reducing cost-to-serve while expanding reach and service quality.

**Strategic Business Model Evolution**

DigiSpice is transitioning from a pure transaction-focused business model to a comprehensive financial services platform for rural India. The company's strategy centers on three pillars: agent-led distribution, customer and merchant-led transactions, and credit-led growth. This evolution positions DigiSpice as an intermediary connecting banks and NBFCs with consumers and small businesses in underserved markets.

The credit business represents a significant strategic opportunity, with the company offering both distribution services and direct lending through First Loss Default Guarantee (FLDG) arrangements. Under the FLDG model, DigiSpice provides up to 5% first-loss coverage for agent lending, though actual credit losses have remained below 3%. The company earns 18-25 basis points on secured credit distribution and 3.5% processing fees plus 1-1.5% on AUM for unsecured lending.

Management highlighted plans to expand into adjacent fintech verticals including insurance distribution, wealth management, and AI-driven financial services. The Spice Pay wallet initiative aims to bring first-time UPI users onto digital payment rails, particularly in cash-first markets where traditional UPI adoption faces barriers. This comprehensive platform approach leverages the extensive agent network to deliver multiple financial products, creating higher customer lifetime value and stronger competitive positioning.

**Dodla Dairy Ltd****Financial and Operating Guidance**

The company is maintaining its target for full-year EBITDA margins, guiding towards 9% to 10%. This aligns with management expecting to sustain margins between 9% and 9.5%.

**Revenue and Volume Growth:** Dodla Dairy anticipates a revenue growth of 10% to 12%, The growth rate might taper down from a previously targeted 10% to 6-7% due to seasonality and weather impacts.

**Topline Impact:** Lower anticipated commodity sales this year (compared to last year) will affect the overall topline growth.

**Procurement and Monsoon Impact**

Recent heavy monsoons and regional flooding are significantly influencing the procurement outlook:

**Procurement Price Hardening:** Procurement prices saw a marginal decrease toward the beginning of Q2 but are expected to **harden (increase marginally)** in the coming quarter.

**Monsoon Disruption:** The severe monsoons (flooding, rather than regular beneficial rains) in key production areas have had a destructive impact on crops and livestock. This disruption is expected to prevent the typical surge in milk production seen during winter seasons.

**Commodity Inventory Depletion:** Due to the drop in national milk production, the country's inventory of commodities (Skim Milk Powder/SMP and butter) has been wiped out.

**Strategic Initiatives: M&A and Capacity Expansion**

The focus remains on integrating recent acquisitions and ramping up strategic procurement capabilities in Western India:

**Osam Acquisition:** Management expressed satisfaction with the progress of the North India acquisition.

**Revenue Contribution:** Osam is expected to contribute approximately **INR 180 crores to INR 200 crores** in revenue over the consolidated 8 months of the current fiscal year.

**Losses:** No losses are anticipated from this acquisition.

**Risk Mitigation:** While Osam primarily uses buffalo milk (which has greater procurement price variability), Dodla plans to mitigate fluctuations by moving condensed milk from its Maharashtra operations to the Jharkhand region, which is currently considered more economical than buying powder.

**Maharashtra Expansion (Build Strategy):** The company is pursuing a 'build' strategy in Maharashtra, adjacent to its Hyderabad/North Karnataka operations.

**Capacity Goal:** The target is to establish a **10 lakh litres per day (LLPD)** operational facility.

**Ramp-up:** Current procurement is 2 to 2.2 lakh litres. Management aims to ramp this up over three years, expecting Maharashtra procurement to eventually equal that of Tamil Nadu, Karnataka, and AP.

**GST Cut and Value-Added Products (VAP)**

The GST rationalization provides a better playing field for organized players by eliminating the taxation advantages previously held by the unorganized sector.

The price cuts (5% to 10%) have been largely passed on to consumers. This is expected to generate a small but positive up-swing in consumption (e.g., ghee becoming cheaper by approximately INR 25 per pack).

The maximum volume growth from this shift is expected in longer shelf-life products such as ghee, paneer, and flavored milk, as liquid milk and curd were not taxed previously.

**VAP Focus and Margins:** Curd remains the largest VAP, accounting for 24% of sales.

EBITDA margin for milk is 6% to 7%, EBITDA margin for curd is approximately 14%, EBITDA margin for higher-margin products like Lassi and Buttermilk is in the range of 18% to 20%.

**Future Growth Categories:** Driven by the protein story and governmental focus on healthier products, Paneer and fermented drinks (lassi/buttermilk) are identified as key long-term growth categories that have the potential for a longer runway.

**African Operations Performance**

The African segment (Uganda and Kenya) continues to deliver high returns:

**Growth Metrics:** The volume has grown significantly by 40%.

**Margins vs. Absolute Numbers:** While the margin percentage dropped by 2% to 3% (now around 12%) due to the Kenya acquisition and higher procurement prices, the absolute margin number is maintained due to strong volume growth.

**Distribution and Product Mix**

**Distribution Mix:** The turnover is dominated by the distributor channel (51%), followed by agents (26%) and company-owned/franchise (16%).

**Modern Trade/E-Commerce:** Modern Trade is minimal (~2.5%), and Quick Commerce is a nascent channel, currently representing only 0.5% of turnover.

**Unorganized Sector:** The unorganized sector continues to shrink, primarily surviving by catering to specific non-standard milk requirements (e.g., sweet makers needing high-cream milk), but awareness of pasteurization and health post-COVID is accelerating the shift to organized players.

Du Digital Global Ltd

**Outlook:** Du digital Global Ltd is positioned for a period of strong growth, driven by its expanding portfolio of government tenders, the high-margin potential of its new manpower placement vertical, and its technological edge in e-visa verification. The company's small revenue base means that winning even a single large tender could have a transformative impact, nearly doubling its size. With a capable management team, a solid financial position, and a strategic expansion into new geographical markets like Eastern Europe, the outlook for FY 2025 and into FY 2026 is robust. The company is well-placed to capitalize on the growing global demand for streamlined visa and immigration services, aiming to scale profitably through its tech-enabled solutions.

**Services Offered:** Services include comprehensive visa processing, handling all non-administrative and non-judgmental tasks such as application checking, biometrics, and passport return. With recent Indian tender wins, the company now also offers passport renewal services. Additional services include golden visas, immigration support, company formation, and verification through the Due Verify platform.

**Order Book, Pipeline, and Tenders:** Dudigital is one of only three key players (alongside VFS and BLS) qualified for most government tenders in the region, creating a strong moat. The total contract value of expiring tenders in the next year is estimated at nearly \$100 mn. In the manpower vertical, the company has a large order for 10,000 to 11,000 workers, targeting to place 1,000 by the end of the current financial year.

A key growth catalyst is the potential win of a single large tender, which could add INR 300-400mn to the top line, effectively nearly doubling the company's revenue due to its small base. Even smaller tenders of INR 100-150mn contribute meaningfully. The company operates on an applicant-pay model, receiving no payment from embassies for core visa processing. In the new manpower placement vertical, steady-state margins are projected to be 35–40%, though it is currently in a startup phase.

**Business Verticals and Revenue Mix:** The company operates through three primary verticals. The Visa Processing Vertical (Visa Application Centers) generates revenue through a tender-stipulated fee per applicant plus value-added services like SMS, courier, and photography. Contracts can be exclusive or non-exclusive. DuVerify, the E-Visa Solutions vertical, uses AI and proprietary technology to provide verification services for embassies, generating fees directly from applicants. Global Access, the Immigration and Talent Placement vertical, offers end-to-end recruitment services, with revenue coming from employers, typically equivalent to one to two months of the placed worker's salary. This vertical offers significantly higher fees per person compared to visa processing.

**Geographical Presence and International Expansion:** The company began in 2015 with the Malaysian visa application center and expanded to Greece in 2017. Recent wins include contracts in the UAE and Bangladesh. The e-visa division currently services Georgia and South Korea. Recent Indian tender wins for Thailand and South Korea allow the company to handle bidirectional visa flows.

**Competitors and Differentiation:** Primary competitors are VFS (the largest player) and BLS. Dudigital differentiates itself through superior technology, particularly its Due Verify system, which provides automated verification and scoring. The company positions itself as a smaller, more agile player, able to aggressively pursue tenders that may be less significant for larger competitors, thereby gaining disproportionate revenue impact.

**Government Relationship and Contracting:** Government relationships are tender-based for the visa business. The company manages the end-to-end backend process with direct system access. In the manpower vertical, while governments are often involved, revenue flows from the employer/contractor, and the company prefers to avoid direct government-generated revenue to maintain independence.

**Management and Structure:** The company was founded around 2015 by professionals with a background in the travel trade. Key management includes Mr. Shivaz Rai (Non-Executive Director), Manoj (Group CEO, ex-Air Asia and Goer), and Aditya (CTO and co-founder of Due Verify, formerly co-founder of Punch). The board includes former ambassadors and intelligence bureau heads, providing strong governance and strategic connections.

**Dynamic Cables Ltd**

**Outlook:** Dynamic Cables is positioned for sustained growth, capitalizing on strong industry tailwinds from India's expanding power transmission and distribution infrastructure, the shift to underground cabling, and demand from renewable energy, railways, and data centers. With a robust and growing order book, a focused expansion plan, and a strategy of targeting high-value product gaps through continuous R&D, the company is well-placed to outpace industry growth. Its asset-light model, low debt, and disciplined working capital management provide a stable financial foundation. While margins are expected to remain steady in the near term, strategic initiatives in solar cables and export market penetration, particularly into the US, offer significant long-term upside. The outlook for the company remains positive for the foreseeable future.

**Revenue Mix:** The company's revenue is heavily concentrated in low voltage (LV) and high voltage (HV) cables, which together contribute about 90% of total revenue. The remaining 10% comes from conductors and railway signaling cables. A rapidly emerging segment is renewable cables, particularly for solar power plants, where the company currently supplies AC cables and plans to expand into DC cable production.

**Margins and Guidance:** Margins will be sustained in the range of 10.25% to 10.5%. Despite favorable industry conditions, the company does not expect margins to improve significantly beyond this range in the near term.

**Capex:** A greenfield expansion is underway at the Ringus plant, aimed at increasing current capacity by ~ 20%. The planned capex for this project is INR 350mn, with operations expected to begin in Q4FY26E, pending regulatory approvals. The asset turnover for the new capacity is projected to be 6x. Additional expansion options include brownfield development on the same site and a potential second greenfield project on adjacent land.

**Capacity Utilization:** Following debottlenecking efforts, monthly revenue potential has increased to INR 1.35bn, translating to an annual capacity of roughly INR 16bn. Optimal utilization in the cable industry is typically between 80% and 90%.

**Order Book and Execution:** Order book stood at INR 7.3bn. This includes around INR 1bn from solar cables, INR 1bn from exports, and the balance from LV and HV cables. Order execution typically takes 3 to 9 months. The tender success rate remains low, at about 2-3%.

**HV and LV Cables:** Dynamic Cables manufactures cables capable of handling power loads up to 66 kV. LV and HV cables form the core of the business, accounting for the majority of revenue. The company is also developing capabilities in renewable energy cables to capitalize on growing demand in the solar sector.

**Customer Mix and B2B Model:** The company operates on a pure business-to-business (B2B) model, serving large EPC contractors such as Adani Power, Tata Power, and L&T. The private sector constitutes 70-75% of business, while government discoms account for about 20%. The company plans to reduce exposure to government contracts due to longer working capital cycles.

**Research & Development and New Products:** Product R&D is a key growth driver, enabling the company to identify market gaps, develop tailored solutions, obtain type approvals, and supply niche products. This focus on innovation supports the company's strategy to grow 1.5 times faster than the industry average.

**Exports:** Exports currently contribute about 10% of revenue, with key markets in Africa, Asia, and the Middle East. A major strategic priority is entering the US market, where product approvals are being pursued to significantly boost export revenue in the future.

**Growth Drivers:** Key industry tailwinds include India's transition from power shortage to surplus, growth in transmission and distribution (T&D), conversion of overhead lines to underground cables, replacement of aging infrastructure, and demand from renewables, railways, EVs, and data centers. The company expects strong demand to persist for the next 10-15 years.

**Working Capital:** The working capital cycle is maintained at 90-100 days, with receivables averaging 70-75 days. The company follows an asset-light, low-debt model, using only short-term non-fund-based debt for performance guarantees. It holds an A1 credit rating from CRISIL and has no long-term debt.

**Industry and Market Dynamics:** The cable industry benefits from structural growth in power distribution, solar energy expansion, and urbanization. Mandatory BIS licensing acts as a barrier against cheap imports, protecting domestic manufacturers.

**Raw Materials:** The company uses aluminum rather than copper in its cables. A pass-through mechanism is applied for aluminum price fluctuations, transferring price risk to customers and stabilizing margins.



**E Factor Experiences Ltd**

**Outlook:** E Factor Experiences Ltd is well-positioned for sustained, high-quality growth. With a dominant position in India's experiential design space and a revenue base heavily anchored in long-term government contracts, the company exhibits stability and predictable earnings. Its strategic pivot towards large-scale, high-value developmental tourism and religious infrastructure projects is expected to significantly increase project sizes and drive an annualized growth rate of 20-25% over the medium term. Key strengths include a robust order book, a tender-winning strategy based on technical and creative superiority rather than price, and a deliberate move to create permanent revenue-generating assets that reduce seasonal volatility. Supported by favorable government policies and its established reputation, E Factor's outlook is positive, with healthy margins and a comfortable debt level providing a solid foundation for continued expansion.

**Revenue**

The company is focused on 20–25% CAGR for the next three years. Key growth drivers include a strategic shift toward urban and religious tourism, developmental tourism projects, and alignment with the government's forthcoming creative economic policy. This policy, expected by December 2024 or January 2025, is projected to expand the industry by 2.5 to 3 times over the next five years.

The company's revenue is diversified across five verticals. Public Engagement Spaces, including destination creation and management, contributed the largest share at 42.9% of revenue. The High Net-Worth Individuals segment accounted for 10%, while special events and government partnerships made up the remainder. Geographically, the company is active in states such as Maharashtra, Andhra Pradesh, Odisha, Rajasthan, and Uttar Pradesh, with significant operations in the Northeast.

**Margins and Profitability**

E Factor maintains healthy margins, with an EBITDA margin above 15% and a PAT margin near 12%. This profitability is supported by a focus on high-value, technically complex projects where creative and technical scoring often outweighs low-bid competition.

**Order Book and Pipeline**

The current order book stands at ~INR 1.1bn, evenly split between long-term contracts and event-based projects. Long-term contracts, such as eco-tourism retreats and permanent installations, often generate 1.5 times the original project value over a five-year period. The project pipeline is robust, with festival opportunities taking 3-6 months to materialize and permanent installations 4-8 months. Short-cycle tenders can be executed within 45 days.

**Expansion and Large-Scale Projects**

E Factor is focusing on creating permanent public engagement spaces to reduce seasonality and ensure year-round revenue. Large-scale projects include multimedia shows at heritage sites like the Gateway of India and Golconda Fort, eco-retreats in Odisha, and international expos such as the India Pavilion at the World Expo in Osaka.

**Festivals, Eco-Tourism, and State Projects**

The company curates and executes large-format tourism festivals and eco-tourism initiatives, often under long-term government contracts. State projects, particularly in partnership with governments on a PPP model, form a core part of the business, with 80% of revenue derived from central and state government contracts.

**Religious Tourism**

A key future growth area is religious tourism, where the company plans to use technology and cultural installations to transform urban and religious spaces into dynamic, educational landmarks.

EFC Ltd

**Outlook:** EFC India Limited exhibits a strong growth outlook driven by its unique, integrated ecosystem of leasing, design & build, and furniture manufacturing. Targeting consolidated revenues of INR 9-10bn in FY26, the company is poised for significant expansion across all verticals. Its high-margin, low-capex model, substantial order book, and full consolidation of White Hills provide a solid foundation for profitability and cash flow. Key growth drivers include increasing demand for flexible office spaces and pan-India turnkey solutions. The company's strategic focus on enterprise clients and potential synergies from initiatives like a REIT and the Pepperfry evaluation further enhance its positive market position for the foreseeable future.

**Core Business Model:** EFC India Ltd operates as a Real Estate as a Service company through three interconnected verticals: leasing of managed office and co-working spaces, design and build turnkey fit-out contracting via subsidiary White Hills Interior Limited, and furniture manufacturing.

**Revenue:** Revenue is expected INR 9-10bn in FY26E

**Revenue Mix and Segment Guidance:** The revenue is diversified across the three verticals. The leasing business aims to add a minimum of 20,000 seats YoY. The design and build vertical is targeting a growth rate of at least 60%. The furniture manufacturing unit, which has an annual production capacity of INR 2.75-3bn, is aiming for 40% capacity utilization in FY26.

**Margins:** The leasing business yields margins above 30%, the design and build segment maintains 20% to 25% margins depending on contract type, and the furniture business averages around 25% margins. Management expects blended margins to improve with increased scale across the integrated ecosystem.

**Leasing Business Metrics:** In the leasing segment, the average revenue per seat per month is currently INR 7,000 to INR 8,000, with guidance of INR 7,000 to INR 7,250 for FY26 additions. About 65% of the portfolio consists of long-term contracts averaging three years or more, providing stable cash flow. Large office setups exceeding 300 seats constitute roughly 65% of the portfolio. The customer mix is heavily enterprise-focused, with MNCs and enterprise clients accounting for 63% to 64% of the base, and Global Capability Centers (GCCs) representing 10% to 15%, with Pune highlighted as a key growth city for GCCs.

**Order Book and White Hills Interiors:** The Design and Build segment, operated by White Hills Interior Limited, currently holds an order book exceeding INR 3.5bn secured before the end of Q2FY26. Major contracts include an IT park in Noida valued at INR 1,825 mn and another in Visakhapatnam worth INR 580mn. A significant portion of orders is expected to be executed within FY26, with only the largest contract potentially spilling into Q1 of the next fiscal year.

**White Hills Consolidation and Merger:** White Hills is already consolidated in EFC's financial statements, though a 49% minority interest was previously accounted for. EFC recently acquired the remaining minority stake, and upon expected NCLT approval of the merger scheme next month, the accounts will be fully consolidated in Q3FY26E. The transaction's record date was set as April 1, 2023, meaning the past two financial years will be retroactively restated to remove the minority interest.

**Capex and Working Capital:** EFC follows a low-capex model, especially in the leasing business, as it avoids significant investment in furniture fit-outs. Capex is primarily directed toward working capital needs for the furniture and design/build segments rather than fixed assets. Under lease accounting principles, the company recognizes Right-of-Use assets and corresponding lease liabilities. The projected rent payout for the new 20,000 seats is estimated at 40% to 45% of the revenue generated, or about INR 3,000 per seat per month.

**Furniture Manufacturing and Pepperfry Synergy:** The furniture manufacturing vertical adds synergy to the ecosystem with an annual production capacity of INR 2.75-3bn. Regarding a potential transaction involving Pepperfry and TFC, management confirmed the deal is under evaluation. EFC's potential involvement would leverage its furniture manufacturing strengths. The company remains open to inorganic growth opportunities that offer synergy but has no specific ongoing acquisition talks.

**Growth Drivers and Industry Position:** Key growth drivers include rising commercial infrastructure demand and the appeal of the flexible, low-capex office model. EFC's ability to deliver organized, pan-India turnkey projects positions it favorably in the market. The company believes the flexible office segment will continue growing for several years. EFC also holds a REIT license and is identifying properties to launch the scheme. Its integrated three-vertical model provides a unique market differentiation.



**Effwa Infra & Research Ltd**

Effwa Infra & Research Ltd is a company that provides solutions for integrated water and wastewater management, with a specific focus on advanced Zero Liquid Discharge systems. Most of their clients are large public sector companies in the steel, power, and oil industries.

Company is targeting an ambitious annual growth rate of at least 50% and aims to increase its EBITDA margins to around 20% in the coming years. While their current order book stands at INR 3,500 million, the company clarified that this is a result of executing existing projects, not a lack of new business. They anticipate adding a significant INR 3,000-4,000 MN in new orders soon. The company also addressed investor concerns about aging receivables, explaining that this INR 200 Mn is not bad debt, but retention money held by clients that will be collected later as per their contracts.

Company is developing a new technology called Zero Material Discharge, which could convert waste into a usable product, offering higher profit margins.

This process converts sludge from ZLD into a usable/sellable product, offering cost and environmental benefits to the customer.

The technology is in the advanced stage of international patenting and has been successful at the pilot scale. FA Infra expects to be a pioneer in introducing this technology.

Margins are expected to be significantly better than current ZLD margins, though specific figures were not disclosed.

Exports/International Business: Current export projects are exclusively through a partnership with Afcons (AFCONS), for which payments are secured against 100% LCs. They are also targeting projects funded by international financial institutions like ADB, Japanese Bank, and the World Bank.

**Competitive Differentiation**

In-house Expertise: The company handles all design, engineering, civil, and mechanical work in-house, unlike competitors who may outsource.

Client Focus: FA Infra focuses on PSUs and large corporates, avoiding Municipal Corporation/State Government projects that often face delays or local hurdles, ensuring better and faster project completion timelines.

Eleganz Interiors Ltd

**Outlook:** FY26 emerges as margin expansion year with EBITDA improvement from current 9.14% (highest ever) targeting 11-12% sustainably as the company scales large IT and pharma projects across tier-2/3 cities. Revenue growth of 25-30% backed by INR 612+ mn order book (6 months to 3 years execution) and strong Fortune 100 client relationships provides visibility, while technology adoption through SAP implementation and working capital optimization (targeting 85-90 days) will drive operational leverage. The shift toward higher design-build mix (currently 60% projects) and premium service expansion into development management contracts (50-60% EBITDA margins) creates sustainable competitive advantages in corporate interior space.

**Company Background:** Founded 1988 as proprietorship, evolved to private limited (1996), and listed NSE in 2025 following conversion to public company (2023). Led by MD Sameer Pakwasa with 450+ employees across multiple regional offices, the company serves Fortune 100 corporations exclusively through turnkey interior fit-out solutions. IGBC founding member status and ISO certifications (9001, 14001, 45001) demonstrate quality leadership in corporate interior space.

**Business Segments:** **Design-and-Build** (60% of projects) provides complete in-house capabilities from initial client brief through branding guidelines, space requirements, sustainability compliance, and full execution delivery. **General Contracting** (40% of projects) executes third-party designs through pure implementation model, handling bear-shell to lock-and-key delivery including furniture, modular systems, HVAC, electrical, and MEP works. Client base spans IT, manufacturing, banking, pharmaceuticals, FMCG, oil & gas, education, and renewable energy sectors.

**Operational Excellence:** **Asset-Light Model** with minimal fixed assets, leveraging in-house carpentry factory for custom work while sourcing materials directly and partnering with specialized installation contractors. **Quality Systems** through rigorous 3-month training programs, SOPs for all processes, and strict compliance management for Fortune 100 client requirements. **Geographic Presence** across India with limited Eastern exposure, following client expansion into tier-2/3 cities while maintaining service quality standards.

**Financial Performance:** **Strong Growth** with Q1 FY26 revenue of INR 215 mn and highest-ever EBITDA margin of 9.14% translating to PAT of INR 5 mn. **Order Book Strength** starting year with INR 340 mn, growing to current INR 612+ mn providing 6-36 month execution visibility. **Client Concentration** with top 10 customers forming 60% of business through continuous multi-location projects. **Revenue Guidance** targeting 20-30% annual growth with margin stability around current levels.

**Growth Strategy:** **Scale Advantages** as project sizes increase from historical INR 20-30 mn to current capability of INR 187+ mn single orders, with larger projects attracting smaller competition pool. **Design-Build Focus** targeting higher-margin integrated projects while expanding service portfolio to include external development, facade glazing, and comprehensive workplace strategy consulting. **Technology Integration** through SAP implementation expected to drive process efficiency and margin improvement over time.

**Competitive Positioning:** **Fortune 100 Focus** provides payment security, repeat business opportunities, and premium pricing compared to mid-market alternatives. **Relationship Depth** enables expansion from single locations to multi-city rollouts as clients scale operations. **Technical Expertise** in specialized environments including clean rooms, laboratories, and high-security facilities differentiates from general contractors. **Working Capital Management** through extended LC facilities with Indian OEMs and diversified financing arrangements supporting growth without equity dilution.

**Market Opportunity:** **Client Expansion** with Fortune 100 companies scaling considerably provides organic growth, while adding 3-4 new Fortune 100 clients annually expands addressable market. **Project Evolution** toward larger ticket sizes (INR 200-300 mn projects) with reduced competition and enhanced margins. **Geographic Following** as clients establish tier-2/3 operations creates natural expansion without market development investment.

**Emerald Tyre Manufacturing Ltd**

**Outlook: Emerald is positioned for strong growth, driven by global market expansion, capacity enhancements, and value-added product offerings. The company's focus on high-margin, niche applications, combined with a robust domestic and international network, provides visibility for sustainable revenue and margin expansion over FY26–30. Emerging markets and blue ocean opportunities in off-highway and specialty tyres are likely to further augment growth and profitability, while maintaining market leadership in India and a differentiated presence globally.**

Emerald Tyre Manufacturing is India's largest exporter of industrial/off-highway tyres, catering primarily to material handling, construction, agriculture, and drone support equipment applications. The company exports around 75% of its output to over 70 countries, with key markets in Europe, the US, Middle East, Australia, Latin America, and Africa, while the domestic market contributes roughly 25%. Manufacturing is fully India-based, leveraging local availability of raw materials like rubber, carbon black, and chemicals.

The company is implementing a INR65 crore CAPEX program to expand capacities: solid tyres by ~40% and pneumatic tyres by ~35%, along with the establishment of a state-of-the-art rubber mixing unit. The expansion is expected to be operational by end-October/early November, with full capacity utilization projected for five months in the current fiscal year. Post-expansion, monthly production capacity is expected to reach ~1,000 tons, split roughly 60% solid and 40% pneumatic tyres. The new mixing unit is expected to improve compound quality and reduce costs, contributing 2–2.5% to margins.

Emerald maintains strong relationships with major OEMs such as Toyota, JCB, and Kion in India and abroad, as well as airlines including Emirates, Qatar Airways, and Delta. The company's competitive advantage lies in application-specific tyre solutions, delivery reliability, and a well-established global service network, enabling a value-driven rather than purely price-driven positioning. OEM sales provide scale, while replacement/aftermarket business delivers higher margins.

In India, Emerald is scaling its retail footprint through "Emerald Exclusive" outlets, providing territorial exclusivity and support to local operators, aiming to double domestic revenues over the next two years. Globally, growth is being driven by expansion into new regions, including Australia, Latin America, and Africa, targeting both OEM and replacement markets.

Margins improved from 14% to 17% in FY24 due to product mix, higher value-added offerings, and internalization of wheel-tyre assembly. The upcoming rubber mixing unit and capacity expansion are expected to further enhance profitability, with steady-state margins anticipated to rise by 2–2.5%. FY26 revenue growth is projected at ~30% YoY, reflecting partial-year benefits of expansion, while medium-term revenue potential is ~INR350 crore by FY27–28. Over a five-year horizon, management targets 2–3x revenue growth through capacity expansion, product diversification, and entry into blue ocean markets like aerial work platforms and specialty off-highway applications.

Debt post-expansion is expected to rise to ~INR 130–135 cr, with an average cost of ~10–12%, while equity infusion from the public issue supports funding. The company is also exploring low-cost funding options and potential future equity raises to fuel growth.

Emerald's strategy emphasizes high-quality, application-specific products, operational efficiency, selective market expansion, and a mix of OEM and replacement sales to maximize both top-line growth and bottom-line margins. Key risks include execution of the CAPEX program, scaling global operations, competition in new markets, and managing working capital efficiently.

**Entero Healthcare Solutions**

Outlook: Entero Healthcare Solutions is the leading technology-driven pharmaceutical distribution player in India addressing a vast fragmented market with 2% organized share. The company's asset-light model, superior technology platform, and aggressive acquisition strategy underpin rapid growth and significant consolidation potential in a USD 33 bn market.

**Business Model & Market Opportunity**

Entero Healthcare Solutions is India's largest technology-driven pharmaceutical and medical device distribution platform. Founded in 2018, it addresses a fragmented USD 33 bn healthcare products market, serving over 100,000 pharmacies across 495 districts and distributing for 2,600+ manufacturers. With an asset-light model focused on healthcare professional engagement and end-to-end distribution, Entero commands a 2% market share in a market where organized distribution accounts for only 67%. Its value proposition includes wide product selection, rapid delivery (four times daily), and superior technology enabling seamless integration with e-commerce players.

**Technology & Operational Excellence**

The proprietary technology stack, including custom-built ERP systems and mobile applications, provides real-time order processing and supply chain visibility. With 101+ warehouses across 20 states supporting rapid four-times-daily deliveries, the scalable platform enhances service levels and supports seamless integration of acquired firms. The aggressive acquisition strategy has consolidated 4050 regional and local distributors, building a national presence and strong network effects that create durable competitive moats.

**Financial Performance & Growth**

Entero has demonstrated robust revenue growth reaching INR 50+ bn in five years with a growth target of 30% for FY26. EBITDA margins above 4% with expectations of becoming operating cash flow positive in FY26 reflect operational leverage from scale. Management targets working capital reduction below 60 days through inventory and receivables optimization. The company is well positioned to fund inorganic growth via superior unit economics and disciplined capital allocation.

**Strategic Acquisitions & Network Effects**

Aggressive M&A has brought strategic stakes in companies such as Avenir Lifecare, Sai Pharma Distributors, and Suprabhat Pharmaceuticals, with an active pipeline continuing to drive sector consolidation. Network effects strengthen competitive moats by boosting pharmaceutical company relationships and comprehensive product portfolios, making market entry increasingly difficult for new players

**Risks & Future Outlook**

Primary risks include inventory obsolescence and customer credit defaults but are mitigated by return policies, insurance, and extensive sales coverage. The sector's consolidation is expected to accelerate as wage inflation pressures unorganized players, favoring organized distribution. With technology leadership, scale, and capital for expansion, Entero is positioned to dominate India's healthcare distribution consolidation over the next decade. Future growth will be driven by market penetration, generics expansion, geography, and healthcare services diversification

**Enviro Infra Engineers Ltd**

**Outlook:** FY26 represents inflection year as Enviro Infra scales from INR 1,066 mn revenue base targeting 4x growth over next five years through 35-40% annual growth rates. Strong government policy support through AMRUT 2.0 (INR 3,00,000 mn allocation), Namami Gange (100% central funding), and JJM programs provides substantial order pipeline visibility. Current order book of INR 3,000 mn with INR 2,000 mn execution value ensures near-term revenue visibility. Company's 10x growth over past 5 years demonstrates scalable business model and execution capabilities across water and wastewater treatment verticals.

**Company Background:** Founded in 1991 as partnership firm for common effluent treatment plant operation in Pali, transitioned to turnkey project contractor from 2000. Built specialized expertise over 33 years in water treatment, wastewater treatment, and common effluent treatment plants with associated infrastructure including pumping stations, pipelines, and distribution networks.

**Business Segments: Wastewater Treatment** including sewage treatment plants and common effluent treatment plants under AMRUT 2.0 mission with INR 3,00,000 mn budgetary allocation. **Water Treatment Plants** with associated infrastructure for rural and urban water supply schemes under JJM with complete household coverage mandate. **Renewable Energy** through subsidiary EIE Renewable developing solar projects including existing 24 MW operational capacity and expansion to 40 MW with INR 4.1/unit tariff secured under SECI PPA.

**Financial Performance:** Revenue grew from INR 106 mn to INR 1,066 mn over 5 years representing 10x growth trajectory. EBITDA margins maintained at 22-24% range with guidance for continued sustainability. Order book composition shows INR 1,000 mn O&M contracts and INR 2,000 mn EPC projects. **JJM Exposure Limited:** Only INR 110 mn remaining from peak INR 1,250 mn order received in August 2022, reducing execution risk from payment delays.

**Growth Strategy: Capacity Scaling** flexibility enables rapid expansion when business opportunities arise due to 9-10 month qualification and testing timeline providing sufficient lead time for capacity addition. **Geographic Expansion** across multiple states with established project execution capabilities. **Technology Integration** through in-house developed semi-automatic machines reducing capital expenditure requirements.

**Renewable Energy Vertical: Solar Portfolio** with 24 MW operational generating INR 16 mn annual revenue, expanding to 40 MW with additional INR 200 mn EPC revenue recognition. **Long-term PPA Security** with 18.5 years remaining tenure at INR 4.1/unit tariff confirmed by Supreme Court directive ensuring PPA acceptance. **Strategic Separation** maintaining renewable energy as distinct vertical with separate CEO managing operations.

**Operational Excellence:** Working capital cycle improvement with recent JJM payments of INR 100 mn in March and INR 70 mn in April indicating normalization. **Cash Position Strength:** IPO proceeds providing sufficient liquidity for growth funding without additional equity dilution requirements. Pre-tax operational cash flows positive at INR 25 mn with service concessionary receivables (INR 80 mn over 15 years) impacting post-tax metrics.

**Market Opportunity:** Government policy thrust on water security and pollution control ensuring sustained demand across all three core segments. Export potential being explored for established water treatment technologies and operational expertise.

Envirotech Systems Ltd

**Outlook:** Envirotech Systems is poised for a phase of significant growth driven by a five-fold capacity expansion and a strategic foray into the untapped B2C acoustic solutions market. While the company faces near-term headwinds from margin pressure due to new fixed costs and a historically extended working capital cycle, these are viewed as transitional challenges. The core business remains robust, underpinned by a strong order pipeline, a niche leadership position in engineering acoustics, and a loyal base of large corporate and government clients, notably in the defense sector. The increasing regulatory emphasis on noise control norms provides a durable tailwind for demand across its key markets. Overall, the company is expected to achieve its revenue targets and see improved profitability and cash flows as it scales operations and optimizes its financial cycle, solidifying its position as a key player in India's growing acoustic solutions industry

**Revenue and Financial Guidance**

Revenue is expected INR 1bn in FY26E. The company operates a high-margin business, though margins dipped to 6–9% PAT in FY22 and FY23 as the company recovered from pandemic-related disruptions and accepted lower-margin orders while operating at only 20% capacity. With capacity utilization reaching 100% around the time of its IPO, the company has since been able to selectively pursue higher-margin projects. Management anticipates a short-term margin compression to around 22% PAT this year due to increased fixed costs from the new plant expansion and higher manpower, but expects margins to recover over the long term.

**Margins and Profitability**

Historical margins were impacted by the company's recovery phase and low capacity utilization. The shift to full capacity enabled a more favorable order mix, improving profitability. The new facility is expected to initially pressure margins due to elevated fixed costs, but the company is confident in restoring its regular margin profile as operational scale is achieved and the new plant reaches optimal utilization.

**Working Capital and Receivables**

The company historically operates with an extended working cycle of approximately 180 days, largely because project execution and invoicing are concentrated in the last quarter of the financial year. This results in significant receivables, which previously represented over 50% of turnover. Efforts are underway to reduce the cycle to 140–150 days, though further reduction is challenging due to the reliance on large corporate and government clients, which have longer payment cycles. The company has confirmed that all receivables due after March 2025 have been collected. Negative operating cash flows, driven by high receivables, are expected to turn positive as revenue scales.

**Seasonality and Order Book**

Business activity is highly seasonal, with a heavy weighting toward the second half of the fiscal year. Typically, 35% of revenue is realized in the first half and 65% in the second half, sometimes shifting to a 30/70 split. The order book generally ranges between INR 200-300mn reflecting the short execution timeline of projects, which typically last two to five months. The company is now pursuing and winning larger individual orders, enhancing revenue visibility.

**Capacity Expansion and Utilization**

Envirotech operates two manufacturing facilities in Greater Noida and commissioned a new plant in July, which is expected to be fully operational by December. This expansion is designed to increase production capacity by approximately five times at full utilization. However, reaching 100% capacity utilization may take until next year or up to three years. The new plant spans over 8,500 square meters, with future expansion potential up to one lakh square feet. Automation and new machinery—including a laser cut machine, conveyorized powder coating line, and CNC brake—have been incorporated to boost productivity.

**Noise Control Products and Engineering Acoustics**

The company specializes in engineering acoustics and noise control solutions, serving clients across India and overseas. Key products include acoustic enclosures for heavy equipment like turbines and compressors, noise test booths for automotive and appliance sectors, anechoic chambers (where the company is the sole volume manufacturer in India), noise barriers for infrastructure projects, and acoustic doors for commercial venues. They also hold exclusive distribution rights for EcoBarrier, a patented temporary noise barrier from the UK.

**Project-Based and Commercial Acoustics**

As a solution provider, Envirotech handles end-to-end projects from design and simulation to installation and handover. Commercial acoustics projects include noise control for chillers and cooling towers, with executions across prestigious sites in India. The business model is inherently project-based, with payment received only upon completion of design, manufacturing, installation, and performance validation.

**Defense**

The revenue mix is diversified across corporate and government clients, with the defense sector contributing ~30% of total revenue. Key defense clients include Hindustan Aeronautics Limited (HAL), for whom the company supplies acoustic chambers for jet engine testing and other specialized test facilities for the Indian Air Force.

**Repeat Customers and Client Base**

The company benefits from a strong base of repeat customers, including Larsen & Toubro, Tata Projects, G Canada, Maruti Suzuki, Siemens, and PVR Cinemas. This repeat business underscores client satisfaction and the company's technical competence. Although the company holds no patents, it offers customized solutions validated by tests at NPL and ARAI and employs highly qualified technocrats.

**Business-to-Consumer (B2C) Expansion**

A major growth initiative is the entry into the B2C segment through two new verticals: EnvirMute.com for soundproof doors and windows, and AcousticNest.com, an e-commerce platform for domestic acoustic products. Management sees significant potential here due to the lack of organized competitors in the consumer acoustic solutions market. The B2C pipeline addresses common household noise issues such as plumbing noise, construction disturbance, and needs for home office quietness.

**Industry Growth Drivers**

The industry is expanding rapidly due to increasing urbanization and the adoption of stringent international health, safety, and environmental standards. Regulatory requirements for noise control are creating new opportunities across infrastructure, manufacturing, and commercial sectors. This regulatory tailwind supports sustained demand for acoustic solutions.

**Raw Materials and Imports**

Envirotech follows a Make in India approach, sourcing 100% of raw materials domestically. However, it imports certain high-end finished products like EcoBarrier from the UK and has recently secured an exclusive agreement to import ultra micro-perforated aluminum from Taiwan.

**Competition**

The company operates in a niche with limited competition, particularly in specialized areas like anechoic chambers, where it is the only Indian manufacturer capable of volume production. The planned B2C expansion places it in a largely uncontested space for consumer-focused acoustic products.

**Inventory**

Inventory dynamics are influenced by the project-based model, with materials procured as needed for specific contracts. The company manages inventory tightly to align with project timelines and avoid excess holding costs.



**Esconet Technologies Ltd**

**Outlook:** Esconet is expected to report steady revenue growth in FY26 with stronger contributions from ZeaCloud and the initial scale-up of Fluidech IT. Margins should improve modestly towards 8–9 percent as the mix shifts toward higher-value services. Over the medium term, management is confident of achieving INR 500 cr revenues in 2–3 years, with ZeaCloud and cybersecurity acting as key profit drivers. Over the longer term, Esconet's strategic focus on AI infrastructure, sovereign cloud and cybersecurity could position it as a niche digital infrastructure specialist in India, provided execution risks are managed effectively.

**About Company:** Established in 2012, has grown from a small IT company into a diversified player with presence across servers, cloud, and cybersecurity. Over time, the business has taken three strategic steps that reshaped its profile: the launch of its own brand Hexadata in 2018 for servers, workstations and storage (in partnership with Nvidia), the creation of ZeaCloud in 2022 as a subsidiary focused on cloud infrastructure services, and the acquisition of **Fluidech IT** in FY25 to strengthen its positioning in cybersecurity for critical infrastructure.

**Margins:** The company has remained stable at 7%, and management is aiming to gradually expand them towards 10% as the business mix improves.

**Orderbook:** The company has a healthy order pipeline of over INR 100 crore, with 40–45% of revenues coming from government projects.

The ZeaCloud business currently serves SMEs and mid-market customers on a pay-per-use private cloud model and is now expanding towards enterprise accounts and government workloads. Offerings include infrastructure-as-a-service, backup and disaster recovery, and managed cloud services.

**Government:** The company is targeting empanelment with the Ministry of IT within the next 18 months, which could unlock significant opportunities in sovereign cloud. This business is expected to become a major margin-accretive vertical in the coming years.

**Cybersecurity arm:** Fluidech IT, already accredited by NIC, is positioning itself as a first mover in securing sovereign and critical infrastructure. Additional certifications are being pursued to widen eligibility in regulated markets. With ongoing investments in talent and customer acquisition, this vertical is expected to drive significant margin expansion from FY26 onwards.

**Hexadata:** Own hardware brand, currently contributes about 30–35% of revenues. While most products are assembled with PCB assembly and manufacturing outsourced, the focus is on specialized offerings such as GPU servers and ransomware-proof appliances that command higher margins of 8–10% compared to commodity hardware.

Recognition as an OEM by the Government of India and presence on the GeM platform give Hexadata greater credibility and access to larger orders.

**Looking ahead,** Esconet has set an ambitious revenue target of INR 500 crore in the next 2–3 years, supported by three core pillars: AI/ML supercomputing, cloud expansion through ZeaCloud, and cybersecurity growth through Fluidech IT. The company is also expanding geographically into South India and overseas markets such as Singapore. While IPO success has highlighted investor appetite, execution in new verticals and sustaining profitability will be key to long-term value creation.

**Peers:** The company does face certain challenges, including margin volatility due to lumpy low-margin projects, intense competition from global OEMs such as Dell, HPE and Lenovo, and a relatively high dependency on government orders, which can be subject to policy or tendering delays. Large sovereign AI projects also involve high upfront costs and relatively thin margins, making the company selective in participation.

**Ester Industries Ltd**

For FY25, the company achieved revenues of INR 12,890 Mn, supported by EBITDA of INR 1,640 Mn. Specialty polymers contributed around INR 1,550 Mn in FY25 (exc RPET), and management expects meaningful scale-up from this segment. The company is bullish on share of VAP, will structurally lift profitability over the medium term.

**Business Update**

It is a leading player in polyester films, specialty polymers, and recycled PET (RPET) with a strong global footprint across 50+ countries. Company has an integrated model with 108 KTPA polyester films, 67 KTPA chips, 28 KTPA RPET, and 30 KTPA specialty polymers capacity. Innovation remains central to the business, reflected in 19 granted patents, of which 17 are in specialty polymers. The company is increasingly positioning itself as a technology-led specialty products firm, where high margins and customer stickiness.

**Guidance**

Ester plans to increase the share of value-added products in polyester films from the current ~24% to 50–60% over the next 3–4 years, driven by innovation and R&D-led specialty offerings.

The specialty polymer business is expected to nearly double revenues in the next 3–4 years, with expansion across applications such as carpets, consumer electronics, packaging films, and textiles.

The RPET expansion from 8 KTPA to 28 KTPA now allows the company to address the fast-growing domestic and export demand for premium recycled PET.

Expects a long-term growth driver will be the INR 16 Bn JV with Loop Industries, which introduces patented textile-to-textile chemical recycling technology at global scale.

**Polyester Films**

The film division offers a portfolio of 300+ BOPET SKUs, used across food packaging, FMCG, industrial applications, and security products.

The company has a unique ability to make films with 0-100% recycled content, which few competitors can match.

Specialty films generate a margin premium of INR 30-50/kg over commodity films and are therefore a key profitability lever.

**Demand outlook**

Plastic Waste Management Rules mandating 10% recycled content in laminates, rising to 20% in 18 months. This is driving brand-owners to shift from BOPP to BOPET.

**GST changes**

Expected to add ~200 bps incremental demand growth. Domestic demand of ~0.9 MT annually plus exports of ~0.25 MT, creating room for at least two new lines every year.

Company expects a near-term pressure from Chinese imports has impacted realizations, but management expects a recovery in Q2 as domestic fundamentals remain strong..

**Specialty Polymers**

The segment has 30 KTPA capacity and generated ~INR 1,550 Mn revenues in FY25 (exc RPET).

Products are IP-protected, with some molecules globally unique, offering strong customer stickiness and high entry barriers.

Key applications include nylon carpets (US market), consumer electronics, packaging films, and textiles, with new product development underway to broaden applications.

Management highlighted this as a structurally high-margin and resilient business, and one of the main growth drivers going forward.

**Recycled PET**

Ester has scaled RPET capacity to 28 KTPA and remains the only Indian player with a patented ARPET process, producing recycled PET nearly equivalent in quality to virgin PET.

Applications span bottles, films, specialty polymers, and textiles, with food-contact certification from FSSAI already in place.

RPET commands a 25–35% price premium over virgin PET due to limited high-quality supply and strong FMCG demand.

While majority volumes are sold domestically, exports will scale gradually as new capacity comes online.

Company expects RPET can also be fed internally into specialty polymers for higher-margin, customized products along it being sold as commodity chips.

**Loop Industries JV**

The INR 16 Bn investment will establish a 70 KTPA chemical recycling facility in Gujarat by Q2FY27.

The project is a global-first for large-scale textile-to-textile recycling, with patented technology allowing infinite recycling of polyester waste (textiles, bottles, laminates).

Loop's Canadian pilot plant at 1 KTPA has already been tested and validated by global brands, which significantly reduces execution risk.

**Industry Outlook**

BOPET demand in India is growing at 8–10% CAGR, historically linked at ~1.7x GDP growth.

Strong rural FMCG recovery, a good monsoon, and 7.8% GDP growth in Q1FY26 all support near-term demand.

The structural shift from BOPP to BOPET is expected to accelerate with sustainability mandates.

Specialty polymers are well-placed to benefit from growing global demand in electronics and textiles.

Eveready Industries India Ltd

**Outlook:** The company has successfully navigated past challenges, demonstrating five consecutive quarters of growth, and expects to sustain high single-digit revenue growth annually. Key drivers include the strategic shift to alkaline and rechargeable products, a focused push into the high-potential B2B and OEM segments, and significant cost savings from the upcoming domestic alkaline battery plant in Jammu. With a healthy balance sheet following substantial debt reduction and a disciplined approach to cost and risk management, Eveready is well-positioned to capitalize on the fast-growing alkaline market and new regulatory standards. The resolution of its legal matter is anticipated to soon remove restrictions, unlocking further strategic flexibility. Overall, the company is building strong momentum for profitable and sustainable expansion.

**Revenue and Growth Drivers:** Revenue growth is expected high single digit rate in FY26E. Key growth drivers include increased consumer spending power, strong momentum in alkaline battery adoption, the shift to rechargeable flashlights, and stabilized value in the lighting segment. Prolonged monsoon seasons have also historically supported first and second quarter performance.

**Revenue Mix and Target Segments:** The battery segment constitutes 65% of total revenue, with zinc batteries representing over 90% of battery sales. Alkaline, rechargeable batteries, and accessories make up the remainder. The company is actively transitioning its product portfolio, particularly in flashlights, where 50% of offerings are now rechargeable. A significant strategic focus is on developing a new vertical for B2B and OEM segments across batteries, lighting, and flashlights. This approach aims to capture growth in OEM partnerships without significantly cannibalizing the profitable B2C zinc battery market.

**Margins and Cost Savings:** The company has maintained profitability despite commodity price volatility through disciplined cost management. Management targets mid-teen profitability in the coming years. A major margin improvement is expected from backward integration, specifically by shifting alkaline battery production from full import to domestic manufacturing in Jammu. This transition is projected to yield approximately 10% margin improvement, supported by a strong hedging strategy to manage raw material and foreign exchange fluctuations.

**Capital Expenditure and Investment Pipeline:** A key capital expenditure project is the establishment of India's first alkaline battery manufacturing plant in Jammu, with an investment of around INR 1,800mn. The facility will have a capacity of 360 million batteries, with commercial production expected by March 2026. The company plans to fund this through a mix of internal accruals and borrowing. Utilization of the plant is expected to ramp up over four to five years, with a focus on serving B2B and OEM segments. Incentive applications related to the investment are pending, which could include GST-linked refunds.

**Raw Materials and International Operations:** Zinc is the primary raw material for the company's core battery products. A robust hedging strategy is used to mitigate price risks. Currently, all alkaline batteries are imported, mainly from Vietnam, which has a free trade agreement with India. The move to domestic alkaline production is aimed at reducing import dependency and cutting costs.

**Industry Overview and Regulation:** The zinc carbon battery market volume remains stagnant, while the alkaline segment is growing at a CAGR of over 20-25%. The flashlight market is now predominantly rechargeable. New mandatory BIS standards for rechargeable batteries, effective mid-January 2026, are expected to level the playing field by enforcing quality and safety standards, helping Eveready compete against sub-standard products.

**Legal and Regulatory Status:** The commercial settlement of the KKR matter is complete, but the company awaits the final procedural order from the arbitrator in Singapore. This settlement is critical for lifting embargoes imposed by the NCLT, which currently restrict capital raising, asset sales, and discussions on inorganic growth. Once the order is received, the company can proceed with stock exchange notifications and capital market activities.

**Expo Engineering and Projects Ltd**

**Outlook:** Expo Engineering is well-positioned to capitalize on India's robust infrastructure and energy expansion plans, with management expressing confidence in sustained growth driven by government initiatives in petrochemicals, green hydrogen, and refinery upgrades. The company's diversified capabilities across process equipment manufacturing and on-site project execution provide multiple revenue streams in a favorable market environment.

**Growth Targets and Capital Allocation**

For FY25, management targets INR 1,200 mn revenue with profit after tax of INR 60-70 mn. The ambitious two-year target of INR 1,700-2,000 mn revenue reflects confidence in market opportunities and capacity to execute larger projects. The recently approved INR 225 mn capital raise will primarily reduce debt by INR 140 mn, improving financial flexibility and reducing interest burden. Remaining funds will enhance manufacturing capabilities and improve raw material purchasing power through advance payments for better pricing.

**Margin Profile and Profitability**

The company maintains differentiated margin structures across business segments. Fabrication activities generate 15-25% EBITDA margins, while project execution delivers 8-15% EBITDA margins. Management identified potential to achieve 30% EBITDA margins on higher-value projects, emphasizing their strategic focus on qualifying for larger, complex assignments that command premium pricing.

**Manufacturing Capabilities and Competitive Advantages**

The Murbad facility spans 5 acres with 19,000 square meters of covered manufacturing space. Critical capabilities include 65mm thickness bending capacity and ability to manufacture equipment up to 120 meters length and 9 meters diameter. These specifications enable handling of large-scale industrial projects that many competitors cannot accommodate.

Expo Engineering's metallurgical capabilities across carbon steel, stainless steel, duplex, and other specialized materials position them for high-value projects. The company's experience spans pressure vessels, deaerators, heat exchangers, and complex processing equipment. International project experience includes supplies to Saudi Arabia, Canada, Africa, and Southeast Asia, validating their global standards.

**Market Positioning and Client Relationships**

The company maintains approved vendor status with all major PSU oil marketing companies including Indian Oil Corporation, Bharat Petroleum, and Hindustan Petroleum. This positioning provides access to substantial tender opportunities and recurring business relationships built over decades.

Strong relationships with leading EPCs including Toyo Engineering, Thermax, Technip Italy, and Engineers India Limited provide project flow and technical collaboration opportunities. Recent receipt of non-disclosure agreement from Toyo Japan for green ammonia projects signals expanding international partnerships.

Management acknowledged intense competition but highlighted their regional advantages and approved vendor status. While competition varies by geography, the company's pan-India presence and willingness to work in challenging locations provides competitive differentiation. Strike rates of 20-30% on tenders reflect strong competitive positioning.

**Industry Opportunity and Market Drivers**

India's petrochemical industry is projected to attract over USD 142 billion investment in the next decade, with major capacity additions planned across the value chain. IOCL's Panipat refinery expansion to 25 MMTPA by December 2025, Gujarat refinery expansion to 18 MMTPA, and Barauni expansion to 9 MMTPA represent significant opportunities for equipment suppliers. BPCL's INR 950 billion Andhra Pradesh project and various LNG terminal expansions provide additional project pipeline.

The National Green Hydrogen Mission targets 5 million tonnes annual production by 2030, with projected investments of USD 34 billion. Major PSUs including IOCL plan green hydrogen projects, with IOCL targeting 10 KTPA at Panipat as initial phase. This emerging sector represents new revenue streams for specialized equipment manufacturers.

India's steel industry plans to add approximately 23 million tonnes capacity during FY24-FY27, with major players like JSW Steel, JSPL, Tata Steel, and ArcelorMittal driving expansion. This capacity addition supports demand for industrial equipment and infrastructure projects.

**Operational Excellence and Project Execution**

The company maintains efficient working capital cycle with 30-day standard payment terms and 10-15 day collections from PSU projects. Inventory management includes strategic raw material stocking for cost optimization and order fulfillment flexibility.

International project execution demonstrates adherence to global quality standards. The company's track record with prestigious clients including Reliance for J3 project and various international assignments validates operational excellence.

**Strategic Initiatives and Future Plans**

Management identified qualification for higher-value projects (INR 700-1,000 mn range) as key growth driver. These larger projects typically have reduced competition and higher margins. Focus on brownfield expansion and enhanced manufacturing capabilities supports this strategy.

Ongoing investments in state-of-the-art cutting and welding facilities maintain competitive advantages. The company's design engineering capabilities for specialized equipment like deaerator systems differentiate their offerings.

Expansion into exotic metals through partnerships with clients like GA Chemicals represents revenue diversification opportunity. While margins may be similar, revenue generation potential is significantly higher.

**Risk Factors and Mitigation**

Historical challenges with steel price escalation highlight commodity price risks. Current contracts include escalation-de-escalation clauses not available during the 2002-03 crisis, providing better risk protection.

Geographic diversification across India and international markets reduces concentration risk. Strong relationships with multiple EPCs and direct PSU relationships provide diverse project sources.

While acknowledging margin pressures in competitive environment, management emphasized operational efficiency and selective bidding strategies. Focus on qualified projects and regional advantages helps maintain profitability.

**Fineotex Chemical Limited**

Outlook: Fineotex Chemical is a technology-driven specialty chemicals leader executing a 'grocer of industries' strategy across textiles, FMCG cleaning, water treatment, and oil & gas verticals. With 45% revenue CAGR over five years and sustained EBITDA margins above 25%, the company's debt-free balance sheet and INR 3.5 bn cash reserves support aggressive capacity expansions and strategic partnerships for sustained high-margin growth.

**Business Model & Market Positioning**

Fineotex operates an asset-light, integrated specialty chemicals platform delivering over 1,500 SKUs across 450 product categories. Originating as an OEM supplier in 1979, it transitioned to proprietary branded solutions in 70 countries, leveraging fungible manufacturing capabilities and deep technical expertise. The 'grocer of industries' approach creates high switching costs through tailored formulations that represent only 0.15% of end-product cost yet deliver critical performance, positioning the company favorably against fragmented unorganized competitors.

**Financial Performance & Capacity Expansion**

The company has delivered a 45% five-year CAGR in revenue and maintains 35%+ gross margins with average EBITDA margins over 25%. With RoE and RoCE above 30%, Fineotex reinvested INR 1.17 bn to add 15,000 tons at Ambarnath, bringing annual capacity to 76,000 tons. Management targets 1530% annual revenue growth, funded through internal accruals and a strong cash position, maintaining zero debt and flexible capital allocation for future expansions.

**Technology, R&D & Partnerships**

Fineotex's NABL-accredited R&D labs, in partnership with Sashmira Institute, drive sustainable chemistry innovations with over 30 new products developed quarterly. Strategic alliances with Biotex Malaysia, Eurodi Belgium, and Health Guard Australia augment European-standard expertise and sustainability compliance, enabling entry into high-growth institutional cleaning and eco-friendly FMCG segments.

**Market Dynamics & Growth Strategy**

China+1 policies, sustainability mandates, and growing FMCG and textile markets underpin strong demand for eco-friendly solutions. Fineotex addresses a USD 500 mn potential market for sustainable detergent additives and leverages upstream recommendations by global brands like Walmart and Target. Future growth will be driven by geographic expansion in existing 70 countries, vertical diversification into oil & gas, and selective inorganic acquisitions to strengthen core capabilities.

**Risks & Future Outlook**

Operational risks include raw material price volatility and currency exposure, mitigated through diversified sourcing and natural hedging via exports. High working capital cycles (80 days) are offset by product fungibility and robust cash reserves. The company's sustainability leadership, global partnerships, and disciplined financial management position it to capitalize on specialty chemicals consolidation and deliver consistent high returns over the next decade.

**Finkure Financial Services Ltd**

**Outlook:** Finkure Financial Services expects strong momentum in its gold loan business, with disbursements projected to surpass INR 35 bn in the ongoing fiscal year, building on INR 16 bn achieved to date. The company is focusing on retail lending expansion, leveraging group synergies in the gold ecosystem and a tech-integrated model to drive AUM growth beyond INR 6 bn, while maintaining capital efficiency, debt-free status at the group level, and a commitment to governance for sustainable profitability in India's fragmented gold financing sector.

**Company Background and Group Legacy**

Finkure Financial Services, the financial services arm of the group, traces its roots to a family business in gold lending spanning five decades, starting informally with the founder's great-grandfather and built on trust and relationships.

The group has established one of India's largest gold ecosystems, generating over INR 700 bn in revenue, covering the entire value chain including refining, trading, digital gold, and lending.

The group remains debt-free and capital-efficient, positioning Finkure as a natural extension to capitalize on gold as India's most liquid savings asset in a fragmented lending market.

**Business Overview**

Formerly known as Finkur Financial Services, gold loan operations commenced in 2020, focusing on retail lending with a customer-first approach, strong systems, and robust governance.

Operates a lean, tech-embedded model across 89 branches, with technology integrated at every business layer to minimize costs and enable rapid scaling.

Shifted strategically from wholesale and corporate exposures to a retail-focused model, enhancing business resilience and stakeholder confidence, particularly among lenders.

Recognized for innovations and accreditations in the gold industry, though specifics were not detailed in the discussion.

**Growth and Operational Highlights**

Achieved AUM of INR 6 bn since the first disbursement in 2020, with over INR 16 bn being disbursed to date and on track for more than INR 35 bn in the current fiscal year.

Emphasizes transparency, governance, and sustainable growth, differentiating through execution quality rather than scale alone.

**Flair Writing Industries Ltd**

Flair, with a five-decade legacy, is one of India's largest pen manufacturers and the largest exporter of pens from India. The company is innovation-driven, known for landmark products like mechanical pencils, the 4-in-one pen, and the Exo pen.

**The company operates manufacturing plants in Nym (Mumbai outskirts),** Daman (five units), Valsad (three units), Surat (one unit), and Dadra (one unit). A key strength is in-house tip production, covering nearly 75% of requirements through a complex 42-stage process. This ensures quality control, protects intellectual property, and secures supply. Flair is also expanding this capacity further.

**On the distribution front,** Flair reaches more than 3.3 lakh retailers in writing instruments, with the potential market estimated at up to 4.2 lakh touchpoints. The stationery or Creative range is available at over 65,000 outlets. Rather than only adding distributors, the company is focused on increasing shelf space to strengthen visibility.

The company's working capital strategy is unique in the industry, as it extends longer credit periods to distributors to secure loyalty and promote new product launches. Despite this, bad debts are reported as negligible.

**For FY26,** Flair is maintaining a top-line growth guidance of around 15 percent across all business segments, though quarterly numbers may vary. The stationery business, a four-year-old segment, closed FY25 at INR 170 crore and is expected to grow by at least 35 percent in FY26, with a medium-term target of INR 450 crore plus within 2.5 years. The pen segment, where Flair already holds an 18 percent market share, is expected to grow in high single digits, outpacing the broader market growth of just 3–4 percent. The company is also executing a large capital expenditure programme of INR 180–190 crore, with INR 50 crore already invested. The new three-storey plant at Valsad, where over 50 machines have been ordered, will drive incremental growth. Flair targets a sales-to-investment ratio in plant and machinery of more than three times.

Product innovation remains central to Flair's growth strategy, with a consistent effort to launch "hero products." A recent success includes the 2mm refillable plastic pencil, which required over 11 design iterations to finalise. The stationery portfolio has expanded quickly since its COVID-era launch, now including pencils, sharpeners, erasers, pastel colours, sketch pens, markers, and highlighters. The company is consciously building this portfolio to compete with established players like Doms. Backward integration is also being strengthened to ensure better supply control and maintain quality.

The steel bottle business closed FY25 with revenue of INR 43 crore, and management has guided to around INR 65 crore for FY26. Installed capacity stands at about 57 lakh pieces, valued at INR 110 crore. This business has faced near-term headwinds, as strict BIS norms disrupted imports and led to a glut of discounted bottles in the domestic market. The segment was marginally profitable in the final quarter of FY25.

**Exports** continue to be a major growth lever, contributing INR 180 crore in FY25, with a strong presence in the US, Americas, Middle East, Africa, and a recent entry into Japan, a highly quality-conscious market. Export working capital has stretched as trade credit norms have extended from 90 to 120 days, and in some cases up to 140–150 days. Domestic OEM activity is limited to Reynolds, stemming from a longstanding relationship with Newell USA. Flair no longer distributes Reynolds, focusing instead on its own brand, and any OEM revenue is considered a bonus. A recent quarter reported INR 7 crore from this channel.

**Flair's growth story** hinges on expanding the Creative stationery business, leveraging in-house manufacturing capabilities, and executing its large-scale Capex in pens and stationery. Exports remain a strong driver, while steel bottles and OEM provide optional upside.



Foods & Inns Ltd**Business Verticals: Performance & Growth Outlook**

**Fruit & Vegetable Pulping:** This remains the largest segment, accounting for **80-85% of total sales**. The company expects a 20% tonnage increase in the mango business for FY26 and has increased its tomato processing capacity.

**Frozen Foods:** This is a fast-growing segment that expanded from approximately 40 crores to 68 crores in the previous year and is **projected to surpass 100 crores** this year. Growth is driven by the domestic B2C market and B2B exports. Management is hopeful this category will grow significantly in the next two to three years, with a major focus on the export market.

**Spices (Kusum Masala):** Acquired in FY19 under the brand name Kusum Masala, this 100% subsidiary generated revenue of around 21 crores. Of this, approximately 8 crores comes from B2B sales. The company has a **near-term target to increase revenue to 100 crores** and is shifting its focus towards the B2C segment by expanding its distribution network before spending on marketing.

**Spray Drying:** This business is growing rapidly, with revenues expected to increase from 21 crores last year to **over 30 crores** in the current year, driven by an increase in tonnage.

**Update on Key Projects: Pectin & Tetra Recart**

**Pectin Project:** This project, a joint venture, converts mango waste into pectin, an import substitute product. After initial delays due to "drying technology and an extraction" issues, commercial production has started. Revenue generation is expected to begin in Q4, pending final approvals from B2B customers who are evaluating samples. For the current financial year, the company targets **40-50% capacity utilization**, which translates to about **6.6 crores in revenue**, with full capacity utilization expected next year.

**Tetra Recart (RTE/RTC):** This division is currently at **20% capacity utilization and is EBITDA negative**. The breakeven point is estimated at 50-60% capacity utilization. At 100% capacity, the revenue potential is guided at around 90 crores. The company is gaining traction, particularly in international markets like Russia, and has finalized a large-volume client in the USA, with revenue from this expected in Q4.

**Financial Strategy & Performance Metrics**

**Cost-Plus Model:** The core pulping business operates on a **cost-plus model**, which protects the company from inventory losses due to falling raw material prices. Even if lower raw material prices lead to an optically lower top-line revenue, the company focuses on growing its **absolute gross profit and absolute EBITDA** through higher volumes.

**EBITDA Margins:** While margins for the pulping business vary with raw material costs, the company shared indicative EBITDA margins for other verticals: **Spray Drying at 25%+, Frozen Foods at over 40%, and Spices slightly below mid-teens**.

**Working Capital:** The business is working capital intensive, with the cycle currently at double the ideal 90 days. This was exacerbated last year by high raw material prices and slow export call-offs. The company is working to reduce this by communicating with brands for steadier call-offs and benefiting from lower raw material prices this year.

**Market Dynamics & De-risking Strategy**

**De-risking from Mango:** A key strategic focus is to reduce dependency on mango. Over the last five years, mango's contribution to revenue has been brought down from 92% to approximately 81%. The long-term goal is to have mango constitute around **60% of the business**, not by degrowing mango but by accelerating growth in other products like guava, banana, papaya, and tomato.

**Competition:** In the pulping market, the primary Indian competitors for mango are J Irrigation, Exotic Fruits, and ABC Fruits. For tomato, competition has historically come from China, but Indian processors are gaining traction globally due to the "China plus one" policy and improved product quality.

**International Expansion:** International markets are a key driver of growth, particularly for the **Tetra Recart business in Russia** and the **B2B Frozen Foods segment**.

**Customer Concentration:** The company has a high customer concentration, with its **top 10 customers accounting for 60-65% of revenue**. **Coca-Cola remains a significant client, contributing 40-42% of revenue**, and this concentration is expected to continue as major brands like Maaza expand.

**Forcas Studio Ltd****Business Overview & Strategy**

Forcas Studio Limited is an omni-channel apparel company that began in 2010 as a white-label manufacturer for major retailers. In 2020, the company launched its own brand, FTX, which now accounts for 95% of its business.

**Target Market:** The company's core strategy is to build **India's first major menswear brand with products priced under an MRP of INR 499**. It primarily targets the Gen Z customer in Tier 2 and Tier 3 cities, with 85-90% of its revenue coming from this segment.

**Business Model:** The company operates on a **"Capex light" model**, focusing on design and outsourcing manufacturing. It sells through online marketplaces and a distribution network of wholesalers, avoiding direct-to-consumer (D2C) channels or exclusive brand outlets (EBOs).

**Product Portfolio:** While it started with athleisure, FTX has expanded into a complete menswear brand offering everything from casuals and denims to winter and ethnic wear. Its secondary brand, Tribe, caters to a more premium price point but is a smaller focus.

**Financial Performance & Future Outlook**

The company has demonstrated rapid growth since launching its own brand, with its top line growing from INR 45-50 lakhs in its first six months to **INR 142 crores last financial year**.

**Revenue Guidance:** For the current financial year, Forcas Studio is **targeting a top line of INR 190 to INR 200 crores**. The long-term goal is to maintain a year-on-year growth rate of 35-45%.

**Profitability:** The company currently operates at a **10% EBITDA and approximately 6.5% PAT margin**. Management believes these margins will improve with the expansion into higher-margin categories like women's wear, kids' wear, and ethnic wear, as well as sales through quick commerce.

**Funding:** While the company can fund slower growth internally, it will likely require external funding in the future to sustain its high growth target of 35-50% per year.

**Growth Drivers & New Initiatives**

**Category Expansion:** The company has recently entered **women's wear (starting with bottoms) and kids' wear** (under the FTX Kids brand, focusing on sportswear and winter wear). It has also launched an ethnic wear line, with a goal of selling 20,000 kurtas via Zepto this Diwali season.

**Quick Commerce:** Forcas has partnered with **Zepto, making its products available for 10-15 minute delivery in 120 cities**. This channel, which started in June, is expected to contribute 3-4% of revenue this year.

**Marketplace Growth:** The recent launch on **Myntra in mid-July has been very successful**, with the platform expected to contribute 15-17% of total revenue this financial year.

**Branding:** The company focuses on a "pull strategy" driven by product quality to build customer loyalty, noting that an average online customer purchases from them three times a year. A plan to hire a brand ambassador is on hold for this financial year.

**Operations & Inventory Management**

**Logistics:** With a central warehouse in Calcutta and third-party warehouses in eight states, the company can **deliver 80-90% of its orders across India within 72 hours**.

**Inventory Control:** To manage its 1600+ SKUs, Forcas employs a "width over depth" strategy. When launching new designs, it produces very small quantities (e.g., 100-200 units for online) to test the market and minimize risk. This allows the company to maintain an average inventory holding period of 60-70 days.

**Working Capital:** The management clarified that trade receivables and inventory levels appear high on the March balance sheet due to the seasonal transition from winter to summer, which requires stocking up and pushing inventory to distributors ahead of the new season. The average debtor cycle for the year is around 70 days.

**Sales Channels & Market Positioning**

**Online Channels:** The primary sales driver is online marketplaces. The revenue is split across **Flipkart (~25%), the Amazon group (~17-18%), Myntra (projected 15-17%), and Meesho (~10-15%)**. Customer ratings are notably higher on platforms like Flipkart (average 4.3), which aligns with its core Tier 2/3 customer base.

**Offline Channels:** The **distribution and wholesale business accounts for 34% of sales**, where products are sold through multi-brand outlets (MBOs) via dealers. Credit terms in this channel typically range from 60 to 90 days.

**Contract Manufacturing:** The company's original business of white-label manufacturing still contributes **15-20% of its revenue**, helping it stay connected with industry trends.

**Frog Cellsat Ltd****Operational Highlights**

The company operates across five primary verticals: Active DAS solutions, Digital RF Repeaters, IBS Accessories, Network Accessories, and Antennas.

Management plans to focus on high-margin active components like DAS and Repeaters strategically and may discontinue certain low-margin passive products, IBS and Network Accessories as the new CCTV business scales up. Passive products currently constitute about 50% of the business.

Successfully delivered its proprietary oneDAS system solutions for major infrastructure projects, including Airports in various cities.

**New Product**

Launched VHF DAS and repeater solutions, targeting the Indian Railways. A new government mandate requiring VHF coverage in all train tunnels is expected to be a significant demand driver.

The company is also developing products for the broadband market, such as ONUs and SFPs.

**Order Book**

The order book stood at INR 720 Mn at the end of Q4FY25.

**Segment Breakup**

Active, high-tech components like Repeaters and DAS command higher EBITDA margins of 18-20%. Passive products such as IBS and network accessories are lower-margin businesses. Margin fluctuations between quarters are primarily due to the changing sales mix of these products.

**CCTV Business**

The company is diversifying into the CCTV camera market, leveraging its new SMT manufacturing line.

It is currently in the process of obtaining the mandatory STQC certification from the Government of India, with approval expected by Dec-25.

The company's key differentiator will be its in-house development of AI analytics software, unlike competitors who rely on third-party partners. The initial go-to-market strategy will focus on government and corporate segments.

**Industry Updates**

The estimated TAM for DAS and repeater solutions in India, including cellular, public safety, and VHF, is around INR 10 Bn. The VHF segment alone is estimated at ~INR 3 Bn.

**CCTV Market Opportunity**

The domestic CCTV market is estimated to be worth at least INR 120 Bn.

A recent regulatory change requiring STQC approvals has led to the displacement of Chinese companies that held around 85% of the market share, creating a significant opportunity for Indian manufacturers.

**Capex / Expansion Plans**

The company operates from a single manufacturing facility of 1.6 lakh sq. ft. in Noida, which also houses its DSIR-approved R&D center.

A new SMT line has been established to support the manufacturing of new products, including CCTV cameras, IP cameras, and SFPs.

**Competition**

In the DAS space, competitors include Cellcom, which white-labels Chinese products and international players like Maven Wireless and Solid for VHF/Tetra devices.

Frog Cellsat positions itself as a niche, design-led manufacturer and the only Indian company with certain proprietary technologies.

**Other Updates**

The company is actively exploring opportunities to export its DAS and repeater solutions to Europe and Africa, targeting a global market valued at over \$1 Bn.

The current working capital cycle is ~120 days, influenced by the project-based nature of the DAS business.

**Guidance**

Management projects a revenue growth of 20-30% for FY26E. The company expects its new business verticals, primarily CCTV, to contribute ~INR 700 Mn in FY26E, contingent on receiving STQC approval by Dec-25 and achieving sales in Q4FY26.

Aims to achieve revenues of INR ~5+ Bn by FY28E. Targeting an EBITDA of ~INR 750 Mn, which implies a 15% EBITDA margin.

By FY28, the company expects 50% of its revenue to come from new products, primarily from CCTV, with the remaining from its core high-margin active components.

**Fusion Finance Ltd**

**Outlook:** The company's current loan book stands at ~INR 76,000–78,000 Mn and is guided to grow by over 20% in FY26, post the ongoing rundown. Disbursements are increasing steadily at 6–8% on a MoM basis, with strong traction expected from Q3FY26 onwards. The MSME portfolio, which currently contributes 7–8% of AUM, is expected to grow faster than the microfinance segment over the next 2-3 years. Medium-term target is reaching to INR 1,00,000 Mn AUM, with Q3–Q4 FY26 likely to act as a key inflection point. The company is also focusing on scaling its secured micro-LAP loans, with ticket sizes ranging between INR 0.8–1.5 Mn, primarily backed by self-occupied residential or commercial properties.

**Business & Operations**

The company has strengthened its credit guardrails, with approval rates improving from 15% to ~30%, resulting in better quality disbursements and a more strong portfolio.

The share of over-leveraged borrowers has declined sharply from 31% in March 2024 to 17% in March 2025, bringing it below the industry average.

Collection efficiency touched 99.4–99.6% in recent months.

The Stage 3 book stands at INR 3,830 Mn with a strong provision coverage of 97%. Additionally, the company has identified INR 6,000–7,000 Mn of recoverable portfolio from the INR 24,000 Mn that was previously written off.

**Financial Performance**

Gross NPA at 5.4% in June, expected to fall below 5% in coming quarters.

Credit costs have been on a declining trend, reducing from INR 2,500 Mn in Q4 to INR 1,780 Mn in Q1. The company has guided for a long-term normalized credit cost range of 2.5–3%.

NIM steady at 10.25–10.5%.

The company expects to achieve break-even in disbursements by December 2025, with monthly disbursements reaching the range of INR 5,800–6,000 Mn.

**Capital & Liquidity**

Capital adequacy ratio strong at 29.5%; provision coverage >100%. Comfortable liquidity position (INR 7,000–8,000 Mn cash + lender sanctions in place).

**Risk & Asset Quality**

The Stage 2 book has reduced from INR 2,560 Mn in Q4FY25 to INR 1,720 Mn in Q1FY26 and is expected to decline further in the coming quarters.

Floods in UP, Bihar, Punjab had negligible impact due to limited exposure.

The management has created an overlay of ~INR 600 Mn in provisions, which may be reversed if collections continue to improve.

**Other Highlights**

Geographically present in 22 states; expansion to continue in Assam & Andhra Pradesh, while scaling down in Orissa & Gujarat.

The company is focusing on employee productivity, with ~80% of incentives linked to collections. This approach has contributed to a reduction in attrition, bringing it below 40%.

Open to using credit guarantee schemes for 10–15% of new disbursements.

**Galaxy Surfactants Ltd**

Galaxy Surfactants Limited, a leading player in the specialty chemical and surfactant space, provided an update on its operating environment, growth strategy, and medium-term outlook. On demand trends across geographies, the impact of raw material volatility, margin dynamics, product mix evolution, and the company's Vision 2030 targets. Despite recent challenges from global supply chain disruptions, raw material price cycles, and geopolitical tensions, management emphasized the long growth runway in India and other developing markets, coupled with the company's innovation pipeline and expansion initiatives across regions.

**Market Environment and Demand Drivers**

Demand influenced by post-COVID disruptions, global supply chain issues, and geopolitical uncertainties.

Structural drivers remain intact, including premiumisation, urbanisation, and higher personal care consumption.

India still at an early stage of surfactant adoption compared to developed markets like the US and China.

Long-term runway supported by rising disposable incomes, increased female workforce participation, and consumer upgrades from soaps to liquid body washes and advanced detergents.

**Product Portfolio and Mix**

Comprehensive portfolio spanning over 200 products across performance surfactants and specialty care ingredients.

Premiumisation trend driving demand for green, mild, multifunctional, and sustainable surfactants.

Focus on innovations such as phenoxyethanol replacements and bio-based surfactants aligned with global regulatory changes.

Current revenue mix ~65:35 between performance surfactants and specialty products, expected to gradually move toward 60:40 or 55:45.

**Geographic Footprint and Expansion**

Presence across India, Egypt, and the US, with new subsidiaries established in Europe and Mexico.

US and Latin America remain growth markets for specialty surfactants; India and other developing economies continue to be dominated by performance surfactants.

Local manufacturing facilities enable closer customer connect and competitive advantage in key regions.

Strategic focus on deepening customer relationships through multiple touchpoints including innovation, R&D, and sustainability initiatives.

**Financial Performance and Margins**

Margins impacted by cyclical volatility in raw material prices; company operates largely on formula-based or cost-plus pricing with customers.

Profitability better assessed on per-tonne EBITDA rather than percentage of sales due to pass-through pricing mechanism.

Long-term EBITDA per tonne target of INR 25,000 by FY30.

FY26 revenue growth guidance of 6–8%, with current year expected at the lower end due to elevated raw material costs and demand headwinds.

**Strategic Initiatives**

Strengthening product pipeline with more than 15 new products under development in specialty surfactants.

Ongoing investments in green chemistry, sustainable formulations, and premium personal care solutions.

Senior leadership appointments across geographies to drive global growth.

Enhanced distribution presence with new stocking points and partnerships in international markets.

**Vision 2030**

Doubling volumes and increasing EBITDA by 2.5x by FY30.

Strategic focus in India and AMET (Africa, Middle East, Turkey) on growth of performance surfactants.

Expansion in US, Europe, and Latin America driven primarily by specialty surfactants.

Continued investment in R&D, innovation, and customer-centric solutions to strengthen market leadership.

**Future Outlook**

Galaxy Surfactants remains confident of capturing growth opportunities across emerging and developed markets. The company's strategy is anchored in premiumisation, sustainable chemistry, and geographic diversification. Despite short-term headwinds from raw material costs and regulatory shifts, management reiterated long-term guidance of 2x volume growth and 2.5x EBITDA expansion by FY30, supported by a strong innovation pipeline and global expansion initiatives.

**Ganesh Housing Corporation****Company overview:**

Ganesh Housing Corporation is an established, listed real estate company based in Ahmedabad, Gujarat, with a long history in the field.

The company has completed 22 projects, including 18 residential and 4 commercials, totaling approximately 23 million square feet with a sale value of around INR 26.8 Bn.

Land Bank: The company holds the largest land bank in Gujarat, consisting of over 500 acres, primarily in the SSZ areas of Ahmedabad. This land was acquired approximately 15 years ago at a very low cost, and its value is expected to be a major driver of future growth.

**Ongoing and Planned Projects****Million Minds (Commercial):**

Phase 1 is nearly complete and will be handed over for leasing soon.

Lease rentals are expected to begin by mid-Q4 this year.

There are plans for an additional six phases of this project.

**Malabar Retreat (Residential):**

The project is over 60% complete.

Expected completion is by the middle or end of next year.

**Financials and Market Outlook**

Expected Cash Flows: The two ongoing projects alone (Million Minds and Malabar Retreat) are expected to generate free cash flows of around INR 7000 MN.

Revenue Guidance: The management did not change their prior guidance for the full fiscal year and stated they would provide an update after the Q2 results are announced in mid-October.

Market View: The management expressed a positive outlook on the premium residential segment in Ahmedabad, noting an increasing demand for larger, high-quality homes and buildings. They believe the market is strong and will continue to grow, particularly with ongoing developments like the sports complex and new metro connectivity.

**Key highlights:**

The company confirmed that they are actively in the process of acquiring an additional 30-40 acres of land in areas with future development potential. This is an ongoing exercise to replenish their land bank as they monetize existing assets.

The management noted that the initial part of Q2 experienced a slowdown due to the "Pitru Paksha" period. They are optimistic about a pickup in sales during the ongoing festive season but stated it's too early to confirm the trend.

The company expects to negotiate lower prices with contractors due to the reduction in GST on key input materials like cement and steel. However, they clarified that the overall impact on the total transaction value for the customer would not be significant. The contracts are generally fixed price, but they have a history of collaborating with contractors on price changes.

**Ganesh Infraworld Ltd**

Ganesh Infraworld Limited demonstrates robust fundamentals with a strong order book of INR 25 bn and is well-positioned to capitalise on India's infrastructure growth momentum. The company's diversified EPC capabilities across water, civil, and mining infrastructure, combined with strategic joint venture partnerships and focus on direct contracts, positions it for sustained revenue expansion. Management's emphasis on repeat client relationships and technology adoption to address labour challenges supports margin stability in a competitive sector.

**Company Overview & Business Model**

Incorporation: Established in 2017, listed on NSE SME Emerge platform in December 2024

Business Focus: EPC company providing integrated services across water infrastructure, civil infrastructure, and mining infrastructure

Service Offering: End-to-end engineering, procurement, and construction solutions with mechanical, electrical, civil, and industrial capabilities

Market Positioning: Operates as both primary EPC contractor and sub-contractor for larger players

Geographic Presence: Pan-India operations across multiple states with established client relationships

**Financial Performance & Growth Trajectory**

Revenue Growth: Exceptional growth from INR 802 mn (FY22) to INR 5.38 bn (FY25), representing 594% CAGR

Profitability Metrics: PAT margin improved from 2.4% (FY22) to 7.4% (FY25); EBITDA margin at 10% levels

Return Ratios: Strong ROE of 36.2% and ROCE of 37.9% demonstrating efficient capital allocation

Q1FY26 Performance: Revenue of INR 1.82 bn vs INR 1.37 bn (Q1 FY25), showing sustained momentum

EPS Growth: Diluted EPS increased from INR 2.30 (FY22) to INR 11.59 (FY25)

**Order Book & Business Pipeline**

Current Order Book: INR 25 bn as of August 2025, comprising 29+ ongoing projects

Order Composition: Predominantly water infrastructure, civil infrastructure, and minimal power transmission (~2%)

Client Strategy: Focus on repeat orders from existing blue-chip clients rather than extensive client acquisition

Smart Metering: Partnership with Adani Energy contributing less than 2% of order book

Project Visibility: Strong pipeline providing medium-term revenue certainty

**Strategic Initiatives & Competitive Advantages**

Joint Venture Approach: Strategic JV partnerships to access larger direct contracts and meet pre-qualification requirements

Technology Integration: Adoption of hydraulic directional drilling and indigenous machinery to address labour challenges

Operational Efficiency: One operator + helper can complete 500+ metres of underground cable laying per day using advanced techniques

Margin Enhancement: Shift from BOQ (Bill of Quantities) to EPC mode contracts improving profitability

Client Dependency: Creating strong relationships with blue-chip clients ensuring business continuity

**Cost Management & Operational Excellence**

Labour Management: Proactive adoption of mechanisation to counter labour shortage challenges

Vendor Stability: Low attrition among vendor base and employees supporting operational continuity

Technology Adoption: Implementation of advanced drilling techniques reducing manpower dependency significantly

Margin Stability: Maintaining competitive margins despite industry-wide cost pressures through operational improvements

Raw Material Management: Stable vendor relationships and improved procurement processes

**Market Opportunity & Growth Drivers**

Infrastructure Boom: Benefiting from India's infrastructure investment cycle across water, roads, and urban development

Water Infrastructure Focus: Strong positioning in government initiatives and urban water projects

Mining Sector Exposure: Leveraging opportunities in India's expanding mining infrastructure requirements

Repeat Business Model: High percentage of orders from existing clients reducing business development costs

Direct Contract Focus: Moving towards larger direct contracts through JV partnerships

**Management Commentary & Strategy**

Growth Sustainability: Management confident about maintaining growth trajectory given robust order pipeline

Financial Backing: Strong support from bankers and improved network relationships

Market Position: Operating in high-demand segments with limited competition for specialised services

Client Quality: Working predominantly with blue-chip organisations ensuring payment security

Expansion Strategy: Focus on deepening existing relationships rather than aggressive client acquisition

**Future Guidance & Strategic Vision**

Management remains optimistic about sustaining high growth trajectory given the robust order book and strong project pipeline. The company's strategy of deepening relationships with existing clients while selectively pursuing direct contracts through JV partnerships supports margin expansion and revenue scaling. Focus on technology adoption to address labour constraints and shift towards higher-margin EPC contracts positions Ganesh Infraworld to capitalise on India's infrastructure development phase. With established client relationships, proven execution capabilities, and strategic positioning in high-growth infrastructure segments, the company is well-positioned for sustained growth in the medium to long term. The combination of strong order book visibility and operational excellence supports the investment thesis for continued revenue and profitability expansion.



**GHCL Ltd**

**Outlook:** GHCL is navigating a tough global environment with resilience, thanks to strong Indian demand and internal strengths. The temporary oversupply phase could reverse in 12-18 months, boosting realizations and margins back to normal levels (potentially above 27%). However, import pressures and ADD delays remain key risks—watch for government updates on duties.

**Global Soda Ash Market Overview**

The management painted a mixed picture of the global soda ash market, noting oversupply and geopolitical uncertainties as major pressures. Prices have softened due to weak demand in some regions, but there's hope for recovery once tariffs and economic conditions stabilize. China, the world's largest producer and consumer, has seen massive growth in recent years but is now stabilizing, which could lead to some capacity rationalization.

**China's Role:** Back-to-back growth of 10% (two years ago) and 18% in FY25 driven by solar glass demand, despite weak real estate. Now, demand growth has flattened as the country digests this surge. Management doesn't expect China to become a big exporter again, as it's shifting to exporting value-added products like solar glass.

**Western Markets (US and Europe):** Demand remains weak due to geopolitics and tariffs. US could see better growth post-tariff resolutions and recent Fed rate cuts. Europe has closed about 1 mn MT of capacity, which might help balance supply if demand rebounds.

**Overall Outlook:** Temporary oversupply phase; recovery expected as US/Europe growth returns, reducing exports to markets like India. No alarming inventory buildup globally, but slightly elevated levels.

**Indian Soda Ash Market Dynamics**

India's market stands out positively, with strong demand growth continuing from last year. Key sectors like flat glass, container glass, detergents, and emerging solar glass are performing well, supported by a good monsoon boosting rural demand. However, cheap imports (mainly from US and others) are pressuring prices, preventing domestic realizations from rising.

**Demand Drivers:** Solid growth in glass (flat, container, solar) and detergents. Solar glass expected to add more demand as India pushes renewables.

**Import Challenges:** Unabated cheap imports despite Minimum Import Price (MIP) in place (INR 20,800 per MT CIF basis, extended till Dec 31). MIP hasn't supported prices as much as hoped; no volume restrictions, so imports continue.

**Operational and Financial Performance**

GHCL reported softer Q1 results with EBITDA margins at 27%, down due to lower realizations from global pressures. The situation persists, but management views it as temporary. Focus remains on customer service, strategic deals, cost optimization, innovation, and raw material efficiencies. Balance sheet is strong, supporting ongoing initiatives.

**Utilization Levels:** Running at optimal levels, no issues with production.

**Margin Pressures:** Expect 2-3% hit on margins due to pricing softness; cost efficiencies from last year are sustainable and will continue.

**Pricing Trends:** No major revisions; industry operates dynamically with minor adjustments. Recent spot price hikes in China noted, but too early to call sustainable. Domestic list prices are stable, with discounts to counter imports.

**Inventory Situation:** No major concerns; earlier buildups in end-users have been consumed.

**Capex Projects Update**

GHCL is advancing three key capex projects: greenfield soda ash expansion, bromine, and vacuum salt. Timelines remain largely on track, with minor delays possible due to rainfall. These expansions will boost capacity and efficiency, positioning the company for future demand growth.

**Greenfield Expansion:** Environmental clearance received; fencing underway. Small land parcel issues persist but being addressed with government. Overall timeline unchanged from last call.

**Bromine and Vacuum Salt:** Expected commissioning in Q3 FY26, possibly with 1-2 weeks delay due to extended rains.

**Strategic Focus:** These projects align with growing demand, especially in solar glass, where GHCL holds a dominant market share.

**GHCL Textiles Limited**

**Outlook:** GHCL Textiles is poised for transformational growth through aggressive vertical integration, transitioning from a yarn supplier to a ready-to-cut fabric provider by 2030. The recent addition of 25,000 spindles brings total capacity to 225,000 spindles, underpinning downstream expansion into knitting and fabric production. A disciplined INR 10 bn CAPEX program over 23 years, alongside a virtually debt-free balance sheet and 62 MW renewable energy capacity meeting 70% of power needs, positions the company to deliver sustainable margins above industry averages despite near-term trade headwinds.

**Business Model & Strategic Vision**

GHCL Textiles operates an integrated cotton and blended yarn manufacturing platform with a 'grocer of industries' approach, balancing customized and general market offerings in a 5050 revenue mix. The strategic vision targets forward integration into knitting, weaving, and fabric finishing, reducing yarn revenue contribution to 4050% over time and unlocking significant value addition and margin expansion through ready-to-cut fabric solutions.

**Capacity Expansion & Capital Allocation**

The commissioning of 25,000 spindles at the Minakshi unit brings total spinning capacity to 225,000 spindles, achieving 99% utilization and demonstrating robust demand. The INR 10 bn CAPEX plan, of which INR 5 bn is already deployed, will fund 40 knitting machines (INR 3.8 bn) followed by weaving and dyeing facilities. Funding through internal accruals and manageable debt maintains a debt-to-equity ratio below 1x, preserving financial flexibility.

**Operational Excellence & Sustainability**

Maintaining 99% capacity utilization and average margins of 15%, GHCL's operational efficiency outperforms peers. A 62 MW renewable energy infrastructure comprising solar and wind installations supplies 70% of energy needs, reducing power costs by over 10% and strengthening ESG credentials. The energy security and cost predictability support margin stability in volatile market conditions.

**Market Dynamics & Growth Drivers**

Organized textile capacity utilization remains stable, while smaller players struggle with working capital constraints. Policy catalysts, including potential UKEU and USIndia trade agreements, GST rationalization, and domestic manufacturing incentives, provide medium-term tailwinds. The premiumization of fabric and rising demand for ready-to-cut solutions in urban infrastructure and apparel sectors underpin growth prospects.

**Risk Management & Future Outlook**

Key risks stem from global trade uncertainties, raw material price volatility, and execution risk on downstream integration. Mitigation measures include diversified supplier relationships, strategic inventory management, and phased project execution. GHCL's strong balance sheet and conservative approach to CAPEX deployment reduce financial risk, enabling the company to capitalize on consolidation opportunities and deliver sustainable long-term returns.

Giriraj Civil Developers Ltd

Giriraj Civil Developers is a railway-focused civil-contractor with a growing orderbook across station upgrades, bridges, yard works and depot works. Current execution is largely for Indian Railways; The company is actively bidding to enter metros, dedicated freight corridors, roads and real-estate development. Orderbook is stated ~INR 15 Bn from 40+ active projects, providing multi-quarter revenue visibility if executed as planned. Management targets turnover of INR 6-7 Bn within ~2 years. PAT progression from INR 180 Mn in FY25 to ~INR 350-400 Mn in FY26 and further expansion in FY27E. Margins widely variable with ~15–20% margins on projects executed in-house; ~7–15% on works done largely through subcontracting.

**Operational highlights**

The company has several active projects, incl. Kuzukah station with the budget of INR 1,815 Mn; World Bank-funded Himachal horticulture/solar-fencing worth ~INR 1,290–1,500 Mn; multiple other projects with large and small orders in ~INR 300-500 Mn range. These add up to the INR 15 Bn orderbook cited.

The company executes ~60% of works in-house and outsources ~40% to subcontractors. In-house execution yields higher margins at 15-18%, while subcontracted work compresses margins.

Most projects in hand are expected to be completed within 4-10 months, depending on scope and variations.

**New bids / near-term pipeline**

The company's bidding activity for ~INR 7 Bn of opportunities opening shortly.

The company is diversifying and investing in real estate in Mumbai and exploring highways, MRTs/metros and green/solar infrastructure. They plan to develop and also invest in manufacturing for solar-construction parts over the next 2–3 years.

**Segment breakup**

Railways/railway civil works account for ~60–70% of total revenue. Most projects and orderbook value are railway civil works, and the remaining 20-25% is subcontracted works.

Management expects real-estate and new infra to contribute meaningfully in future; current contribution is nascent. Current revenue breakup is of rail 60%, subcontract 25%, real estate 30% are overlapping.

**Industry opportunity**

Multiple government initiatives in civil and station works are planned incl. ~7,000 km high-speed rail programme over the long term.

Management quantified a broad sector opportunity of ~INR 300-400 Bn over longer term.

Glen Industries Ltd.

Glen Industries Ltd. traces its origins back to Chairman **Lalit Agarwal's entrepreneurial journey**, which began in 1998 with ballpoint pen manufacturing under Austin Pvt. Ltd. Over two decades, the business scaled to 2.2 million pens per day before diversifying into thin-wall containers in 2010. A business restructuring in 2017 led Mr. Agarwal to focus exclusively on the container vertical, which evolved into Glen Industries in 2019. With the relocation of assets and manufacturing, Glen has since emerged as a specialist in **rigid plastic packaging and compostable straws**.

**Business Model & Product Portfolio**

The company operates in the **rigid packaging** and **sustainable single-use solutions** space, addressing growing demand from foodservice, FMCG, e-commerce, and beverage sectors.

**Thin-Wall Food Containers:** Manufactured through injection molding, ranging from 25 ml to 4,500 ml, catering to food delivery, QSR, frozen food, and organized retail.

**Compostable Straws:** PLA-based and paper-based straws, including specialized **U-shaped straws** for beverages – a direct substitution following India's ban on conventional PP straws in 2022.

**Upcoming Additions:** Expansion into **paper cups and thermoformed packaging** (meal trays, sweet packaging, battery packs), broadening its sustainable packaging portfolio.

A defining feature of company's model is its **balanced domestic and export mix**. Containers are widely used in India across foodservice chains and regional consumption hubs, while straws and containers are exported to 35+ countries, meeting stringent global safety and social compliance standards (FSSC, ISO, FSC, etc.).

**Manufacturing Footprint & Operations**

**Current Plant:** Located ~30 km from Kolkata, with a land area of 4,000 sq. m and 90,000 sq. ft built-up, employing ~650 people.

**Certifications & Compliance:** Accredited with multiple global food safety and social responsibility standards, which enables supply to large international QSRs and retailers.

**Capacity:**

Thin-wall containers: ~8,000 MT/year

PLA straws: ~1,900 MT/year

Paper straws: ~1,100 MT/year

**Operating Efficiency:** Plants run 24x7 at ~80% utilization, near optimal levels given product mix and operational constraints.

The company is known for its **premium positioning** – able to charge ~3–5% higher pricing compared to domestic peers, thanks to consistent quality, compliance, and reliability.

**Expansion**

The company is entering its next growth phase through a **major capacity expansion project**:

**Capex:** ~INR 100 Cr, with land already secured (12 acres, strategically adjacent to the existing facility to ensure logistical and resource synergies).

**Capacity Addition:**

Food containers to be expanded nearly 3x (to ~21,000 MT/year).

New line of paper cups and paper packaging (~7,700 MT/year).

Thermoforming products to diversify beyond injection molding, opening up new customer segments.

**Strategic Rationale**

To address **capacity shortages** in containers, where demand has exceeded supply for three years.

To broaden the product suite, deepening relevance with large institutional buyers.

To capture both **domestic consumption growth** (FMCG, organized retail, foodservice) and **international demand** for sustainable alternatives.

The commissioning target is March26, with ramp-up expected over FY27–FY28.

**Market Dynamics & Opportunities**

**Global Packaging Industry:** Valued at ~\$107 Bn, expected to grow to ~\$126 Bn at ~3–4% CAGR. Growth is driven by **e-commerce proliferation, urbanization, and shifts toward lightweight, recyclable solutions**.

**India Packaging Industry:** Growing at 10–12% CAGR, significantly above GDP, led by rising demand from FMCG, healthcare, and food delivery. India is also emerging as an **export hub** for cost-effective, compliant packaging solutions.

**Sustainability Push:** With regulatory bans on single-use plastics (straws, cutlery, thin bags), compostable and recyclable packaging has gained traction. Glen has been an early mover in straws, building strong credibility with international buyers.

**Export Advantage:** Compared to China, Glen enjoys lower freight costs to Europe, no UK duty, and comparable or lower landed prices. This advantage, coupled with global buyers diversifying away from China, strengthens Glen's export pipeline.

### Customer Landscape

**Domestic:** Strong presence across India with higher concentration in eastern states; significant demand from QSRs, sweet manufacturers, and local retail chains.

**Exports:** Serves large packaging distributors and foodservice clients across Europe, USA, Middle East, Australia, Africa, and South Korea.

**Key Clients:** Supplies indirectly to global names such as **Starbucks (via MENA distributors)**, large US packaging buyers, and multiple European chains.

**Customer Concentration:** No single client >6% of revenues, ensuring de-risked exposure.

### Competitive Edge

**Premium Product Differentiation:** Maintains consistent quality standards, enabling pricing power.

**Wide Product Suite:** Moving from narrow focus on containers/straws to a broader portfolio of **rigid plastics + paper-based sustainable solutions**.

**Export Strength:** Strong foothold in Europe/US markets with compliance credentials.

**Domestic Leadership:** Market leader in injection-molded thin-wall containers, commanding premium pricing and high repeat demand.

### Key Challenges

**Raw Material Dependence:** Reliant on polypropylene and PLA, mostly imported (largely from Abu Dhabi). Price volatility is mitigated by monthly pass-through contracts, but supply disruptions remain a risk.

**Logistics Disruptions:** Export receivable cycles have elongated due to Red Sea crisis, with transit times doubling to 70–90 days. This has temporarily increased inventory and working capital requirements.

**Sustainability Debate:** While straws are compostable, thin-wall containers remain PP-based. Management highlights recyclability and government's stance of exempting such heavier products from bans, but regulatory risks persist longer term.

### Outlook

Management expects the company to:

Reach **~INR 500 Cr turnover by FY28**, driven by capacity expansion.

Maintain **export/domestic mix at similar ratios** while increasing international penetration, particularly in Europe, USA, Middle East, and Asia (Japan, South Korea).

Benefit from the industry shift toward **sustainable, high-quality, compliant packaging**.

Potentially scale further to **~INR 1,000 Cr turnover in the next 4–5 years**, subject to additional investment phases.

**Godawari Power & Ispat Ltd**

**Outlook:** The full commissioning of two major projects, the Battery Energy Storage System (BESS) assembly line and the downstream CRM complex by March 2027 is anticipated to propel the company's turnover toward INR 80-100bn by FY30E. This growth, however, will come with a shift in business mix towards lower-margin ventures, diluting the consolidated EBITDA percentage but substantially increasing absolute profitability due to higher sales volumes.

Key enablers of this growth include strong backward integration, with mining capacity expansion set to achieve 100% iron ore captiveness, yielding significant cost savings. Demand drivers remain robust, fueled by government infrastructure spending and the recent approval of its galvanized products for Power Grid Corporation projects. The company is well-funded for its immediate capex plans but will need to carefully manage financing for its larger, potential integrated steel plant. Overall, GPIL is positioned for a transformative phase, expanding its portfolio beyond traditional steel into energy storage, which should secure a much larger revenue base despite the evolving margin profile

**Revenue:** Revenue is expected to reach INR 80bn by FY28E and potentially INR 100bn by FY30E, following the full commissioning and capacity utilization of the new Battery Energy Storage System (BESS) project and the Cold Rolling Mill (CRM) complex, alongside existing operations and expanded pellet capacity.

**Margins:** GPIL currently maintains strong profitability with EBITDA margins in the range of 24% to 25%. The two major new projects, the CRM complex and the BESS project, are considered low-margin businesses. The CRM complex is expected to generate an EBITDA margin of 8% to 9% on sales, equating to roughly INR 5,000 per ton. The BESS project is projected to operate with 8% to 10% operating margins. While these new ventures will dilute the consolidated margin percentage, the absolute EBITDA is expected to increase substantially due to the high sales volumes they will generate. For existing products, pellet market conditions have softened, resulting in a 7% to 10% negative impact on pricing compared to the previous quarter.

**Capex and Expansion Projects:** GPIL has two major capex projects underway. The first is a downstream CRM complex with an investment of INR 9bn, a capacity of 0.7 million tons, and an expected commissioning date of March 2027. It is projected to add INR 40bn to turnover at full capacity. The second project is a 5 GWh BESS assembly line with a total investment of INR 7bn, though the plant and machinery component is only INR 3-4bn. It is also expected to commission by March 2027 and contribute INR 30bn to revenue. A third potential project, a 1 MT integrated steel plant, has received environmental approval but awaits a final decision linked to mining capacity expansion.

**Product Volumes and Mix:** The company controls a fully integrated value chain from mining to finished steel. Current iron ore mining capacity is 3.7 MT, expanding to 6.7 MT. Pelletization capacity is 2.7 MT, with an additional 2 MT expected to be commissioned in Q3FY26E. The company sells 65% to 70% of its pellet production externally and plans to continue selling 1.5 to 2 MT of pellets externally even after expansion. From FY27, GPIL will transition to producing high-grade pellets (65+ FE). Over 95% of sales are within the state of Chhattisgarh.

**Realizations and Product Value:** Realizations for high-value products from the new CRM complex, such as galvanized fabricated and color-coded steel, are anticipated to be between INR 55,000 to INR 65,000 per ton. The recent approval of GPIL's galvanized fabricated products by the Power Grid Corporation of India (PGCI) for use in infrastructure towers is expected to enhance profitability through value-addition arbitrage.

**Cold Rolling Mill (CRM) Complex:** The CRM complex will be located at a new site proposed for the future integrated steel plant. It will convert Hot Rolled (HR) steel into value-added products. Sales will primarily target contractors working with PGCI. Capacity utilization of the 0.7 MT plant is expected to be gradual, taking 2 to 3 years to reach full utilization.

**Battery Energy Storage System (BESS) Project:** The BESS project is structured as an assembly line for finished container products, which will be sold to companies setting up solar generation facilities. Major components like cells and Battery Management Systems (BMS) will initially be imported from China. The business model leverages an import duty arbitrage. There is no major synergy with the existing steel business, though about 15% of the CRM's output might be used in BESS containers. The company is pursuing technology tie-ups with Chinese manufacturers with a long-term view of potentially manufacturing cells in India.

**Mining, Raw Materials, and Cost Savings:** GPIL is currently 70-75% captive on iron ore. With the planned mining capacity expansion, it will achieve 100% captive iron ore usage. This full backward integration is estimated to yield substantial cost savings of INR 2,500 to INR 3,000 per ton compared to market procurement. The beneficiation process will be moved entirely to the mine site, reducing transportation costs and royalties. The conversion cost from iron ore to pellet is INR 2,000 per ton and is not expected to rise significantly. Specific information on coal costs was not available.

**Growth Drivers and Market Demand:** Key growth drivers include the successful commissioning of the BESS and CRM projects. Government capital expenditure spending is a crucial demand driver for the construction and industrial value chain, indirectly benefiting GPIL's primary customers, secondary steel producers, who are currently operating at near full capacity. Demand in the existing steel market is currently subdued due to the extended monsoon season but is expected to improve post-monsoon and Diwali.

**Working Capital, Debt, and Financing:** The company aims to maintain a healthy cash balance of INR 3-5bn. Current internal cash flows are being consumed by the announced capex programs. A preferential issue of INR 5bn has been initiated primarily to fund this capex. Future cash flows are earmarked for the integrated steel project. The company also provides short-term loans to associated entities, which are expected to be recovered for capex funding.

**Industry and External Factors:** The industry is exposed to global commodity pricing, and a depreciation of the Indian Rupee is considered positive for pricing in the longer term. Increased supply in the Chhattisgarh market from new entrants could put pressure on pricing. The sources did not contain a detailed breakdown of the order book or pipeline beyond the expected commissioning timelines and volumes from the new projects.



**Goodluck India Ltd**

**Outlook:** Goodluck India is well-positioned for strong growth driven by defense diversification, hydraulic tube commercialization, and expanding high-value product mix. The company targets consolidated revenue of USD 1 billion over the next 3-5 years, maintaining 15-20% annual revenue and profit growth guidance despite near-term geopolitical headwinds affecting exports. Management remains optimistic about domestic demand recovery and defense sector opportunities while carefully managing the impact of US trade tensions on export markets.

**Business Segment Performance****Infrastructure Vertical**

**Established Presence:** Operating since 2005 with manufacturing of towers for NTPC and Power Grid

**Railway Bridges:** RDSO-registered since 2016 for railway bridge manufacturing

**Bullet Train Project:** Key supplier for Mumbai-Ahmedabad High-Speed Rail Corridor with 80% of bridges already delivered and ongoing supply of new design bridges through 2024-25

**Market Position:** Continues as critical infrastructure supplier to both public and private sector projects

**Precision Tubes and Hydraulic Division**

**New Plant Commissioning:** Successfully commenced commercial production at hydraulic tubes plant in January 2025 with 50,000 MT annual capacity

**Investment Scale:** INR 2000 Mn investment in state-of-the-art facility at Sikandrabad, Bulandshahr

**Unique Market Position:** Among only 4-5 global manufacturers capable of producing 219mm OD with 15mm thickness hydraulic tubes

**Import Substitution:** Product replaces Chinese seamless tubes, contributing significantly to foreign exchange savings

**Revenue Potential:** Expected to generate INR 5000-6000 Mn revenue at peak utilization with 12-13% EBITDA margins

**Export Strategy:** Targeting 40% of production for US and European markets with secured marketing agreements

**Capacity Expansion:** Plans to double capacity once current plant reaches 60-70% utilization by mid-2026

**Defense and Aerospace Operations**

**New Subsidiary:** Goodluck Defence and Aerospace Private Limited established August 31, 2023, with INR 2500 Mn investment

**Product Focus:** 155mm medium caliber artillery shells with 150,000 units annual capacity

**Regulatory Status:** Awaiting final government license with all company formalities completed

**Market Dynamics:** Strong global demand driven by NATO ammunition procurement, Russia-Ukraine conflict, and standardization on 155mm caliber

**Production Timeline:** Trial production to commence immediately upon license approval, with commercial production within one month thereafter

**Revenue Target:** Expecting INR 1000 Mn contribution in first partial year (6 months) from defense operations

**Margin Profile:** Defense segment typically generates 25% EBITDA margins, significantly higher than traditional steel products

**Existing Defense Portfolio:** Current supplier to DRDO, HAL, ISRO, and BrahMos missile program, contributing 2% of total revenue.

**Market Challenges and Strategic Response**

**US Trade Tensions:** Section 232 tariffs of 50% on steel products creating market instability rather than absolute pricing pressure

**Successfully reshuffling export markets** from US to Europe, domestic, and other international destinations

**Export customers delaying purchases** due to tariff uncertainty rather than price sensitivity

**Products not manufactured in US market**, providing strategic positioning despite tariff headwinds

**Domestic Market Opportunity**

**Recent GST cuts** in automotive sector expected to boost domestic auto tube demand

**Strong government infrastructure spending** supporting domestic growth

**Domestic realizations** 1-2% lower than export markets but provide stable demand base

**Solar and Renewable Energy Segment****Recent Order Wins**

Apraava Energy Contract: Secured INR 468.7 Mn order for solar support structures with 6-month execution timeline

Maintains approximately INR 4,000 Mn order book in solar segment

Market Leadership: Holds 25.3% market share in India's solar module mounting structure segment

Revenue Target: Current solar division generating INR 2500 Mn revenue with plans to double to INR 5000 Mn

**Strategic Positioning**

Government Alignment: Contributing to India's 1,800 GW renewable energy target by 2047

Product Portfolio: Comprehensive offering including support structures, transmission tubes for solar trackers, and substation structures

Manufacturing Excellence: Leveraging ultramodern plants in NCR with continuous technology upgrades

**Capacity Enhancement Strategy**

Debottlenecking Initiatives: Systematic plant optimization to reach 550,000 tonnes total capacity without major new investments

Layout Optimization: Adding finishing and processing equipment, improving plant layouts for efficiency gains

Technology Upgrades: Continuous investment in advanced manufacturing technologies

**Cost Optimization**

Input Cost Benefits: Expected USD 5-10 per tonne reduction in cooking coal consumption costs

Margin Management: Implementing comprehensive cost optimization programs across all business segments

**Strategic Vision and Growth Targets**

Revenue Target: USD 1 billion consolidated revenue over next 3-5 years

Growth Framework: 15-20% annual revenue and profit growth guidance maintained

Value-Addition Strategy: Increasing share of high-margin, value-added products across all segments.

**GPT Healthcare Ltd**

**Outlook:** The company is well-positioned for steady growth over the next 2–5 years. Revenue growth is expected to be supported by increased occupancy, new hospital openings, and expansion into tier 1 and tier 2 cities. EBITDA margins are likely to improve as new hospitals mature, with steady-state margins projected around 23–24%. The company's focus on technology adoption, specialty optimization, and a scalable hybrid ownership model ensures long-term profitability and operational resilience. Potential acquisitions and strategic greenfield projects could further accelerate expansion and strengthen the company's presence in underserved markets.

**About company:** GPT Healthcare operates as a hospital operator based in Kolkata, focusing on the under-penetrated eastern Indian market, which has only 14 beds per 10,000 population compared to the national average of 40–45 beds. The company currently runs five hospitals with approximately 730 beds across Kolkata (Salt Lake, Dum Dum, Howrah twin city), Agartala, and Raipur. Expansion plans include a 6th hospital in Jamshedpur (~150 beds), which will increase total capacity to about 880 beds, and a 7th hospital is being explored to reach the 1,000-bed mark within the next 2–2.5 years. GPT Healthcare primarily serves mid-to-high income patients, with 95% of revenue coming from cash and insurance and only 5% from government schemes. The company's financial performance remains robust, with FY25 revenue of ~INR410 cr, EBITDA margin of 22%, ROCE north of 25%, zero net debt, strong cash flow conversion above 85%, and a dividend payout exceeding 40%.

**Occupancy and Break-even:** GPT Healthcare hospitals require roughly 25–30% occupancy to achieve break-even. Currently, the LUR hospital is operating at around 15% occupancy and is expected to break even within 10–12 months, while past hospitals have achieved break-even within 8–10 months. The Raipur hospital is expected to reach EBITDA break-even in 12–15 months. Mature hospitals have an optimal occupancy of 70–75%, which management expects to achieve within approximately three years. Raipur hospital is projected to reach 60–70% occupancy in four years.

**Revenue and Profitability Guidance:** The company expects FY26 revenue to grow by 15%, while EBITDA growth will be slightly muted at 10–11% due to start-up costs of new hospitals. Consolidated EBITDA margin for FY26 is expected to be between 21–22%, with mature hospitals potentially achieving 23–24% once all facilities stabilize. Profit before tax (PBT) break-even for new hospitals is anticipated roughly six months after EBITDA break-even.

**Taxation:** GPT Healthcare remains in the old tax regime to utilize Section 35AD benefits for new hospital capital expenditure. The effective tax rate on the P&L is 34–35% due to deferred taxes, while the cash tax rate is lower, at 18–19%. The company has no immediate plans to shift to the new tax regime because of unabsorbed depreciation.

**Expansion Strategy:** The next phase of expansion focuses on tier 1 and tier 2 cities in eastern India, including Banaras, Guwahati, Kanpur, and Prayagraj. Growth will occur through a mix of organic (greenfield hospitals) and inorganic (acquisitions) initiatives. Although acquisition opportunities are available, competition is intense; management emphasizes value-accretive deals to avoid diluting shareholder value.

**Competitive Positioning and Doctor Retention:** GPT Healthcare benefits from a strong regional brand post-IPO, which supports recruitment and retention of doctors. Retention strategies include training programs, academic opportunities, conferences, and soft-skill benefits. In tier 2 cities, competition is limited, with small nursing homes as the primary competitors. Management focuses on identifying underserved micro-markets to position new hospitals effectively.

**Specialty and Service Expansion:** The company has started a cancer care department at Agartala hospital to address local needs, particularly oral cancer, which previously required patients to travel long distances. Efforts to optimize case mix toward high-margin specialties are ongoing. Additionally, GPT Healthcare is in the early stages of implementing AI and other technological tools to enhance patient experience and operational efficiency. The hospitals are fully EMR-compliant.

**Asset-Light and Scalability Model:** The company follows a hybrid ownership model, combining full ownership and asset-light (rental/leased) models. This approach enables scalability across multiple regions. Management targets achieving 1,000 beds within 2–2.5 years through a combination of new hospitals and acquisitions, while maintaining profitability.

**Insurance and Payment Mix:** ~25% of revenue comes from insurance, with the remainder from cash patients. The company does not anticipate major challenges from insurance-hospital disputes, as contracts are negotiated every three years. Insurance premiums are expected to adjust in line with medical inflation.

Startup costs and capital expenditure for new hospitals are carefully managed to maintain long-term profitability. Stabilization of newly opened hospitals remains a priority before further expansion. Mature hospitals demonstrate strong operational metrics, with hospital-level ROC at ~30% and consolidated EBITDA margins around 25%.

**GPT Infraprojects Ltd****Business Overview & Financial Snapshot**

GPT Infra Projects is a Kolkata-based EPC company founded in 1980, with a primary focus on roads and railways. The company exclusively undertakes government contracts. Alongside its EPC business, it has a manufacturing division for railway concrete sleepers with facilities in India and Africa.

For the last financial year, the company reported:

**Revenue:** 1,200 crores.

**Profit After Tax:** Close to 90 crores.

**EBITDA Margin:** Consistently above its hurdle rate of 13%.

**Return on Capital (ROC) & Return on Equity (ROE):** Both exceeded 20% for the last two years. The company also maintains a good dividend policy, supported by strong cash flow generation.

**Order Book & Bidding Pipeline**

The company maintains a strong and healthy order book, providing significant revenue visibility.

**Current Order Book:** Stands at approximately 3,200-3,500 crores, which is about three times the revenue of the previous year. The company aims to keep the order book at this level relative to its revenues going forward.

**Bidding Pipeline:** GPT Infra has currently bid for projects worth over 3,000-4,000 crores. This includes seven large contracts valued between 1,200-1,500 crores each, as well as several mid-sized contracts in the 400-500 crore range.

**Order Inflow Target:** The target for new order inflow this year is 2,000 crores, with nearly 500 crores of that expected within the next six months.

**Bid Success Rate:** The company reports a historical hit rate on its bids of around **10-12%**.

**Growth Strategy & Future Outlook**

Management has outlined a clear strategy focused on leveraging government infrastructure spending.

**Revenue Growth Target:** The company is targeting a **Compound Annual Growth Rate (CAGR) of 20-22% over the next three years**, aiming to double its revenue from the previous year's level. A 20% CAGR is also projected over the next five years.

**Domestic Focus:** The core strategy is to continue focusing on domestic government contracts in India, particularly in the railway and bridge sectors, to capitalize on increased government spending.

**Geographical Presence:** The company has a strong presence in Eastern, Western, and Northern India and considers these regions to have significant market potential for growth.

**International Business:** The international segment is expected to grow by almost 50% this year. This is supported by a recent order to supply sleepers to Bangladesh and the anticipated start of operations at its factories in South Africa.

**Segmental Breakdown & Operations**

The company's revenue is generated from two main business segments.

**Manufacturing:** This segment, which produces railway concrete sleepers, contributes approximately **10% of the company's total revenue**.

**EPC Business:** The EPC division accounts for the remaining 90% of the top line. Within this segment, **bridges are the largest contributor, making up 65-66% of EPC revenue**, while the balance comes from roads and other infrastructure projects.

**Capex:** There are currently no plans for major capital expenditure or capacity expansion in the manufacturing segment.

**Joint Ventures:** The company views joint ventures as a continuous process and will explore them for projects that require specialist skills.

**Financial Management & Risk Mitigation**

The management emphasized its focus on efficient financial controls and project execution.

**Working Capital:** The working capital cycle is maintained at around **90-100 days**, a level the company expects to sustain.

**Cash Conversion:** The company highlighted a very healthy cash conversion rate of close to **80%**, which reflects a strong focus on generating cash flow from operations.

**Client Concentration:** There is no significant client concentration risk, as the company works with the central government and various other government agencies.

**Competitive Differentiation:** GPT Infra distinguishes itself through its history of completing projects on time without delays, maintaining high-quality standards, holding strong client relationships, and achieving healthy EBITDA margins.

**Grand Continent Hotels**

Grand Continent Hotels (GCH) is entering an aggressive expansion phase, leveraging an asset-light model while focusing on key metrics related to capacity addition, segment mix, margin maintenance, and strategic geographic entry.

**Capacity Expansion and Timeline**

GCH currently operates 24 hotels, with the 25th property scheduled to open on 11 October 2025 in Udaipur. The current key count is approximately 1,300–1,400, with an additional 200 keys expected to be added shortly. Management projects crossing 1,500–1,600 keys by March 2026, driven by a pipeline of 400–500 keys already in development. Looking further ahead, the company aspires to reach 3,000 keys by March 2028. Six hotels are scheduled to open this year, most of which are structure-complete and expected to go live within four to six months.

**Operational Model and Investment Efficiency**

GCH maintains a strict asset-light approach, acquiring leaseholds with typical terms of 10 years (extendable by five) rather than owning heavy assets. Investment per room key is capped around INR 7 lakhs, covering security deposits, movable assets, and initial working capital. Properties with F&B facilities may require up to INR 8–8.5 lakhs per key. The target return on investment for corporate hotels is approximately 24 months, reflecting strong capital efficiency.

**Segment Mix and Product Strategy**

Corporate hotels will dominate GCH's portfolio, accounting for 60–70% of inventory. Pilgrimage-focused properties are expected to increase to 20–25%, with committed projects going live from February 2026. Leisure properties will remain limited to around 10% of the portfolio due to longer break-even periods and off-season variability. The company is increasing the minimum property size from 40–50 rooms to 75–80 rooms, targeting 80–100 rooms in new developments. Most future properties will focus on the middle segment (Premier and regular hotels) with ARR of INR 3,000–5,000, while luxury collection properties (ARRs INR 5,000–6,000+) will be rare, typically one in 10–12 hotels, contingent on favorable lease rentals and limited capital investment.

**Geographic Expansion and Branding**

GCH's primary focus remains the domestic Indian hotel market, targeting Tier 2 cities such as Pune, Rajkot, and Indore, where lease and ARR economics are favorable. International expansion will be limited, with the Dubai property undergoing renovation and expected to be fully operational by November. The company is also evaluating select properties in the US (Dallas), with enabling resolutions in place for swift execution. The 'Grand Continent' brand is being strengthened through regional offices in Mumbai, Delhi, and Ahmedabad, along with senior sales hires. Management is considering a future franchising or management model for the brand once corporate governance and quality standards are firmly established.

**Financial Outlook and Margin Guidance**

While no specific revenue guidance for FY26 and FY27 was provided, management targets maintaining EBITDA margins around 26%. Mature properties, stabilized after five to six months of operation, are expected to achieve margins above 30%. Lean staffing ratios of 0.5–0.6 staff per room key support robust bottom-line performance. ROCE is expected to improve as the proportion of mature assets grows relative to new additions.

GCH's asset-light strategy, disciplined investment approach, and focus on corporate and pilgrimage segments position the company for scalable growth, margin stability, and improved returns over the medium term.

Graphisads Ltd

**Guidance and Future Outlook:** Graphisads Ltd expects consistent growth driven by its long-term outdoor contracts, government empanelments, and scaling event IP. The festive season and upcoming elections in key states like UP, Punjab, and MP will be strong revenue drivers. Debt reduction and rising government share in revenues will strengthen balance sheet resilience. Expansion into new states, digital out-of-home assets, and proprietary event properties are expected to lift margins and deliver steady growth over the next 3 to 5 years.

**About the company:** Graphisads Ltd discussed the extension of its landmark NDMC street furniture contract, which has been renewed for seven years beyond 2025, providing long-term visibility on stable revenues. Management emphasized the company's diversified advertising portfolio spanning outdoor media, event management, print, and digital, with a strong presence in Delhi and growing expansion into other states. They highlighted the resilience of government advertising spends, the upcoming opportunities from large events such as Commonwealth Games 2030 and state elections, and efforts to balance seasonality through multiple verticals. Debt reduction through planned real estate sales, coupled with investments in digital out-of-home infrastructure and event properties, positions the company for steady growth.

**NDMC Contract and Street Furniture Business**

NDMC street furniture contract extended for 7 years beyond 2025, ensuring revenue stability

Annual revenue contribution of INR 100 to 120 mn expected, aggregating to INR 7 bn over the contract period

Gross margins in outdoor media at 60 to 70 percent

Refurbishment capex required due to aging furniture, part of which will be capitalized over contract duration

**Event Management and Festival IP**

Successfully launched "Celebrating India Film Festival" as the company's first intellectual property

Strong response with 700+ entries, partnerships with 34 central government departments, celebrity participation, and support from Delhi CM

NCY auditorium in South Delhi (525-seater) running at 30 to 40 percent occupancy, with potential to scale to 60 to 65 percent

Festival IP to be taken to states such as UP and MP, creating recurring revenue streams from owned properties

**Advertising Trends and Industry Dynamics**

Q2 impacted by erratic monsoons and temporary GST-related disruptions in ad spends

Festive season expected to revive momentum, with Q3 revenues projected at 35 percent of annual total

Government and private sector spends contribute equally, though mix is shifting towards 60 percent government, 40 percent private

Real estate client contribution declining as launches plateau, offset by growth from government campaigns

**Geographic Expansion and Government Business**

Entering new markets including UP, Punjab, MP, Chhattisgarh, and Odisha, while consolidating presence in Delhi

Representative offices in Mumbai and Lucknow to deepen engagement with government and private clients

Strong pipeline from UP government ahead of elections, with spends expected to rise significantly

Events like Kumbh in 2027 and state elections to provide large advertising opportunities.

**Digital Out-of-Home and Media Mix**

Portfolio includes 225 digital screens across major Delhi railway stations and rights for 8 Vande Bharat trains

Mix of capex and opex contracts depending on government structure

Actively exploring programmatic partnerships with global ad platforms to monetize digital inventory

Diversification across outdoor, print, radio, television, and digital media to maximize client wallet share

**Financials and Debt Reduction**

Real estate divestments expected to reduce debt from INR 2.1 bn to INR 1.5 bn in the near term

Current revenue split: 50 percent government, 30 percent real estate, 20 percent other sectors (education, retail, MSMEs)

Top 5 clients account for 30 to 35 percent of revenues, with no single client contributing more than 8 to 10 percent

Average gross margin around 25 percent due to mix of outdoor, events, and media businesses.



GSM Foils Limited

**Outlook:** GSM Foils Limited is primed for accelerated growth through strategic capacity expansion and disciplined capital allocation in India's burgeoning pharmaceutical packaging sector. With FY25E revenue guidance of INR 2.32.4 bn representing 80% growth, the imminent commissioning of a 100,000-ton Ahmedabad facility will double annual capacity to 200,000 tons. Strong working capital support from a recent rights issue and bank facilities ensures operational flexibility while maintaining competitive credit terms with pharmaceutical clients.

**Business Model & Market Positioning** GSM Foils operates as a specialized tier-two pharmaceutical packaging manufacturer, converting aluminum foil from tier-one suppliers into value-added blister and strip foils through coating, lamination, and printing. The asset-light model avoids capital-intensive raw foil rolling, instead focusing on technical expertise in chemical coatings and printing processes that create high switching costs. Positioned between raw-material suppliers and end-pharmaceutical users, the company leverages specialized capabilities to deliver regulatory-compliant packaging solutions across 13 states.

**Capacity Expansion & Operations** The existing Vasai facility at 70% utilization supports current volumes, while the new Ahmedabad plant, set to commission within two months, capitalizes on Gujarat's pharmaceutical cluster and lower operating costs. Combined capacity of 200,000 tons annually underpins aggressive growth targets, with minimal incremental capex of INR 5060 mn for equipment compared to INR 700800 mn for backward integration, reflecting the capital-efficient expansion strategy. Rapid one-day conversion cycles enable responsive order fulfillment aligned with monthly aluminum price movements.

**Financial Performance & Growth Trajectory** Following a successful rights issue, GSM Foils targets INR 2.32.4 bn in revenue for FY25E versus INR 1.34 bn in FY24, driven by working capital availability rather than capacity constraints. EBITDA margins of 11% are sustained through formula-based pricing tied to monthly LME rates and disciplined inventory management. The company maintains robust credit metrics with 6075-day payment cycles, demonstrating effective working capital utilization and strong cash flow generation to fund organic growth without significant debt.

**Market Dynamics & Strategy** India's pharmaceutical sector expansion and rising drug formulations volume underpin robust demand for specialized aluminum packaging. GSM Foils' focus on high-value blister foils, which command a premium over strip foils, aligns with industry quality requirements. Geographic diversification into Ahmedabad facilitates partnerships with tier-one pharmaceutical companies through enhanced audit capabilities, while nascent export initiatives target regulated markets such as Europe and the US within six months.

**Risks & Future Outlook** Key risks include aluminum price volatility, working capital intensity, and competitive pressure from unorganized players. Mitigation strategies encompass formula-based cost pass-through mechanisms, diversified client relationships across regions, and strong manufacturing quality standards that support regulatory compliance and customer retention. Medium-term objectives include attaining INR 4.55.0 bn in revenue through dual-plant operations and advancing tier-one client partnerships, positioning GSM Foils for sustained leadership in specialized pharmaceutical packaging



**Happy Square Outsourcing Services Ltd**

Happy Square Outsourcing Services Ltd demonstrates strong growth trajectory with management targeting INR 15 bn revenue for FY26 (55% YoY growth) and INR 30 bn by FY28. The company is strategically positioned to capitalise on structural tailwinds in quick commerce, EV segment, government outsourcing, and overseas placement opportunities. With a diversified four-vertical business model combining technology-driven recruitment, staffing solutions, government contracts, and facility management, the company maintains superior margins compared to industry peers through its tech-enabled processes and integrated service offerings.

**Financial Performance & Growth Trajectory**

Historical Revenue Growth: From INR 600 mn (FY18) to INR 9.74 bn (FY25) representing ~97% CAGR over 7 years

FY25 Performance: Revenue of INR 9.74 bn vs INR 6.93 bn (FY24), delivering 41% YoY growth

Profitability: Net profit of INR 590 mn (FY25) vs INR 439 mn (FY24); PAT margin maintained at 6.1%

Return Ratios: ROE of 62% and ROCE of 41% demonstrating superior capital efficiency

Guidance: Management targets INR 15 bn (FY26), INR 20+ bn (FY27), and INR 25-30 bn (FY28)

**Business Model & Competitive Positioning**

Four-Vertical Strategy: Recruitment & executive search, contract staffing, government business, and facility management under single umbrella

Technology Integration: 60% manpower-driven, 40% AI-powered processes; proprietary ATS (Application Tracking System) and attendance mechanisms

Workforce Scale: 5,000+ personnel deployed across client locations; 1 mn+ candidate database through sister concern PSR Resume

Service Delivery: 64-hour turnaround time for candidate placement; pan-India presence across 20+ states

Margin Advantage: 5.5-7% PAT margins vs industry average of 2-4% (Quest Corp, TeamLease, SIS)

**Strategic Growth Drivers**

Quick Commerce Focus: Targeting dark store operations, warehousing, and last-mile delivery for Blinkit, Reliance, Tata, Amazon, Flipkart, and Aditya Birla's upcoming ventures

EV Sector Expansion: Positioning for growth in electric vehicle ecosystem as adoption increases from current 18-22% to government target of 40% by 2030

Government Business: 120+ active government tenders worth INR 5-6 bn order book; benefiting from government outsourcing trend

Overseas Placement: Targeting Canada, Europe, and Middle East markets following US H-1B visa restrictions

**Operational Highlights**

Client Portfolio: Key relationships with Alliance Retail (largest client), Tata Group (one of 7 approved vendors)

Service Categories: Expanding beyond blue-collar to "grey-collar" workers with basic digital literacy and mobile operation skills

Value-Added Services: Payroll compliance, geolocation tracking, performance monitoring, travel reimbursements, and planned financing facilities for deployed workforce

Technology Investment: Significant capex in AI-driven recruitment, automated attendance systems, and proprietary software platforms

**Market Opportunity & Industry Dynamics**

Industry Growth: HR outsourcing sector growing at 13.2% CAGR with large incumbents like TeamLease, Quest Corp commanding INR 10-20 bn revenues.

Market Positioning: Second SME company in HR sector to list on exchanges, targeting mid-market segment

Competitive Moats: Integrated service delivery model creating client dependency; proprietary technology stack; government tender expertise requiring 3-4 years experience

Seasonality Management: Diversified verticals provide natural hedging against seasonal fluctuations

**Management Commentary & Strategic Vision**

Capacity Expansion: Planning technology investments to increase automation ratio from current 40% to higher levels for margin expansion

Client Retention: Focused on creating 100% client dependency through comprehensive service integration rather than standalone software licensing

Geographic Expansion: Leveraging India's demographic dividend and growing economy for sustained demand across all verticals

IPO Proceeds Utilisation: Fresh issue of INR 24.25 mn completed in July 2025 for working capital and business expansion

**Future Guidance & Long-term Outlook**

Management reaffirms confidence in achieving INR 50 bn revenue milestone within 5 years, supported by structural growth in target sectors. The company plans to maintain PAT margins above 6% while scaling operations, with potential for 2% annual margin expansion through increased automation. Key focus areas include deepening quick commerce relationships, expanding government contract portfolio, and establishing overseas placement capabilities. The integrated four-vertical model positions Happy Square to outpace industry growth rates and capture market share from larger competitors through superior service delivery and technology differentiation. With India's economy in growth phase and increasing corporate preference for outsourced HR solutions, Happy Square is strategically positioned to deliver sustained revenue growth and margin expansion over the medium term.

**Hariom Pipe Industries Ltd**

**Outlook:** The company is focused on volume growth 30% CAGR over next 2-3 years and roadmap to fully utilize its enhanced installed capacity, the foundation for significant volume increase is firmly in place. The strategic shift from a tube-heavy portfolio to a balanced mix, now dominated by high-margin Galvanized Products, enhances revenue quality and resilience. This, combined with the company's fully integrated operations and cost-efficient processes, is expected to support robust EBITDA margins. Future growth will be further accelerated by major initiatives such as the planned 1.5 MTPA integrated steel plant in Maharashtra, which will deepen its presence in value-added segments, and the foray into solar power and specialized solar structures, creating new revenue streams. By consistently capturing market share from the unorganized sector and capitalizing on demand from high-growth industries like automotive, infrastructure, and renewable energy, Hariom is well-equipped to maintain its upward trajectory and strengthen its leadership in the niche low-thickness steel segment.

**Revenue and Revenue Mix**

The company's revenue mix has transformed substantially over five years, evolving from a tube-heavy portfolio to a balanced, high-value product range. This portfolio now spans 10 major categories and over 800 SKUs. Galvanized Products (GP/GI), which were absent in FY20, have become the fastest-growing segment, contributing over 59% of revenue in FY25. Meanwhile, MS Tubes remain the business backbone, consistently contributing approximately 37% of revenue.

**Margins and Realization**

The company has maintained steady EBITDA margins between 12% to 13% over the last five years, with EBITDA growing more than fourfold. Profitability is strengthened by specialization in low-thickness pipes and coils (0.3 mm to 2.5 mm). The EBITDA per ton for fully integrated MS pipes was INR 8,179 in FY25, while for GP products, where Hot Rolled Coil (HRC) is procured externally, the blended EBITDA per ton was approximately INR 6,600 to INR 6,700. Management guidance suggests using the current track record as a conservative baseline for future margins.

**Volume, Capacity, and Capacity Utilization**

Hariom Pipe achieved a record sales volume of over 2.45 lakh metric tons in FY25. The volume target is around 320,000 plus metric tons.

The total installed capacity has increased to 785,232 MTPA, up from 701,232 MTPA, primarily due to the strategic lease from the Alta pipes acquisition. Current net capacity utilization is around 521,000 metric tons, with management targeting a maximum utilization rate of 80%. The company's immediate goal is to fully utilize this capacity within the next two years, including FY27.

**Capex and Expansion**

A major expansion initiative is the Memorandum of Understanding (MOU) with the Maharashtra government to establish a 1.5 MTPA integrated steel plant in Kurl. This phased project, expected to be completed within seven years, will focus on engineering and value-added products like galvanized, color-coated, and CR products, targeting the auto and light engineering sectors. Funding will be aligned with cash flows and balance sheet strength, with details pending a Detailed Project Report (DPR).

**OEM and B2B Expansion**

Hariom is actively shifting focus towards engineered and value-added products, establishing Original Equipment Manufacturer (OEM) partnerships for tailored solutions, particularly in solar infrastructure. Approximately 15% of sales now come from direct institutional B2B clients, including pre-engineered building companies, auto component manufacturers, and solar projects. Key clients include Kirby Building System and EPAC Prefab Technologies, as the company aims for higher margins through these corporate tie-ups.

**Diversification**

The company has successfully diversified from a narrow steel product player into a value-added manufacturer serving high-growth industries. Its segments now include Housing, Interior, Furniture, and Consumer Goods (accounting for almost 60% of total volumes), Automotive, Infrastructure, and Irrigation. This diversification provides steady, recurring demand and reduces reliance on any single market.

**Solar Structures and Solar Power Project**

Hariom has introduced pre-galvanized tubular sections for solar structures, offering a lighter and more durable alternative to traditional channels. Additionally, through its subsidiary Hariom Power and Energy Private Limited, it is setting up a 60 MW AC solar power project in Maharashtra. This project has a 25-year Power Purchase Agreement (PPA) and is expected to create an additional revenue stream. The project is underway with a deadline of September 2026, financed with bank sanction and supported by expected capital subsidies.

**Backward Integration and Raw Materials**

A key strength is Hariom's end-to-end vertically integrated model, which begins with iron ore and sponge iron and extends to finished products. The company has captive capacities for billets (100,000 metric tons) and sponge iron (36,000 metric tons), though it currently meets only 50% of its sponge iron needs internally, with external procurement adding a minimal cost. For Galvanized Products, HRC is procured from the market, which impacts working capital.

**Working Capital**

Working capital days were 127 in FY25, but improved to 100 by June 2025. The high holding days are primarily due to the bulk purchasing of HRC coils (4,000 to 5,000 MT minimum) required for the GP and CR product segments. The company is focused on further reducing this inventory holding time.

**Industry, Market Size, and Demand**

Hariom operates in the specialized low-thickness steel segment (0.3 to 2.5 mm), which constitutes about 15% of Indian steel consumption, with an estimated market size of 9 million tons. The company holds a 13% market share in this niche, which is largely served by unorganized players. While demand in Q2FY26 is typically slower due to the monsoon season, overall demand for the full year is expected to exceed FY25 levels, with improved and steady realizations.

**Growth Drivers**

Primary growth drivers include capacity expansion, increased capacity utilization, a strategic shift towards high-value products, diversification into high-growth end-use sectors, OEM partnerships, B2B expansion, and the development of integrated projects like the Maharashtra steel plant and the solar power initiative.

**Heritage Foods Ltd****Industry Landscape & Growth Drivers**

The Indian dairy sector is one of the nation's largest industrial segments, contributing 5-6% to the GDP and larger in value than rice and wheat combined. As the world's top milk producer with nearly 240 million tons annually, the industry's key dynamic is the ongoing shift from the unorganized to the organized sector. The unorganized market still commands over 50% of the share, presenting a significant conversion opportunity for organized players. This structural shift, which has accelerated post-pandemic due to heightened consumer focus on health and nutrition, provides a growth tailwind on top of the standard consumption expansion seen in other FMCG categories.

**Company Positioning & Strategy**

Heritage Foods positions itself as the second-largest private dairy company in India, operating in the "**mass premium**" segment. The company's core strategy is built on two pillars: empowering its network of three lakh farmers through fair and transparent practices and delighting consumers with superior products.

**Product Superiority:** Management is "stubbornly obsessed" with product quality, which it identifies as the primary driver of its brand equity and ability to command a premium price. The company conducts extensive consumer research to maintain this edge.

**Brand Building:** Heritage employs a sophisticated, data-driven marketing approach, utilizing tools like Nielsen reports and cohort-based targeting to build its brand, a practice management believes is unique among its dairy peers.

**Consumer Loyalty:** This focus on quality translates into high consumer loyalty, with the company citing an "unheard of" **60% trial-to-repeat ratio for its paneer** in core markets.

**Financials & Operational Performance**

The company has demonstrated a strong growth trajectory with a revenue CAGR of approximately 14% over the last four years and aims to sustain growth in the mid-teens long-term.

**Value-Added Products (VAP):** A key strategic focus is expanding the VAP portfolio, which has grown its revenue contribution by 2.5% year-on-year for the last four years. This shift is expected to drive margin expansion from the current 7-9% EBITDA range.

**Capital Expenditure:** Heritage is investing significantly in capacity, with an annualized capex of INR 200-220 crores. This year's investment will rise to around INR 450 crores, driven by a new INR 230 crore state-of-the-art ice cream plant.

**Working Capital Discipline:** Management highlighted its exceptional working capital discipline, ensuring lean inventories (e.g., 3-4 days for paneer, 15 days for ghee) that lead to better free cash flows and minimize financial risk from market changes.

**Key Factors & Headwinds**

The dairy business is subject to significant seasonality and external factors.

**Procurement Price Cyclicity:** Milk procurement follows a predictable intra-year cycle, with Q2 (July-September) being the leanest period, which naturally leads to higher prices. The price increases seen in Q2 were expected and planned for.

**Aggravating Factors in Q2:** The seasonal price hike was amplified this year by three factors:

**Low Commodity Stocks:** National butter stocks are at a low, increasing raw milk demand.

**Excess Rainfall:** Above-average rainfall in key dairy regions hampered production and collection.

**Price Trend:** Q2 procurement prices were expected to be more elevated than the 4.75% YoY increase seen in Q1.

**Mitigation:** Heritage has partially passed on these costs by taking price hikes on milk and curd during the quarter.

**GST Reforms & Future Outlook**

The recent GST revision, which reduced the rate on products like paneer from 5% to 0%, is considered the "biggest news" for the dairy sector.

This tax removal eliminates a key price advantage held by the unorganized sector, which accounts for 93% of the paneer market and often engages in adulteration. This is expected to significantly accelerate the shift to branded players like Heritage.

**Future Growth Strategy:** The company is executing a clear, scientific strategy focused on increasing its consumer base, creating new consumption occasions, and growing revenue per occasion. By repositioning products like buttermilk for "gut health" instead of just refreshment, Heritage is working to delink consumption from external factors like weather. Management is confident that this methodical approach will deliver sustained, compounded growth over the long term, even if quarterly results show volatility.

Heromoto Corp Ltd

The company stated that the current festive period is not only a short-term volume booster but also indicative of a structural demand driver for the next 2–3 years. Historical evidence from excise duty cuts in 2004–2008 and 2014 shows that price reductions (3–8%) led to sustained double-digit industry growth. At the bottom-of-pyramid segment, demand had been postponed due to K-shaped recovery trends, and this deferred demand is expected to return, supporting volumes across key commuter segments. Dealer networks are well-prepared for the festive season with new model variants, enhanced advertising campaigns, and renewed consumer interest.

Structural demand, coupled with refreshed products and favorable pricing, indicates sustainable volume growth beyond the seasonal spike.

**Pricing, Discounts, and Operating Leverage:** Management stressed a cautious approach to discounts during the festive period, highlighting that over-discounting could lead to stockouts and lost margin opportunities. Earlier pricing interventions (e.g., 5% reduction in HF Deluxe) resulted in 6–8% segmental growth, supporting the importance of price elasticity in key commuter segments. **Operating leverage is expected to benefit while brand-building investments continue, particularly in new variants and premium positioning.**

*Lower discounts, coupled with enhanced volumes, should support margin stability and improved operating leverage over the medium term.*

**Total Industry Volume (TIV):** The broader market, excluding the entry commuter segment, has returned to pre-COVID levels. For the entry segment, deferred demand, refreshed products (HF Deluxe Pro, Splendor, Destiny), improved finance penetration, and favorable sentiment are expected to drive growth. The growth rate is anticipated in mid-to-high single digits or low teens, depending on market dynamics and price elasticity.

*The entry segment recovery is pivotal for overall industry growth, with near-term upside from deferred demand and refreshed offerings.*

**EV Strategy and Market Share Expansion:** Management reiterated a “marathon, not sprint” approach to EV growth. EV market share has grown from 2% to 13% in ~3 years, with significant penetration in 28 cities (20%+ market share) and leadership positions in ~80 cities. The strategy emphasizes pacing growth while maintaining brand value, rather than aggressive market-share capture. EV break-even is not yet achieved, with ongoing margin dilution due to technology and battery costs, but the medium-term objective remains a 50% contribution of EVs to the scooter market.

**EV growth remains structural, with market share gains likely as production, product range, and dealer expansion continue. Margins will gradually improve as scale and technology efficiencies materialize.**

**Premium Portfolio and Dealership Upgrade:** Premium product performance (XPulse 200/210, Extreme 125) is strong in both domestic and export markets. Management has invested in Premier dealerships (currently 90, expanding to 100 by year-end) with enhanced conversion rates (4.6–4.7 Google rating) and profitability. Domestic premium market share is constrained due to exclusivity policies and exports absorbing volumes. The premium portfolio is expected to mature over the next 2–3 years as all four “Ps” (product, placement, promotion, pricing) are optimized.

*Premium portfolio growth is a multi-year journey, with domestic market share upside once exclusivity policies and dealership expansion align with product availability.*

**Exports:** The company is growing at 30–35k units/month, with 40% contribution from premium models. Key markets include Bangladesh, Colombia, Mexico, and South Asia, with product differentiation aligned to local demand: commuter-focused in developing markets and premium scooters in mature markets. Supply chain resilience and vendor capacity are expected to handle post-festive ramp-ups without significant disruption.

**Export momentum remains robust with targeted market segmentation, providing additional volume and margin growth opportunities.**

**Potential stockouts during high demand periods if discounting is excessive.**

**EV margins remain diluted until scale and technology improvements are realized.**

**Premium domestic volumes are constrained by product allocation to exports.**

**External market risks (e.g., geopolitical factors) may impact specific export regions.**

**Monitor inventory management and pricing strategy closely during peak seasons. EV and premium portfolios offer high-growth potential but require disciplined execution and capital investment.**

**Domestic volumes expected to trend higher due to structural demand, product refreshes, and deferred replacement cycles.**

**EV market share to grow steadily, contributing meaningfully to overall scooter volumes.**

**Premium portfolio is on a 2–3 year trajectory for sustainable growth, supported by dealership upgrades and brand-building investments.**

**Export markets will continue to contribute to volume and margin, with strategic differentiation by market type (premium vs commuter).**

HFCL Ltd

**Outlook:** The company is poised for a significant revenue increase of 20-25% in FY26E, driven by a major upturn in global demand for its optic fiber cables, especially high-value products for data centers. A key strength is the strategic shift towards higher-margin product and export businesses, reducing reliance on the EPC segment. With a clear strategy to double exports and a robust, multi-year order pipeline from the US market, international revenue is set to become a major pillar of growth. The anticipated commercialization of new defense products and execution of large orders under projects like BharatNet provide further visibility. While margins are stable this year, they are expected to improve notably from next year, fueled by operational efficiencies from backward integration and a more favorable revenue mix. Overall, HFCL is well-positioned to capitalize on favorable industry trends and its own strategic initiatives for sustained, profitable growth in the medium to long term.

**Revenue and Guidance:** Revenue is expected to grow 25% YoY in FY26E. Key growth drivers include a significant rise in global demand for Optic Fiber Cable, particularly specialized cables for data centers, execution of orders under the BharatNet program, and the anticipated commercialization of new defense products.

**Revenue Mix and Strategic Shift:** A major strategic shift has been the reduction in dependence on the EPC business, which has decreased from approximately 80% of revenue a few years ago to below 50% currently. The goal is to increase the share of product and export revenue. For the current financial year, the revenue mix is expected to be around 70% from the product business and 30% from EPC. Within the product segment, revenue is diversifying from solely relying on OFC to a blend of OFC, telecom, and defense products to ensure sustainability.

**Exports and International Strategy:** Export revenue is a core strategic focus. Exports revenue stood at INR 5bn in FY25 and the company expects it to double to over INR 10bn in FY26E, representing 20-25% of total revenue. The long-term target is for exports to contribute 40% of total revenue. The US market is a key geographical focus, supported by a wholly-owned subsidiary, a local sales team, GST registration in several states, and a small R&D facility. The company has a strong order book and visibility extending over three years from data centers and telecom operators in the US.

**Margins:** The overall average EBITDA margin is projected to be between 10% and 12% for the current financial year, with significant improvement expected from next year as costs related to legacy projects subside. Segment-wise margins are anticipated as follows: OFC business at 15-17%, expected to improve by 3-5% next year; defense at 15-20%; telecom at 8-10%; and EPC at 7-8%. Export margins are generally better than domestic margins.

**OFC Capacity, Volumes, and Realizations:** The company's OFC manufacturing capacity is currently 25 million fiber kilometers (FKM), with utilization now at 100% across all facilities after a period of global challenges. Capacity is under expansion and is expected to reach 42 million FKM by June 2026, adding capacity quarter-on-quarter. Practical capacity, considering the production of high-value thinner fibers, is currently around 17-18 million FKM and is expected to rise to approximately 30 million FKM. OFC revenue is expected to surge from INR 11.5bn (FY25) to INR 24-25bn in FY26E, with a realization per FKM of approximately INR 850-900. By FY27E, OFC revenue alone is projected to be INR 30-35bn.

**High-Value Products and Passive Connectivity Solutions:** The capacity expansion is largely dedicated to manufacturing IBR cables, which are in high demand from global hyperscale data centers, providing visibility for the next three to four years. Passive Connectivity Solutions are manufactured in Chennai, with expected revenue of INR 3-4bn in FY26E. Significant growth is anticipated as more products are added and export markets are tapped, driven by projects like BharatNet.

**Telecom Equipment and BharatNet:** The company manufactures telecom equipment such as routers, switches, Wi-Fi, and UBR at its Manesar facility. The current order book for this segment is roughly INR 11bn, with expected revenue of INR 8-10bn in FY26E. A key component is an INR 8bn order for in-house developed routers under the BharatNet program, to be executed over three years, with expectations of further orders.

**Defence Segment and New Launches:** The defense segment, manufacturing products like electronic fuses, radar, night vision devices, and tactical cables at its Hosur facility, has a current order book of around INR 2bn. Key pipeline products include an electronic fuse undergoing trials, with execution expected to start next financial year, and a drone detection radar slated for commercial launch within the next 7-8 weeks. The company anticipates substantial order bookings in the coming months, leading to accelerated revenue growth from next year.



**Capex and Backward Integration:** The company has undertaken significant capital expenditure to expand capacity. The OFC capacity expansion to 42 million FKM by June 2026 is being achieved through gradual machinery additions. Backward integration for fiber manufacturing in Hyderabad has increased capacity from 14 million to 29-30 million FKM and is expected to reach 34 million FKM within six months via efficiency gains, though it still falls short of captive needs. The defense facility in Hosur will be modified as larger orders are secured.

**Research and Development:** R&D efforts are conducted in-house, leading to products like the routers for BharatNet. A small R&D facility in the US focuses on developing specialized cables for that market.

**Industry Overview and Competition:** The company is shifting its revenue dependence from government contracts to the private sector, which now contributes over 60-70% of revenue. The global OFC industry has recovered from a challenging period, with a sharp increase in demand. The company is one of the few global manufacturers of specific IBR cables required by data centers, with only two players in India producing these cables.

**Promoter Shareholding:** The promoter recently sold a net quantity of shares (~2.5 to 3 crore shares) to meet personal obligations and invest in a son's company.

**Market Size and Demand:** Demand for OFC, particularly high-value IBR cables from data centers, is described as humongous, providing multi-year visibility. Similarly, new defense products like electronic fuses and drone detection radar are seen as having enormous market opportunities. The execution of BharatNet projects and railway and water projects also contributes to sustained demand.

**Cost Savings and Raw Materials:** Backward integration into fiber manufacturing is a key initiative for margin improvement, reducing reliance on outsourced fiber. The production of thinner IBR fibers allows for better margins even with stable realization rates, as more fiber kilometers can be produced from the same amount of raw material.

**Hindustan Construction Company Ltd**

**Outlook:** HCC is positioned for a phase of focused growth, having largely resolved its legacy debt and project-related challenges. With a robust order book and a substantial pipeline of opportunities in its core niches—such as hydropower, nuclear projects, and underground metro systems—the company is shifting its strategy from consolidation to securing new orders. Targeted deleveraging and ongoing monetization of arbitration awards are expected to strengthen the balance sheet and reduce interest costs. The company's specialization in complex, high-value infrastructure projects limits competition and supports stable margins. Overall, with a clear focus on execution and financial discipline, HCC is well-equipped to capitalize on India's sustained infrastructure spending

**Historical Execution and Project Focus**

HCC a century-old engineering, procurement, and construction (EPC) firm specializing in complex infrastructure projects. The company has a strong legacy in underground works, having completed nearly 400 kilometers of tunneling, and has contributed to approximately 26% of India's hydroelectric projects and 60% of India's nuclear projects. In the transportation sector, HCC has been involved in metro projects across multiple cities, including Delhi and Mumbai. Current project execution includes three hydro projects in Uttarakhand, two nuclear projects, and recent metro packages in Indore and Patna. The company strategically focuses on large, complex projects with limited competition, typically valued between INR 15-20bn.

**Revenue and Margins**

Over the past four years, HCC has consistently generated an annual turnover of INR by completing nearly 20 projects. The company targets an EBITDA margin of 12% to 13% for new projects, such as the Patna Metro. In the nuclear sector, the civil construction scope—HCC's focus—constitutes about 50% of the total project cost, which for a 1 GW nuclear plant is estimated at INR 140-150bn translating to a contract value of INR 70-80bn.

**Order Book, Pipeline, and Order Inflow**

As of the last quarter, HCC's order book stands at INR 112bn. The company has secured orders worth nearly INR 90bn including L1 positions. The current bid pipeline is substantial, totaling ~INR 400bn. New metro projects typically have an execution timeline of three and a half to four years.

**Debt, Deleveraging, and Fundraising**

HCC's total debt is ~INR 30bn. The company aims to reduce this to around INR 20bn by Q4FY26E through a three-pronged strategy: using operational cash flows, raising capital, and monetizing claims and awards. HCC plans to raise INR 9-10bn in capital and secure bank guarantee (BG) tie-ups of INR 6-7bn. Debt repayment of INR 12-13bn is targeted by March 31 2026.

**Interest Cost**

Annual financing charges currently amount to about INR 5bn which includes lender debt costs (~INR 3.3bn), BG commissions, and client advances. Post-deleveraging, the lender debt-related cost is expected to drop to ~INR 2.5bn, though total financial charges may stabilize at INR 3.25-3.5bn due to increased client advances and BG commissions linked to new projects.

**Claims, Awards, Settlements, and Monetization**

HCC has arbitration awards worth INR 20bn, which are currently under challenge in courts. Additionally, the company has claims worth INR 60bn that it is actively pursuing for conversion into awards or bilateral settlements. HCC uses special bank guarantees to monetize awards, with an unutilized limit of INR 10bn. This mechanism has yielded INR 5-7bn annually through settlements or BG utilization.

**Asset Monetization and Foreign Receivables**

The company has sold most non-core assets, including its foreign entity Steiner, though it retains receivables of nearly INR 11bn from Steiner. These are expected to be recovered over the next two to four years, with a projected realization rate of 50% to 70%. The receivables are owed by developers in European and Swiss markets, most of whom are operational.

**Non-Core Assets**

HCC holds three land parcels—two in Vikhroli and one in Thane—with a combined estimated market value of INR 5-6bn. While not a core focus, these assets represent potential additional cash flow over time.

**Promoter Stake and Rights Issue**

Promoter shareholding currently stands at 16.72%. The promoters aim to minimize dilution during the capital raise and may participate through a rights issue. The management emphasizes that deleveraging will enhance overall company value, even if promoter stake percentage sees slight dilution.

**Working Capital and Corporate Governance**

HCC's working capital cycle is stretched due to the nature of EPC contracts, where payments are received only after design, manufacturing, installation, and performance proof are completed. The company is actively addressing receivables, including collections due after March 2025. Steiner receivables recovery is in early stages, though some settlements are advanced.

**Growth Drivers and Niche Opportunities**

HCC is well-positioned to benefit from India's infrastructure spending, with a clear focus on heavy civil construction in transport, nuclear, and hydro sectors. The company is not pursuing data center projects, as they fall outside its core expertise. With legacy issues largely resolved, favorable market conditions, and strong capabilities, HCC is targeting sustained growth in its niche segments.

**HOAC Foods India Ltd**

**Outlook:** HOAC Foods is accelerating its transition from a regional flour/spice D2C player to a multi-vertical, pan-India FMCG business with meaningful brand and channel scale. The company's QIP and capital raise in mid-2025 underpins aggressive plans to expand manufacturing, deepen franchisee and owned outlets, ramp up exports, and scale B2B (kirana/modern trade) sales. Capacity enhancements, cost efficiency from automation, and a broader SKU basket (dry fruits, oils) will support growth and margin improvement. Sustainable digital/D2C growth, export traction, and a targeted move into Tier 1 cities provide further upside, though working capital will be closely managed with the B2B ramp-up.

**Business Model & Strategy**

Farm-to-shelf D2C + B2B integrated model, focused on flours, unpolished pulses, spices, edible oil, and now expanding into dry fruits and health foods.

15 retail outlets (five company, ten franchise) – expansion underway in Noida and Delhi NCR for B2C, pan-India B2B push.

Digital: D2C mobile app and call-based order system with a strong monthly user base (14.5k+ monthly users). Digital-first strategy: app sales and loyalty building a defensible brand-led margin edge.

**Financial and Operational Performance**

Revenue CAGR of 48% and PAT CAGR of 122% over FY23–FY25; FY25 revenues at INR 26.5 crore, margin improvement from 4% to 9%+; ROCE at 25%, ROE at 34%.

FY26/FY27 targets: INR 55 crore revenue, with INR 37–40 crore from B2C, INR 12–15 crore from B2B, and 6–7 crore from exports; mid-teens profit growth.

Margins: B2C 12–13%, B2B 9–10%, export 15–16%; automation, volume purchasing, and expanded SKU mix seen lifting blended margins over time.

Working capital: Inventory and receivable days temporarily elevated with B2B/franchise ramp; normalization expected as collections stabilize.

**Growth Initiatives, Expansion, and Risk Management**

Aggressive outlet rollout: Targeting 10+ new franchise stores in Noida and Delhi NCR in FY26, focus on larger format stores with live product demos.

Factories: Two modern manufacturing facilities (Bhondsi and Mahinderwara, Gurgaon); next capacity augments in Vidisha (Madhya Pradesh).

Exports: Two containers/month to UK already achieved, scaling to Middle East, Europe, Australia, Hong Kong; expects export share of revenues to rise meaningfully.

B2B: Inventory and credit period offered to kirana/MT partners to seed presence; expected contraction in receivables as brand relationships deepen.

Strategic priorities for QIP: Factory/automation capex, working capital for exports and B2B, brand investment, and franchise expansion.

Digital: App-first, SEO, and digital marketing (meta/UGC ads) prioritized over margin-diluting e-com platforms.

Partnerships: Country Delight alliance for fresh atta helps establish brand leadership in NCR for “fresh” product positioning.

**Home First Finance Company****Outlook**

Home First Finance is positioned for structurally strong and sustainable growth, with clear AUM milestones of INR 16,000 crore by FY26 and INR 20,000 crore by FY27. The company's technology-first affordable housing model and disciplined branch expansion strategy reinforce scalability and margin expansion prospects. The institution remains focused on deepening presence within existing states rather than geographical diversification, while maintaining best-in-class credit quality and operational efficiency. Management's long-term vision includes leveraging digitization and AI pilots to further lower cost-to-income, and continuing to nurture a high-performance culture with strong internal ownership incentives.

**Business Model & Strategy**

Pure-play affordable housing financier, present in 160+ cities across India with 362 "touchpoints"; western and southern markets remain key.

Branch-led physical distribution is complemented by a digital service model; digital touchpoints are now a major lever for scale.

Customer base consists primarily of formal and semi-formal income earners (INR 25,000–60,000 per month), with 83% of book devoted to pure housing loans.

Technology is central: End-to-end automated sourcing, processing, and collections drive best-in-class turnaround times and cost metrics.

Centralized risk decision-making, with underwriters located at the hub and using real-time digital data, supports risk containment as the company scales.

Employee metrics: 1700 employees, median age 26, with wide ESOP ownership (close to 5% of shares).

**Financial and Operational Performance**

FY26 and FY27 AUM guidance at INR 16,000 crore and INR 20,000 crore, respectively (implying 27–28% CAGR over 2 years).

ROA expected to be ~3.8–3.9%, with ROE of 14–15% as operating leverage kicks in post recent equity raise.

Cost/income ratio to fall further as AI-driven efficiency gains materialize; target 30–40bps reduction in operating cost over the medium term.

NIMs are expected to expand as cost of borrowing falls 20–30bps; digital collections now at 85%+ adoption, supporting better asset quality and process control.

Credit cost guided flat at 30–40bps, with GNPA/Stage 2 assets stable despite rising property prices in core markets.

Disbursement and productivity levels are 2–3x peers, with ongoing investments in hiring and "junior level churn" seen as a lever for sustained quality.

**Risk and Market Considerations**

Competitive intensity in affordable housing is present, but Home First's technology moat, centralized underwriting, and brand in core markets provide strong defense.

No material stress from public or private banks in the affordable space; focus remains on housing-only lending for sustained cycle resilience.

No plans to enter new states; strategy is to deepen pockets in high-potential states.

Digital, cost, and analytics edge positions company well for ongoing regulatory/compliance changes and evolving customer expectations.

Homesfy Realty Ltd

**Outlook:** FY26 positions Homesfy for margin recovery and accelerated growth as operational restructuring initiatives gain traction. The company's ambitious target of 5,000 homes annually translating to 50% CAGR growth is supported by Mumbai market leadership, premium segment focus, and AI-driven productivity gains. Management's internal benchmark of returning to 18% operating margins achieved in 2021 reflects confidence in business model optimization. With 390+ developer relationships and 14,500+ channel partners, Homesfy is well-positioned to benefit from real estate sector consolidation and increased demand for structured brokerage services.

**Company Background:** Founded in 2011 and listed on NSE Emerge platform, Homesfy has established itself as a leading real estate brokerage company with headquarters in Thane and operations across Mumbai, Pune, Delhi NCR, Hyderabad, and Bangalore. The company has achieved INR 10,975 mn gross transaction value since inception, serving 14,500+ families with 450-person team.

**Business Segments:** **Direct Brokerage** represents core business contributing 75% of GTV through 200+ quality agents offering end-to-end delivery from lead generation to deal closure.

**MyMagnet Platform** contributes 25% of GTV with 14,500+ channel partners showing 60% growth, retaining 35% margin from transactions. **Home Loans** business showing 12% growth through collaboration with 50+ banks. **Mandate Business** in pilot stage representing potential backward integration opportunity.

**Revenue Model:** Base brokerage at standard 2% with ladder mechanism offering higher brokerage for increased project volumes and annual operating plans at developer level providing extra brokerage for milestone achievements. This structure creates operating leverage as higher volumes generate proportionally higher margins.

**Growth Strategy:** Internal target of 5,000 homes annually backed by structured player advantages, first-mover advantage as listed entity, and aggressive AI adoption for productivity gains. **Premium positioning** targeting average ticket size increase from current INR 1.3 mn to INR 2 mn through deeper Mumbai market penetration and premium segment focus.

**Market Position:** **Mumbai focus** as home market provides largest opportunity with strong infrastructure development creating new micro-markets. Geographic strategy emphasizes market share gains in existing markets (Mumbai, Pune, Bangalore) rather than aggressive expansion. Recent Hyderabad entry demonstrates successful new market entry capability.

**Operational Challenges & Recovery:** Recent margin pressure from inflationary costs (people 40%, digital marketing 30-35% of costs) and project delays addressed through strategic refocus on higher-margin projects and improved productivity. Management targeting return to historical 18% operating margins through operational leverage and technology adoption.

**Competitive Advantages:** Listed status providing authenticity and developer confidence, comprehensive technology platform, established brand recognition, and deep market knowledge in core geographies. MyMagnet platform creates network effects and provides transparency advantages over traditional mandate businesses.

**Hubtown Ltd**

**Outlook:** FY26 emerges as transformational year as Hubtown completes major asset consolidation through merger of unlisted entities (INR 6,800 mn net present value) while transitioning to zero-debt status within 24-30 months from internal accruals. The company's INR 1,00,000 mn GDV across eight large projects provides unprecedented scale in Mumbai's premium real estate market. 25 South project completion (6-8 months) and Rising City OC receipt will generate significant cash flows for debt reduction, while 25 Downtown's luxury positioning in Mahalakshmi (abutting Willingdon Golf Course) establishes market leadership in ultra-premium segment.

**Company Background:** 40-year-old Mumbai-focused real estate company with 47 completed projects totaling 14 million sq ft saleable area and 9 million sq ft rehabilitation area. Pioneer in innovative development approaches including India's first slum rehabilitation project, first PPP project in Maharashtra, and extensive experience across land titles including MMRDA, society redevelopment, cluster redevelopment, and urban renewal schemes.

**Business Portfolio:** **Premium Projects** including 25 South (Prabhadevi, 1 million sq ft, near sold-out), 25 West (Bandra, 6 lakh sq ft), and 25 Downtown (Mahalakshmi, 3.6 million sq ft with 6 towers). **Mid-Segment Development** through Uptown Seasons (Chembur, 1 million sq ft PPP project) and Rising City (30 acres with Phase 1 completion). **Geographic Diversification** in Gujarat (4 projects, 2 completed) and Pune (27 West commercial project, 40% sold).

**Corporate Restructuring: Merger Integration** of four unlisted entities through share-swap bringing INR 6,800 mn net present value into listed company. Key assets include 25 West (Bandra project), 25 South (Prabhadevi project), and majority stake in 25 Downtown (Mahalakshmi project). Stock exchange approvals received for two mergers with third in process, complete integration expected within 8-12 months through NCLT process.

**Financial Transformation: Debt Reduction Success** from peak INR 2,400 mn to current INR 750 mn on listed entity with projection to achieve zero debt within 24 months. **Revenue Recognition Model:** Construction-linked payment system with FY25 pre-sales of INR 5,000 mn, collections of INR 1,600 mn, and revenue recognition of INR 2,500 mn based on completion percentage.

**Strategic Focus: Eight Large Projects** commanding management attention with combined GDV of INR 1,00,000 mn while smaller projects managed through partnership model. **Land Bank Monetization** across 31 million sq ft total land bank with 7.1 million sq ft ongoing and 4 million sq ft launching within one year. **Premium Positioning** targeting luxury and ultra-luxury segments with projects like 25 Vistas (Thane, INR 9 mn ticket size).

**Market Leadership:** Mumbai Island City Focus with deep expertise in complex land titles and regulatory navigation. End-to-End Capabilities from land procurement through customer handover enabling rapid scaling. Brand Development through "25" series luxury projects establishing premium market positioning with strong customer profile development.

**Cash Flow Outlook:** Management projects INR 20,000 mn surplus cash generation over next 5-6 years from project portfolio (post all costs, debt, and taxes). 25 South completion will significantly contribute to debt reduction while new project launches provide sustained revenue pipeline.

**Icon Facilitators Ltd.**

Icon Facilitators, a pure-play technical facilities management company. Management highlighted its strong foothold in Northern India, high client retention, and a key competitive advantage through its in-house service delivery model. The company is now focusing on geographical expansion into Southern India by leveraging its preferred partner status with major property consultants like CBRE and JLL.

**Operational Update**

Manages over 140 sites, primarily in North India. Covers more than 200 million square feet of area, including commercial, residential, malls, and industrial plants.

Employs a fully in-house team of over 2,000 skilled technical personnel.

The current working capital requirement is ~INR 50 to INR 55 Mn.

The company operates on a cost-plus model, where revenue comprises employee costs, compliance charges, and a management fee, which is the key profit component.

Credit periods are 60 days for large property management clients and 45 days for direct clients.

**Order Book**

In FY25, the company received new orders worth approximately INR 140 Mn.

**Client Retention & Contracts**

The average tenure with any client is more than five years, significantly higher than in soft services due to the technical and critical nature of the work.

The company has achieved a 100% contract renewal rate over the last three years.

**Human Resources**

The employee attrition rate for its skilled technical staff is low at 14-15%, compared to an industry average of around 50% for unskilled staff in soft services.

The company maintains tie-ups with ITIs across India to hire and train new talent, ensuring a steady manpower supply.

**Industry Update**

The Indian facilities management market is currently valued at INR 1.6 trillion and is projected to grow to INR 3.5 trillion by 2030.

The market is divided into soft services (housekeeping, security, etc.), which account for 60% of the market, and specialized technical services, where the company focuses, which make up the remaining 40%.

It is in the top 5 players in the Northern India technical facilities management space.

Icon differentiates itself by performing specialized services like Annual Maintenance Contracts (AMCs) and energy audits in-house, whereas competitors often outsource them. This provides better control and higher margins.

**Expansion Plans**

While strong in North India, the company has a small presence in Maharashtra and Bangalore.

The company has recently opened an office in Bangalore to increase its footprint in the south. Its strategy is to leverage its status as a preferred partner for pan-India property consultants like CBRE and JLL to gain an edge over established regional players.

**Guidance**

The company's long-term mission is to achieve a turnover of INR 5 Bn, by focusing exclusively on technical services.



**IIRM Holdings Limited (IIRMHL)**

Forward-Looking Outlook: Growth Anchored in Inorganic Expansion and Cross-Sell Opportunities

IIRMHL is positioned to deliver sustained double-digit growth and stable margin performance, supported by inorganic acquisitions, deeper B2B penetration, and reinsurance expansion across underpenetrated geographies. The company's capital discipline and completed technology investments strengthen its competitive positioning in a structurally expanding market.

**Investment Thesis: Clear Runway for Double-Digit Growth****IIRMHL's growth strategy is underpinned by three structural levers:**

**Inorganic Growth:** Accelerated acquisition of brokers across India, Sri Lanka, Maldives, and Kenya remains the primary medium-term driver. Regulatory filings for one acquisition are already in process, with additional opportunities under evaluation.

**B2B Cross-Sell Expansion:** Personal insurance products (health, life, travel, motor, home) are being cross-sold to employees of corporate clients. Penetration is currently ~10%, offering a multi-year runway for growth.

**Reinsurance Leverage:** Smaller international markets with limited local capacity (60-70% reliance on reinsurance) provide strong growth visibility, particularly in Africa and South Asia.

**Financial Outlook and Guidance**

**Revenue Growth:** Management targets 22-25% CAGR over the medium term, driven by acquisitions and cross-selling initiatives.

**EBITDA Margins:** Profitability is guided to remain steady at ~20%, supported by operating leverage and technology efficiencies.

**FY26 Topline:** In the absence of acquisitions, revenue growth is expected to remain consistent; upside depends on successful inorganic transactions.

**Investor Returns:** Stable margins coupled with top-line growth are expected to translate into sustained return enhancement.

**Capital Allocation and Funding Strategy**

IIRMHL maintains a conservative balance sheet stance, ensuring dilution only if acquisition-led growth is executed:

**Capital Raise:** No external funding is required absent inorganic activity.

**Use of Proceeds:** Any future raise will be ring-fenced for broker acquisitions, working capital, or platform upgrades.

**International Acquisitions:** Transactions in smaller markets (Lanka, Maldives, Africa) are expected to be modest in size and manageable through internal accruals.

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Technology and Platform Advantage

Technology investment provides both scale and efficiency benefits:

Completed Investments: The majority of spend on the proprietary B2B TOC platform is complete; incremental outlay will be limited to maintenance.

Cost Efficiency: Automation and digital integration are expected to significantly reduce backend costs.

AI Adoption: Rapid integration of AI solutions will further optimize operations and enhance client servicing.

Competitive Edge: The platform enables portfolio management for both corporate and individual clients, reinforcing IIRMHL's positioning as a full-stack digital broker.

**Market & Sector Outlook**

IIRMHL operates in a structurally attractive market characterized by low penetration, favorable regulation, and channel consolidation:

India Opportunity: Insurance penetration remains low, offering a multi-year structural growth story supported by demographics and GDP expansion (5-6% expected).

Brokerage Channel Strength: The broking segment is the only distribution channel that has consistently grown over the past 5-8 years, capturing share from agents and direct channels.

Africa Upside: Management identifies Africa (Kenya-led) as a next major growth market over 5-7 years, driven by fragmented competition and minimal digital presence.

Risk Awareness: Rising catastrophic risks (climate events, pandemics) further support insurance penetration growth and enhance the relevance of professional brokerage services.

**Outlook**

IIRMHL's medium-term growth trajectory is anchored by inorganic expansion, technology-enabled efficiencies, and cross-sell opportunities across corporate ecosystems. Stable margins (~20%), disciplined capital deployment, and expansion into underpenetrated geographies provide a strong runway for shareholder value creation.

### India Pesticides Ltd

**Outlook:** India Pesticides Limited is a strong, R&D-driven player in agrochemicals, with a focus on innovation, sustainability, and growth. Key highlights include the Hamirpur expansion for INR 10,000-12,000 Mn additional revenue in 3 years, stable pricing, anti-dumping benefits, and a INR 10,000 Mn FY26 target with 18-20% margins. Challenges like rain and US duties are being managed, with exports compensating for domestic dips.

### **Company Overview**

IPL is an R&D-focused company that manufactures agrochemicals (technical ingredients and formulations) and a few active pharmaceutical ingredients.

### **Key Strengths**

**Strong R&D:** All products are developed in-house, giving IPL an edge in innovation and cost control.

**Diversified Products:** Wide range of specialized, quality items with a track record of consistent profits.

**Supply Chain:** Reliable sourcing with multiple vendors, low reliance on imports, and strong distribution network across India.

**Facilities:** Advanced manufacturing plants with focus on HSE; audited and approved by multinational companies.

### **Business Verticals and Operations**

#### **Verticals:**

**Technicals:** Core ingredients for agrochemicals; capacity of 28,200 MT per year.

**Formulations:** Ready-to-use products; capacity of 10,000 MT per year.

**Revenue Split (FY25):** Technicals and APIs: 66%; Formulations: 34%. Exports: 62%; Domestic: 38%.

**Registrations:** Over 300 formulations registered for sale in India; 49 for exports; 2 APIs registered.

**Manufacturing Capabilities:** Multi-purpose plants for flexible production. Skills in backward integration (making raw materials in-house) based on market needs, economics, and sustainability.

### **R&D and Product Development**

**Facilities:** Two DSIR-approved labs (Lucknow and Sandila) with ground-level labs, pilot plants (for small-scale testing), semi-commercial plants (1-10 kg batches), and advanced analytical tools (GC, HPLC, GC-MS).

### **Hamirpur Expansion (Under Subsidiary Shishir Specialties)**

**Overview:** New site at Hamirpur, Uttar Pradesh; work progressing fast. Formulations production has already started; technical to begin soon.

**Plan:** Building in blocks (modular units). 2 blocks under construction now, plus pilot and semi-commercial plants. Total: 10 blocks expected.

**Timeline:** 2 blocks operational in FY26; 3 blocks per year from next year. Fully operational in 3 years.

**Capex:** ~INR 700 Mn spent so far on infrastructure. Each additional block: INR 250-300 Mn.

**Revenue Potential:** Incremental INR 10,000-12,000 Mn when all 10 blocks are running on top of current revenue.

### **Financial and Operational Performance**

**Revenue Guidance:** Targeting INR 10,000 Mn in FY26 and +20% growth in FY27.

**Margins:** Aiming for 18-20% EBITDA; slight improvement seen in recent quarters due to stable prices and cost controls.

**Working Capital:** High days due to higher inventory for new seasonal products (expanded from 4-5 to 20 products) and formulations (which have longer receivables from farmers). Reduced by 25-30 days in Q1 FY26; targeting further 20-25 day reduction by FY26 end.

### **Future Outlook**

**Growth Drivers:** Strong R&D for new products, portfolio expansion (20+ products now), Hamirpur ramp-up, export demand, anti-dumping benefits, and "Make in India" focus.

**Indo Count Industries Ltd****Tariff Headwinds and Margin Resilience**

Tariff Absorption: First 25% tranche of tariffs (implemented around August) has been "more or less absorbed by our customers".

Second Tranche Negotiation: Negotiation is actively underway regarding the incremental 25% tariff (the Russian oil penalty). Since exports are mostly on a Free on Board basis, the duty is paid by the customer, but the company is offering discounts in a "give and take" situation to maintain volume stability.

The company is prioritising volume maintenance over aggressive pricing adjustments, based on the belief that the additional tariff is temporary and will likely "go away in the next if not in one or two months, maybe one and a quarter or two quarters". Volumes have remained stable thus far.

Margin Outlook: The company aims to return to its previous margin range of 15% to 17%. If the additional 25% tariff were to be rolled back, the negative margin impact and associated price discounts given to customers would be reversed, resulting in improved margins and potentially higher volumes.

Consumer Impact: The additional 25% tariff is estimated to increase the end consumer's MRP by approximately 8% to 10%.

**Strategic Growth Trajectory and Guidance**

FY28 Revenue Target: The guidance to double revenue by 2028 remains unchanged, and the company believes it is on the correct path to achieving this goal.

Volume Stability: The worst-case scenario anticipated for bed sheeting volumes this year is flat growth. July and August volumes were reported as good, showing no major drop.

Diversification into Utility and Branded Segments

Non-Bed Sheet Performance: The combined utility (pillows and quilts) and branded segment contributed approximately INR 130 crores in Q1, suggesting a run rate of around INR 40 crores per month. This monthly run rate is expected to keep rising.

US Manufacturing Expansion: Acquisition of two existing pillow and quilt manufacturing units.

Setting up a new US greenfield pillow manufacturing unit, which is expected to commence operations this month.

The two acquired units are currently operating at 60% to 65% utilization.

Margin Alignment: US utility manufacturing operations, once achieving full or meaningful capital utilisation, are expected to yield margins of 14% to 15%, aligning closely with India operations. The branded business overall is expected to deliver better margins once it reaches meaningful revenue scale.

**Capital Expenditure and Capacity**

The company budgeted approximately INR 214 crores for capital expenditure this year.

US Greenfield Facility: Approximately INR 100 crores allocated for the US pillow manufacturing facility.

ZLD Facility: Approximately INR 50 crores dedicated to a Zero Liquid Discharge facility at one of its plants.

Maintenance: Routine maintenance and other capex total around INR 65 crores.

US Ramp-up Target: The three US facilities (acquired and greenfield) are collectively targeted to reach \$175 million in revenue within three years.

Domestic Utilization: Current domestic capacity stands at 153 million metres, with a utilisation rate of approximately 70% (100–110 million metres utilized), indicating ample available capacity to meet future demand growth.

**Competitive Dynamics and Raw Material Insight**

India's Market Dominance: India commands a major market share (over 60%) in the US cotton bed sheet market. This significantly limits customers' ability to quickly shift supply chains, providing the company with strong negotiating leverage despite tariff fluctuations.

Cotton Import Duty Removal: Government notification removed customs duties on cotton imports until the end of December. This action increases the supply pool and makes imported cotton (especially specific varieties like US cotton) more price competitive, although the company was already importing about 30% of its cotton, much of which was previously duty-exempt (Extra Long Staple).

Non-US markets contribute 30% of core business revenue. Management expects significant revenue growth from potential or executed FTAs in the UK, EU, Japan, and Australia.

**INDO GULF CROP SCIENCES LIMITED**

**Outlook:** Indo Gulf Crop Sciences is strategically poised to capitalize on India's growing agrochemical market through its diversified three-pillar portfolio encompassing crop protection, plant nutrition, and biologicals. The launch of a wholly-owned subsidiary, Abhi Prakash Globus, has created a parallel distribution channel driving accelerated market penetration without cannibalization. Strong debt reduction post-IPO and enhanced working capital, combined with aggressive geographic expansion into South and Central India, support the company's confidence in achieving double-digit revenue growth despite seasonal headwinds.

**Business Model & Strategic Initiatives**

Founded in 1993, Indo Gulf operates four manufacturing plants across Sonipat, Badwasni, and Samba, with a fifth under construction. The core business spans insecticides, fungicides, herbicides, specialized fertilizers, micronutrients, and biologicals, serving both B2C retail networks of 7,000 distributors and B2B institutional clients, alongside exports to over 34 countries. The 2024 launch of Abhi Prakash Globus, with differentiated branding, generated INR 100110 mn last year and is projected to achieve INR 750800 mn in FY26, underpinning a seven-fold growth trajectory and a consolidated revenue uplift over the medium term.

**Financial Performance & Growth Drivers**

Post the July 2025 IPO, the company deployed INR 1.6 bn toward debt reduction and working capital enhancement, reducing term loans by INR 450 mn and strengthening the balance sheet. Indo Gulf targets 1015% annual revenue growth driven by new product introductions 11 12 in FY26, expansion of Abhi Prakash across seven states with 400500 distributors, and intensified focus on underpenetrated South and Central India. Gross margins of 2526% are supported by high-margin B2C operations 38%) and natural hedges from export margins of 11 12%.

**Operational Excellence & Market Expansion**

Manufacturing capacity is set to increase with the commissioning of the Badwasni facility, complementing existing sites operating at near full utilization. Seasonal working capital cycles, elevated at 200+ days, are managed through extended distributor credit terms and robust inventory management. The company's asset-light distribution model, combined with deep rural reach and strong brand identity, ensures resilience against monsoon-related disruptions and regulatory changes.

**Risk Factors & Mitigation**

Operational risks include weather-dependent spray activities, regulatory changes affecting biological approvals, and input cost volatility tied to China dependency for key chemicals. Mitigation strategies encompass diversified sourcing, inventory optimization aligned with seasonal demand, and extensive distributor relationships that support stock liquidation and market presence. Geographic and product diversification reduces exposure to singular risk factors.

**Future Outlook**

Indo Gulf's integrated model, supported by a dual-distribution strategy, strong financial health, and targeted capacity expansions, positions it to consolidate a fragmented market. Management aims to triple Abhi Prakash revenues by FY29, expand exports to INR 1.3 1.5 bn, and drive sustainable margin improvement through a focus on high-margin products and efficient capital allocation

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**Influx Healthtech Ltd**

**Outlook:** Influx Healthtech Ltd is poised for robust growth, leveraging its integrated contract manufacturing model across nutraceuticals, cosmetics, veterinary, ayurvedic, and home care segments. With strategic capacity expansions funded by its recent IPO, the management expects to double or even triple production over the next 2–3 years. The core nutraceuticals business is complemented by high-growth avenues in cosmetics and pet care, while export markets contribute a rising share. Margin sustainability is being prioritized through operational efficiencies, continuous innovation, and an expanding value-added portfolio.

**Nutraceuticals & Core Segments**

Nutraceuticals form about 90% of overall revenues, driven by a fast-growing product portfolio across clinical and consumer wellness categories.

Cosmetics now contribute 5–6% of turnover with superior gross margins versus other verticals, and are scaling rapidly from a low base.

Veterinary and home care each contribute approximately 1–3%; veterinary especially is flagged as a future growth lever thanks to increased capacity and new product introductions.

The company manufactures ~3500 products with the largest endorsed portfolio in Maharashtra, covering tablets, capsules, powders, liquids, protein bars, and personal care products.

**Capacity Expansion & Capex Deployment**

Major capacity additions post-IPO: capsule line increased from 23,000/hour to 144,000/hour; liquids doubled; new lines for tablets, packaging, pouching, and bars have been set up.

Two new units are under construction—one each for nutraceuticals and veterinary—with 2.5–3x incremental capacity targeted to go live in Q1 FY26.

Capex in the past 4–5 months at INR 40–50 mn via internal approvals, with IPO funds of INR 220 mn deployed for nutraceuticals and INR 110 mn for the veterinary facility.

By FY29, with the new plants at optimal utilization, revenue potential is estimated at INR 3.5–4 bn, with EBITDA margins expected to sustain at 17% given product mix and margin focus.

**Financial & Business Performance**

80–85% of clientele are established repeat customers, while 15–20% are startups or D2C brands—startups receiving tailored low-MOQ, quick-turnaround solutions.

Exports, including those routed via merchant exporters, contribute up to 15–20% of business, with growing footprints in 30+ countries.

Receivables and payable cycles remain healthy, with isolated longer cycles linked to key customers providing materials directly to Influx Healthtech.

Pet food is a significant new vertical: monthly volumes ramped from 1 ton to 16–17 tons per month, with new investments focused on dry and wet formats.

Margin profile: Nutraceuticals and most verticals run at 30–35% gross margin, while cosmetics margins are notably higher owing to product mix and recent scale effects.

**Guidance & Strategic Initiatives**

FY26 revenue guidance implies 30–40% YoY growth, led by operational leverage and completion of new manufacturing units.

Additional focus on automation (BRC-level for nutraceuticals) aimed at servicing larger clients with higher compliance requirements.

Flexible batch-size manufacturing, high product endorsement count, and well-integrated backward services (regulatory, design, print) make Influx Healthtech a preferred partner for both established and new-age brands.

**Interiors & More Ltd.****Business Model**

**Core Products:** Artificial flowers remain the largest revenue driver (~47% share in FY25). Other categories include plants, leaves, grass, vases, decorative items, and allied furniture & lights.

**Diversification:** Over 1,000 products added in the last three years. The company now positions itself as a **comprehensive event and décor solutions provider**, not just an artificial flower supplier.

**Customer Segments**

**B2B** (81% of FY25 revenues): Event managers, wedding planners, decorators, distributors, hospitality, and retail chains.

**B2C** (19%): Direct retail customers via showrooms, franchisees, and online platforms (Amazon, Myntra, Meesho, IndiaMART).

**Customization & Innovation:** Designs are refreshed annually (~20% of fast-moving SKUs updated) based on consumer feedback and changing décor trends.

**Manufacturing & Infrastructure****Facilities:**

Earlier Unit 1 (57,000 sq. ft.) and Unit 2 (7,000 sq. ft.) shifted to a **new integrated plant at Umbergaon, Gujarat (~200,000 sq. ft.)**, operational since Jan-2025.

Post-capex, annualized capacity to scale to **~3.1 Bn moulded products and ~67 Mn artificial flowers** by FY27.

**Capabilities:** >100 machines including moulding, cutting, polishing, blending, and testing equipment. In-house QC labs support strict quality standards.

**Warehousing:** 3 major hubs in Bhiwandi (50,000 sq. ft.), Pune (25,000 sq. ft.), and Umbergaon (57,000 sq. ft.), alongside Sharjah (12,000 sq. ft.) for exports.

**Distribution & Market Presence**

**Showrooms:** Company-owned outlets in Mumbai (~10,000 sq. ft.) and Pune (~7,300 sq. ft.); franchise outlets in Jaipur (~6,500 sq. ft.) and Hyderabad (~20,000 sq. ft.).

**Dubai Showroom:** Positioned as a gateway to Middle East & Africa, supporting exports.

**Online & Offline Channels:** Products are sold via wholesalers, distributors, e-commerce platforms, and company website, ensuring a wide-reaching distribution footprint.

**Strategic Direction**

**Geographic Expansion:** Strengthening presence in India and aggressively expanding exports, with focus on Europe, Middle East, and Africa.

**Product Strategy:** Increasing share of **own manufactured artificial flowers** to enhance brand equity, quality control, and margins (transitioning from imports to in-house production).

**Brand Building:** Enhancing visibility via global exhibitions (e.g., Ambiente 2025, EWPC Dubai) and celebrity wedding associations.

**Customer Engagement:** Deepening B2B relationships by offering end-to-end solutions for events, décor, and hospitality sectors.

**Competitive Strengths**

**Integrated Manufacturing:** Large-scale, automated plant enabling scalability and product consistency.

**Wide Portfolio:** ~8,650 SKUs across artificial flowers, décor, and furniture, catering to varied customer needs.

**Distribution Reach:** Combination of wholesale, franchise, company-owned, and international showrooms supported by warehouses.

**Customer Stickiness:** 80% repeat business from established B2B clients, reducing churn risk.

**Export Edge:** Early mover in Dubai with local showroom presence, targeting Africa and GCC markets.

**Growth Levers**

Management targets **30–40% revenue growth in FY26**, driven by export expansion, new product introductions, and ramp-up of in-house flower manufacturing.

Focus on **CAGR of 30–35% over the next 3–5 years**, underpinned by strong industry tailwinds (weddings, events, interior décor).

Transition to self-manufacturing to improve margins, reduce dependency on imports, and accelerate innovation.

Global brand-building through exhibitions and showrooms to position InM as a **recognizable Indian décor brand internationally**.

**Outlook**

Company is at a **scale-up stage**, leveraging its integrated manufacturing, wide portfolio, and strong B2B franchise to capture opportunities in the **fast-growing event, wedding, and home décor markets**. With repeat demand, export expansion, and sectoral tailwinds, the company is poised for robust growth. Near-term execution on capacity ramp-up and international expansion will be critical to sustaining momentum.



**IRB Infrastructures Ltd**

**Outlook:** The company is well-positioned to capitalize on the Indian government's massive infrastructure push, which includes plans to double the national highway network. With a healthy executable order book of nearly INR 335bn and a visible pipeline of TOT and BOT projects worth over INR 450bn revenue visibility remains strong. The core growth engine is the company's sophisticated asset monetization strategy using its InvIT platforms. This "Bid and Transfer" model allows IRB to efficiently recycle capital, fund new acquisitions, and target a significant expansion of its Public InvIT to INR 400bn. Financially, the outlook is bolstered by expectations of double-digit toll growth, high-margin O&M revenue, and substantial interest cost savings of INR 3-3.5bn. By maintaining a focused approach exclusively on roads and a disciplined bidding strategy targeting strong returns, IRB is poised for sustained growth while managing risk through protective concession agreements.

**Revenue and Revenue Mix:** The company's revenue streams are diversified across project types including Build-Operate-Transfer (BOT), Toll-Operate-Transfer (TOT), and Hybrid Annuity Model (HAM) projects, though management is currently emphasizing BOT and TOT projects. The company also holds a significant Operation and Maintenance (O&M) order book valued at INR 300bn which will contribute to long-term, stable revenue over the next 12 to 15 years.

**Margins:** Margins vary significantly by project type. O&M contracts deliver the highest margins, ranging between 23% to 25%, due to their fixed-price nature with built-in escalation clauses. BOT projects are expected to yield margins of 18% to 20%, while HAM projects generate lower margins, typically between 12% and 15%. The company's bidding strategy targets an Internal Rate of Return (IRR) of 15% to 18%, with TOT projects aimed at 15-16% IRR and BOT projects at 16-18% IRR.

**Cost savings:** The company is also targeting significant interest cost savings, expecting a reduction of ~100 basis points across the group, which could translate to annual savings of INR 3-5bn.

**Capex:** The Public Infrastructure Investment Trust (InvIT) is undertaking an equity raise of around INR 40bn to fund upcoming asset acquisitions. IRB plans to deploy ~INR 49bn over the next two quarters, which will support bidding for new projects worth INR 150-160bn assuming a typical 30% equity requirement.

**Order Book and Project Pipeline:** The company's executable order book stands at ~INR 335bn, split evenly between BOT and HAM projects. Beyond this, the industry pipeline is substantial. The National Highways Authority of India (NHAI) plans to double the national highway network from 100,000 to 200,000 kilometers. There is an immediate pipeline of approximately 1,500 kilometers of roads to be monetized via the TOT model, and BOT bidding opportunities worth around INR 450bn are expected.

**Public and Private InvITs and Asset Monetization Strategy:** IRB utilizes a unique "Bid and Transfer" (BT) strategy for asset monetization through its two InvIT platforms. The company bids for and stabilizes projects at an IRR of 15-18%, then transfers them to the Public InvIT at a lower IRR of 12-13.5%, creating an IRR compression of 350-450 basis points. The Private InvIT currently has an Enterprise Value (EV) of INR 250bn, while the Public InvIT's EV is INR 150bn. A consolidation move is underway to transfer three assets (EV of INR 84bn) from the Private to the Public InvIT, which will nearly double the Public InvIT's size. The long-term goal is to grow the Public InvIT to an EV of ~INR 400bn over three years.

**Toll Collection and Tariffs:** Toll collection has shown robust growth. The company manages over 15,000 lane kilometers, representing a 33% market share by this measure. Concession agreements include protective mechanisms for tariffs and revenue; if traffic falls short of projections, the concession period can be extended by up to 20%, but if revenue is realized faster, the period can only be reduced by a maximum of 10%, thereby protecting the project's IRR.

Toll collection growth, citing double-digit increases of 10% in July and 12% in August 2025. Following the completion of key projects like the Ganga project, a year-on-year toll increase of 14% to 15% is anticipated.

**Project Types:** IRB's project mix includes BOT, TOT, and HAM models, with a current strategic focus on BOT and TOT due to their favorable risk-return profiles compared to HAM. O&M contracts provide high-margin, long-term revenue visibility. The company remains focused exclusively on road projects and is not diversifying into other infrastructure sectors like railways or airports at this time.

**Growth Drivers and Inorganic Growth Opportunities:** Key growth drivers include the Indian government's massive investment in road infrastructure, with INR 10 lakh crores of assets slated for future monetization. IRB is also actively exploring inorganic growth by acquiring third-party road assets with remaining concession lives of around 20 years, which would complement its existing portfolio.

**Jeena Seekho Limited**

**Outlook:** Jeena Seekho Limited is leveraging India's growing wellness market through its integrated Ayurveda day care and hospital model, combining high-margin Panchakarma treatments with proprietary medicine production. With 2,600 operational beds across 116 locations and aggressive plans to scale to 7,00010,000 beds within five years under a capital efficient INR 1 lakh-per-bed setup model, the company targets 74% YoY revenue growth and sustained EBITDA margins above 45%, all funded through internal cash flows.

**Business Model & Market Positioning**

Jeena Seekho operates India's largest Ayurveda day-care and hospital network, offering 1015 day Panchakarma programs at average initial tickets up to INR 70,000 followed by recurring medicine sales through an in-house product portfolio. The balanced 5446 service-to-product revenue mix delivers margin stability, while proprietary treatment protocols and digital patient lifecycle management create high switching costs and long-term engagement. A social responsibility model providing 10% free treatments underlines the company's ethical positioning.

**Financial Performance & Growth Trajectory**

In Q1 FY26, Jeena Seekho reported INR 1.74 bn in revenue—a 74% increase YoY—with EBITDA margins expanding by 300 basis points to 45%. Medicine sales commanded an 85% gross margin, while service operations sustained profitability despite occupancy at 57%. Management projects INR 3.5 bn PAT by FY27 and INR 5 bn by FY28, underscoring confidence in the business's self-funded expansion and robust cash generation capabilities.

**Capacity Expansion & Capital Efficiency**

The company reduced per-bed setup costs from INR 34 lakh to INR 1 lakh through a standardized low-capex model developed with strategic partners. Jeena Seekho plans to scale from 2,600 beds to 3,000 by YE25 and to 7,00010,000 beds by FY30, deploying internal accruals without external debt. Geographic expansion includes recent launches in Jammu and Assam, with premium international centers planned in the USA, Mauritius, and Bali.

**Product Strategy & Innovation**

SKU rationalization from 330 to 150 core products and the launch of high-impact OTC offerings —such as the Pet Shuddhi Kit achieving 1,000 daily orders—demonstrate focus on profitable lines. A pipeline of 15 new products targeting major health conditions (e.g., diabetes reversal, mental wellness) ensures sustained top-line growth, while technology partnerships with Salesforce enable comprehensive CRM and long-term patient outcome tracking across the network.

**Risks & Future Outlook**

Key risks include execution challenges in rapid bed expansion, regulatory shifts in wellness services, and currency exposure on international operations. Mitigation measures involve phased rollouts, standardized treatment and operational protocols, and diversified revenue streams. With first-mover advantage in Ayurveda day-care, strong unit economics, and a scalable digital model, Jeena Seekho is positioned to dominate India's preventive healthcare segment and build a global wellness brand.

**Jet Freight Logistics Ltd**

**Outlook:** Jet Freight Logistics Limited is positioned for substantial growth leveraging the robust expansion in India's logistics sector, which is projected to reach USD 357.3 billion by 2030 with a 7.7% CAGR. The company's strategic positioning in the air freight forwarding market, coupled with its planned vertical integration through cargo chartering operations, presents significant opportunities for margin expansion and market share growth. With the Indian air freight market expected to grow at 5.65% CAGR to USD 17.22 billion by 2028, the company's aggressive growth targets of 10-15% volume CAGR and 40% earnings CAGR appear well-aligned with sector tailwinds.

**Company Overview and Market Position**

**Established Operations with Strong Heritage:** Jet Freight Logistics, established in 1986, has built a comprehensive 39-year track record in the logistics industry. The company operates as a full-stack integrated logistics provider with a workforce of 200 employees across 14 offices in India, serving over 150 countries globally. The management highlighted handling approximately 150 tons of airfreight daily, establishing itself as a significant player in India's air freight ecosystem where it competes alongside multinational corporations such as DHL, FedEx, and UPS.

**Market Share and Competitive Position:** Management disclosed that the company holds approximately 2.5-3% market share in India's air freight sector. This positioning places Jet Freight among the top 10 players in international air freight within India, providing a solid foundation for expansion. The company's air freight operations contribute 75-80% of total revenue, demonstrating significant concentration in this segment.

**Strategic Business Expansion Initiatives**

**Cargo Chartering Operations:** The most significant strategic development discussed was the planned acquisition of an Airbus A330 converted freighter aircraft, representing a major shift toward vertical integration. Management emphasized that this initiative will be executed through external investors, with Jet Freight maintaining an asset-light approach by providing sweat equity and acting as General Sales and Service Agent (GSSA) rather than contributing capital. The aircraft, with a capacity of approximately 60 tons, will initially focus on India-China and India-Far East routes, including markets such as Vietnam and potentially Dhaka.

**Ocean Freight Expansion:** Management identified ocean freight as a key growth driver, noting that while the company recently entered this segment in 2019, it represents substantial untapped potential. With 70% of existing air freight customers having sea business requirements, the company plans aggressive penetration into these customer bases. This strategic focus aligns with the broader modal shift in India's logistics sector and provides opportunities for revenue diversification.

**Technology Platform Development:** The company is developing a separate SPV for technology-driven businesses, focusing on creating AI-powered logistics platforms. Management referenced pre-COVID initiatives to create a "MakeMyTrip for cargo" concept and emphasized plans to build fresh technology solutions specifically for the Indian market, where digital adoption in air and sea freight remains nascent compared to European and US markets.

**Growth Trajectory**

**Growth Guidance and Projections:** The company has articulated ambitious growth targets of 10-15% volume CAGR and 40% earnings CAGR over the next 3-5 years. Management emphasized plans for both organic and inorganic growth, with inorganic opportunities potentially driving CAGR of 30-50% if successfully executed. These targets significantly exceed industry growth rates and suggest aggressive market share capture strategies.

**Margin Enhancement Opportunities:** The planned GSSA operations are expected to deliver EBITDA margins "close to double" current levels, representing a substantial margin expansion opportunity. This improvement stems from the higher-margin nature of cargo airline operations compared to traditional freight forwarding services.

**Operational Capabilities and Service Portfolio**

**Comprehensive Service Offering:** The company provides end-to-end logistics solutions including air freight, ocean freight, rail transportation, surface transportation, customs clearance, warehousing, and courier services. Through its subsidiary Jet Express, the company is building capabilities in international e-commerce and courier services, capitalizing on government initiatives to expand India's international e-commerce footprint.

**Specialized Cargo Handling:** Management demonstrated strong expertise in handling time-sensitive and specialized cargo segments including perishables, pharmaceuticals, and dangerous goods. The company has established leadership positions in specific product categories such as air-freighted mangoes to the US and Europe, flowers, and seafood exports, with capabilities to deliver perishables from India to Dubai within 24 hours.

- **Geographic Coverage and Network:** Operations span airlines and shipping lines partnerships with major carriers including Air India, Emirates, Turkish Airlines, Cathay Pacific, CMA, Maersk, and MSC. The company maintains IATA certification, MTO authorization, and participation in global logistics networks including WCA and JCTrans.

**Market Dynamics and Growth Catalysts**

**E-commerce and Digital Transformation:** Management emphasized significant growth opportunities in international e-commerce logistics, supported by government initiatives to replicate domestic e-commerce success internationally. The courier and express segment through Jet Express is positioned to capitalize on accelerating cross-border e-commerce volumes.

**Capacity Management and Peak Season Planning:** The company employs sophisticated capacity management strategies, including advance space booking three months ahead for seasonal commodities such as mangoes. This forward planning approach enables rate negotiations and ensures service reliability during peak demand periods.

**Modal Integration and Door-to-Door Services:** Recent expansion of door-to-door services across air freight, sea freight, and domestic transportation represents a significant capability enhancement. The company maintains an asset-light model for surface transportation, partnering with vendors rather than investing in vehicle assets due to the highly competitive nature of road freight markets.

Jungle Camps Ltd

**Guidance and Future Outlook:** Growth in FY26 is expected to remain muted, with any uplift largely dependent on new property openings and potential tie-ups for restaurants in Jaipur and other locations. By FY27, growth visibility should improve as the Mathura and Sanjay Dubri projects become operational and stabilize. Additional contributions are also anticipated from government-supported jungle and wildlife projects, along with two government-run restaurants. While wildlife properties typically take longer to ramp up, they benefit from state subsidies and lease incentives, providing medium-term support to growth.

**Business & Expansion :** Jungle Camps Ltd. operates boutique wilderness resorts and restaurants across Central India. The company completed an SME IPO in December 2024, raising around INR 29.5 crore to fund expansion and renovation. IPO proceeds were allocated as follows: INR 7.0 crore for a new project at Sanjay Dubri National Park, INR 11.5 crore for the Mathura 4-star hotel project (via subsidiary Madhuvan Hospitality), and INR 3.5 crore for renovation of the Pench Jungle Camp. The company currently operates around 87 rooms and holds lease rights for further projects that are expected to expand consolidated capacity to ~170 rooms.

**Operations & Assets**

Current portfolio includes 4 boutique wilderness resorts and highway restaurants, with ~87 operational rooms.

Revenue is heavily accommodation-driven, with F&B contributing a smaller share (7–9%).

Guest inflows are seasonal, peaking during weekends and holidays. Average spend per guest is around INR 14,000–15,000.

Mathura property expanded from 60 rooms during IPO to ~100 rooms, with strong connectivity via the Delhi Expressway.

Mathura is positioned as a first-mover in branded hospitality in the city, where no large chain hotels currently operate.

**Capex & Financing**

Total planned investment of about INR 50 crore across 4 resorts, with ~INR 40 crore earmarked for wildlife projects.

Lease terms vary: some properties with nominal annual rents, others with higher rentals (for example ~INR 34 lakh per year) and escalation of 10% every 3 years.

Management targets break-even within a year of operations for new properties, though actual timing will depend on occupancy and seasonality.

**Competitive Positioning**

Market leader in Central India across key circuits such as Bandhavgarh, Kanha, Tadoba, Pench, and Jabalpur highway retreats.

Differentiated offerings include jungle walking safaris, lakeside sundowners, and a bar license obtained this year.

Strategy focuses on preserving exclusivity — avoiding excessive room additions at existing resorts to maintain customer experience.

Considering brand partnerships such as Holiday Inn for Mathura, but weighing franchise fees (7–9% of revenue) against maintaining independent margins.

**JYOTI GLOBAL PLAST LIMITED**

**Outlook:** Jyoti Global Plast is transforming from a traditional packaging specialist into a high margin defense and aerospace component manufacturer. Leveraging 35 years of plastic molding expertise and strategic industry connections through CFO Karan Shah's Paras Defense background, the company is poised for Robust Growth: INR 200 mn defense revenue in FY25, 40% CAGR guidance, and a firm order book exceeding INR 200 mn. Concurrently, its stable packaging business targets 10% annual growth, supported by a recent INR 354 mn IPO raise to fund Mahad facility expansion, FRP machinery investments, and a 2224 MW solar plant for sustainable operations.

**Business Model & Strategic Evolution**

Founded in the 1990s and IPO-listed in August 2025, Jyoti Global Plast supplies HDPE/PP packaging containers to diversified industrial clients while rapidly scaling defense and aerospace capabilities. The Mahad flagship plant, financed by the SME IPO, will enable subsystem manufacturing through advanced FRP machinery. The parallel growth model ensures stable cash flows from packaging underpin strategic defense investments aligned with India's Atmanirbhar Bharat initiative.

**Financial Performance & Capital Allocation**

The August 2025 SME IPO raised INR 354 mn, allocated primarily to Mahad plant development, INR 40 mn specialized machinery procurements, and a 2224 MW solar power plant (INR 90 mn). Defense orders target INR 200 mn in FY25 with 1518% EBITDA margins, while packaging operations sustain 12% margins on 10% revenue growth. Strong working capital enhancements and formula-based pricing mechanisms mitigate raw material volatility.

**Technology & Manufacturing Capabilities**

The company operates two Rabale plants (7,416 MT annual capacity), a Pune injection molding facility, and the upcoming Mahad site. Advanced plastic and FRP molding techniques, precise tolerance molds, and AI-driven design optimization support component quality for drones, missile connectors, and aerospace parts. End-to-end services—from mold design to final assembly—drive high switching costs and compliance with multinational quality standards.

**Market Position & Growth Drivers**

Jyoti's defense portfolio includes empanelment with Paras Defense and Amphenol Interconnect India, enabling entry into drone, avionics, and armored vehicle components. The traditional packaging segment serves 250+ clients in pharmaceuticals, chemicals, FMCG, and lubricants, ensuring 20% top-five client concentration. Government import substitution policies and rising defense indigenization create significant addressable markets for domestic suppliers.

**Risks & Future Outlook**

Key risks include defense sector approval timelines, customer concentration, and raw material price swings. Mitigation strategies comprise diversified customer acquisition, formula-based pass-through pricing, and a balanced portfolio of packaging and defense operations. Mediumterm goals focus on scaling to subsystem manufacturing, international exports of defense components, and expanding housekeeping into adjacent aerospace applications, all while maintaining financial discipline and sustainable operations.

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**JYOTI RESINS AND ADHESIVES LIMITED**

**Outlook:** Jyoti Resins & Adhesives is executing a strategic brand elevation and geographic expansion initiative to achieve INR 50 bn revenue within three years. Leveraging celebrity ambassador Pankaj Tripathi and systematic marketing, the company targets seven-fold growth in its Abhishek adhesives brand while maintaining its core B2C distribution network across 14 states. The ongoing capacity expansion from 2,000 to 3,500 mt per month by FY26, funded through a brownfield investment of INR 70 m, positions the company for accelerated volume growth in high-margin specialty segments.

**Business Model & Strategic Vision**

Founded in the 1990s, Jyoti Resins & Adhesives transitioned from a regional generic adhesives supplier to a branded, value-added manufacturer offering 150 SKUs across construction, packaging, and industrial segments. The 'brand-first' approach combines extensive B2C distribution with premiumized offerings endorsed by Pankaj Tripathi, targeting urban and semi urban markets. National campaigns and digital initiatives drive brand recall, supporting a premium price positioning that commands 2025% higher ASPs versus unbranded alternatives.

**Financial Performance & Capacity Expansion**

The company delivered 35% revenue CAGR over five years, achieving INR 5.4 bn in FY25 with EBITDA margins of 2426%. In FY26, brownfield expansions at existing GIDC facilities will add 1,500 mt monthly, increasing total capacity to 3,500 mt without major new land acquisition. This capex of INR 5070 m, funded through internal accruals, maintains the debt-free balance sheet. Management targets 3035% revenue growth and steady margin expansion through operating leverage and fixed-cost absorption.

**Product Innovation & Marketing Strategy**

R&D investments focus on eco-friendly, low-VOC formulations and high-performance adhesives for wood, lamination, and packaging applications. SKU rationalization from 330 to 150 core products sharpened focus on high-margin lines. The Pankaj Tripathi campaign and digital platforms have driven a 150% increase in online engagement, while trade partnerships and regional promotions expand market penetration. Strategic alliances with distributors and e retailers ensure omnichannel presence and accelerated offtake.

**Market Dynamics & Growth Drivers**

India's adhesives market is projected to grow at 12% CAGR to INR 150 bn by 2028, driven by construction, packaging, and automotive segments. Urbanization and organized retail expansion underpin demand for branded adhesives. Regulatory emphasis on sustainable building materials and eco-friendly packaging further accelerates adoption of specialty adhesives, aligning with Jyoti's product roadmap and premium positioning.

**Risks & Future Outlook**

Key risks include raw material price volatility, competitive pressure from organized and unorganized players, and execution risk on brand campaigns. Mitigants include formula-based cost pass-through, diversified supplier base, and phased capacity ramp-ups. With strong brand equity, capital-efficient expansion, and disciplined financial management, Jyoti Resins & Adhesives is poised to consolidate the branded adhesives space and deliver sustainable high growth returns

**K2 Infragen Ltd****I. Company Overview and Strategic Focus**

K2 Infra was **incubated in 2015** with the aim of organising the unorganised infrastructure sector. The company operates as an EPC player working across all domains of infra. The business foundation is built upon the **4M principle: Manpower, Material, Machine, and Money**.

The company focuses strategically on **nine states** that collectively account for more than 50% of the total overall requirement of the country.

K2 Infra initially focused on roads and small buildings, starting as a contractor around 2018, and has worked with various government bodies (PWD, LHI, CPWD) and customers like L&T and GR Infra. The current segments include roads, railways, water pipelines, solar projects, and transmissions.

A major strategic shift involves **diversifying assets** to mitigate risk, moving away from a previous major focus on water projects, toward higher-margin areas like **Railways and Transmission**. The strategy involves both organic and inorganic growth.

The company also has a subsidiary, **K2 NextGen Solution**, which deals with cloud migration and ERP support (like SAP) for the growing K2 group. The management emphasized that this subsidiary is run by a different team of subject matter experts and does not divert the bandwidth of K2 Infra's core project directors (PDs).

**II. Financial Performance and Growth Trajectory**

K2 Infra has shown significant top-line growth over the last three years, progressing from **66 cr to 108 cr to 148 cr**.

**Growth Targets:**

- **FY26:** Management is targeting a growth rate of **20% to 25%** compared to FY25.
- **FY27 (Long-term):** Growth is expected to be **more than 25% CAGR**, dependent on the timely results of current high-volume bidding.

**EBITDA Margins:**

- FY26 EBITDA margins are expected to be in line with FY25.
- The company is targeting and maintaining EBITDA margins between **12% and 15%**.

The high margin of 29% seen previously (in FY25 filings) was attributed to the supply component of an initial water project, which later normalised to the industry standard range once the service part of the project began. Management stated they are being selective in taking businesses to ensure the 12% to 13% margin is maintained.

**III. Operational Focus, Bidding, and Expansion****Unexecuted Order Book and Execution Timeline:**

- The current unexecuted order book stands around **270 cr to 280 cr**.
- This book is expected to be executed within **12 to 18 months maximum**.
- The composition of the unexecuted orders is: roads and bridges (approximately 57%), transmission and distribution (20–25%), and railways (close to 10%).

**Inorganic Growth Strategy (Solar):**

- The company is actively pursuing inorganic growth in the solar sector, seeking to acquire small companies with plants ranging from **2 megawatt to 15 megawatt**.
- They are looking for acquisitions in the range of **10 cr to 30 cr**. The intention is to acquire a certain percentage of shareholding initially and potentially move toward a 100% subsidiary later, treating it as a long-term SPV strategy.

**IV. Corporate Matters and Working Capital Management****Receivables and Working Capital:**

- High receivables (130 cr against a 147 cr turnover) as of 31st March (FY25) were an exceptional case due to the majority of billing milestones being achieved in March.
- Management is targeting a reduction in receivables by **20% to 25%** by the close of the half-year numbers.
- Most outstanding receivables from 31st March have been collected, unless a defect liability period is ongoing.
- The expected long-term receivable cycle for K2 Infra, given the milestone-basis nature of EPC work, is **170 to 220 days**.

The company is confident in managing working capital requirements through support from the banking system and the availability of collateral, noting that they are not yet using a consortium structure, which is a future option. New government facilities like security bonds and mobilization advances are expected to reduce working capital needs.

Kalpataru Projects International Ltd

**Outlook:** FY26 positioned as strong growth year with management raising revenue guidance from 20% to 25% backed by robust order inflows of INR 12,600+ mn YTD and order book exceeding INR 65,000 mn. The company's dual leadership in Transmission & Distribution (domestic capex boom) and Buildings & Factories (60% of new orders) provides multiple growth vectors. International operations contribute 40% of order book with strong Middle East expansion through USD 800+ mn Aramco project execution. Target order inflows of INR 26,000-28,000 mn for full year demonstrates management confidence in market opportunity across six business verticals.

**Company Background:** Diversified EPC contractor with six decades of infrastructure development experience across transmission & distribution, buildings & factories, oil & gas, water & irrigation, railways, and urban infrastructure. Global presence spans India, Middle East, Africa, and other international markets with manufacturing facilities in Chhattisgarh and Gandhi Nagar for transmission towers.

**Business Segments:** **Transmission & Distribution** (40% of order inflows) serving domestic grid modernization and international infrastructure upgrades. **Buildings & Factories** (60% of order inflows) including residential, institutional, commercial buildings, airports, and data centers. **Oil & Gas** with major Middle East presence through Aramco project (USD 800+ mn, 36-42 month execution). **Water, Urban Infrastructure, and Railways** providing diversified revenue streams.

**Strategic Positioning:** **Domestic Market Leadership** in TND sector with annual opportunity of INR 50,000-60,000 mn over next 4-5 years driven by renewable energy integration requirements. **International Expansion** particularly Middle East with operations across 5-6 countries including Saudi Arabia, UAE, Kuwait with huge transmission and hydrocarbon capex planned. **Client Relationships** with marquee private developers including Prestige (largest client), DLF, Godrej, Puravankara, Brigade.

**Financial Performance:** Q1FY26 revenue growth of 30-35% with full-year guidance of 25% growth. Order book provides 2.5-3 years revenue visibility. **Margin Improvement:** Guidance for 100 bps improvement in console PBT margins and standalone PBT margins of 5.25-5.5%. **Debt Management:** Net debt reduced 26% YoY to INR 2,765 mn with focus on maintaining finance cost at 2% of sales and working capital days below 100.

**Non-Core Asset Monetization:** **BOT Asset Divestment** with Vindhyachal asset sale to Actis at INR 775 mn enterprise value generating INR 475-500 mn cash inflow upon regulatory approvals. **Real Estate Assets** with INR 140-250 mn pending realization from Indore real estate expected in current financial year. **Logistics Business** through Shubham Logistics subsidiary.

**Market Opportunities:** **Building & Factories** showing exceptional strength with most orders from private developers and strong project pipeline visibility. **International TND** driven by aging grid infrastructure and renewable energy integration across Middle East, Africa, and Latin America. **Working Capital Efficiency:** BNF and TND businesses maintain 60-75 days working capital cycle while international business operates at 25-30 days.

**Growth Strategy:** **Capacity Enhancement** through continued capex in aluminum formwork, shuttering material, TSC machines, tunnel boring machines, and automatic welding providing competitive advantages. **Geographic Focus** on markets with established presence while opportunistically evaluating other infrastructure segments. **Technology Integration** across project delivery systems for improved efficiency and profitability.

**KAMAT HOTELS LIMITED**

**Outlook:** Kamat Hotels demonstrates exceptional growth potential through its ambitious expansion strategy targeting 30 hotels by FY26 from current 22 properties, representing 36% capacity growth. The company's established brands—Orchid Asia's first five-star eco-friendly chain) and Era (launched in 2022 provide strong market positioning and differentiation advantages. Recent successful openings validate execution capabilities while strategic land holdings near Wadhawan Port present significant long-term monetization opportunities.

**Business Model & Strategic Positioning**

Kamat Hotels operates as a premium hospitality chain with 85+ years of industry heritage, evolving from eateries to today's established hotel portfolio under third-generation management. The business model utilizes three operational structures: revenue sharing (preferred at 2024% of gross revenue), lease arrangements, and management contracts. This diversified approach enables geographic expansion while maintaining capital efficiency and risk optimization across different property types and market conditions.

**Brand Portfolio & Market Differentiation**

The Orchid brand maintains unique positioning as an eco-friendly luxury chain established in 1997, featuring India's only Maratha fort heritage hotel (Fort Jadhavgarh) and comprehensive sustainability practices. Era represents strategic diversification into mid-market segments with properties across key cities. Both brands benefit from integrated operational synergies including shared sales networks, staff deployment flexibility, and unified marketing approaches while serving distinct market segments.

**Financial Performance & Expansion Strategy**

Recent operational achievements include successful launches of Orchid Rishikesh, Era Hyderabad, and Orchid Panchgani, demonstrating execution capabilities across diverse markets. Average room rates have improved substantially to INR 7,000 versus INR 3,900 last year, reflecting demand recovery and strategic positioning. The expansion strategy prioritizes quality over quantity, ensuring each property achieves market leadership positions with room counts typically ranging 5070 keys based on local demand characteristics.

**Environmental Initiatives & Operational Excellence**

The eco-friendly positioning encompasses energy saving, water conservation, solid waste management, community involvement, and employee engagement. These initiatives generate tangible cost savings while creating customer differentiation and loyalty through authentic sustainability culture. Management emphasizes guest experience excellence through fresh food preparation, comprehensive staff training, and strict adherence to environmental standards across all operational aspects.

**Risk Management & Growth Outlook**

Primary risks include seasonal demand fluctuations and execution challenges during expansion phases, mitigated through diversified revenue mix across business and leisure segments, flexible staffing arrangements, and conservative financial management. Strong brand equity and operational expertise enable successful partnerships while maintaining service standards. Management targets 4,0005,000 room keys over the medium term while maintaining profitability focus and capitalizing on India's structural hospitality sector growth

**Karnika Industries Ltd**

Karnika Industries is repositioning itself as a scaled, integrated player in the children's apparel market, leveraging both organic growth and acquisitions. The recently announced acquisition of *Kid City* is expected to be transformative, taking revenue visibility to INR 600 crore by FY27 with stronger brand positioning and backward integration benefits.

The company is addressing two large opportunities:

**Mass & Value Segment:** Strong presence in Tier-2/Tier-3 cities with affordable kidswear.

**Branded Expansion:** With Kid City, Karnika gains a recognized kidswear brand, opening avenues in organized retail and exports.

**Acquisition of Kid City**

**Deal Structure:** 100% acquisition funded via internal accruals and moderate leverage.

**Strategic Fit:** Adds brand equity, pan-India distribution reach, and complements Karnika's existing manufacturing base.

**Revenue Contribution:** Kid City expected to contribute INR 200 crore+ revenue by FY27.

**Synergies:** Cross-selling, expansion into organized retail, and margin expansion from scale benefits.

**Organic Business Outlook**

**FY25 Baseline:** Karnika on track to achieve INR 280-300 crore revenue organically.

**FY26-27 Guidance:** Including Kid City, revenue guidance raised to INR 500-600 crore by FY27.

**Exports:** Management is actively targeting export markets with initial traction from Middle East and Africa.

**Financial Guidance & Margins**

**EBITDA Margin Profile:** Expected to improve from 11-12% currently to 14-15% by FY27, aided by branded sales and backward integration.

**PAT Margins:** Sustained in the 7-8% range, with scope to expand further post integration.

**Working Capital:** Historically 100+ days due to distribution-led model; expected to reduce meaningfully with Kid City's retail-oriented structure.

**Capex & Funding Strategy**

**Kid City Integration:** No large incremental capex required beyond working capital support.

**Debt Profile:** Comfortable leverage even post acquisition; management targets debt-to-equity below 0.5x.

**Future Expansion:** Any Phase-2 expansion will be calibrated and internally funded.

**Strategic Outlook Beyond FY27**

**Branded Focus:** Strong push to transition from a pure B2B distributor to a hybrid B2B + branded retail player.

**Distribution:** Kid City provides access to large-format retail and e-commerce.

**Exports & Diversification:** Management highlighted exports as a key long-term growth driver, reducing domestic cyclicity.

**Khazanchi Jewellers Ltd**

**Outlook:** Management remains confident of sustaining 25–30% top-line growth over FY26–28 despite near-term demand headwinds from record gold prices. The strategy pivots on accelerating the B2C mix to 25% of revenue within two years, margin-accretive product extensions such as natural-diamond brand Vajra Diamonds, and a flagship 10,000 sq ft showroom slated to open in Chennai by CY25-end. We believe execution on inventory turns and working-capital discipline will be critical as the company transitions from wholesale-led scale to a blended retail model in a volatile bullion environment.

**Growth Strategy & Business Mix**

Shift to Retail: B2C contribution targeted to rise from 10% to 25% of revenue by FY27, driven by the upcoming Chennai flagship and premium design curation.

Wholesale Resilience: B2B (~90% of FY25 sales) to keep growing at 25–30% p.a., leveraging >500 South-Indian retailer relationships; no single client exceeds 7–8% of sales.

Product Diversification: Launch of Vajra Diamonds positions the company in natural-diamond jewellery amid rising urban demand; management has ruled out lab-grown diamonds citing value and price stability concerns.

Digital Engagement: Proprietary Gold-Saving Scheme app and CRM analytics aimed at enhancing repeat purchase behaviour, especially among millennials seeking lighter, daily-wear designs.

**Margin Architecture**

Current Blended EBITDA Margin: 4.0–4.5% in FY25; management expects 100-150 bps expansion as B2C mix rises and diamond offerings scale.

**Segment Margins:**

B2B ornaments: 4.5–5%

B2C retail: 9–10%

Bullion trading: 1.25–1.5%

Inventory valuation gains added 100–150 bps to FY25 margins but are unlikely to recur at the same magnitude.

Industry Context: Large organised jewellers typically operate at 7–8% EBITDA margin; ICRA sees FY26 operating margins expanding 30 bps to 7.2% even as financing costs rise.

**Expansion Plans**

Flagship Showroom: 10,000 sq ft Sowcarpet, Chennai; INR 1.5 bn inventory investment funded from IPO proceeds. Opening pushed to Q4 FY26 due to municipal clearances; management still expects to capture Diwali/Pongal seasonality.

Sales Potential: Targeting INR 1.0 bn sales in remaining months of FY26 and three inventory turns (~INR 4.5 bn annualised) from FY27.

Geographical Focus: Initial roll-out confined to South India where 40% of national gold demand emanates; eventual foray into select North/West Tier-2 markets once brand awareness of Vajra Diamonds builds.

**Demand Environment & Industry Trends**

Price Elasticity: Record domestic gold at ~INR 1.13 lakh/10g has suppressed volume; World Gold Council reported the lowest H1 jewellery demand since 2000.

Light-Weight Pivot: Management mitigating by ramping 14–18 karat lightweight and fusion lines to protect ticket size. Sector-wide shift corroborated by analysts noting caratage downgrades and higher recycled gold flow.



**Organised Market Tailwind:** Duty cut to 6% (Jul-24) and hallmarking norms accelerating shift from unorganised to branded chains; organised players projected to grow 14–18% in value terms in FY26 despite 9–10% volume decline.

#### **Working Capital & Liquidity**

**Cash-Flow Concerns:** Operating cash flow was near zero in FY25 as earnings recycled into inventory to widen design variety; management views stock as quasi-cash.

**Inventory Hedging:** Re-filling policy (simultaneous bullion buy-back) limits open price exposure; inventory gains contributed ≈1.5% to FY25 EBITDA.

**Leverage Outlook:** Net-worth strengthened post-IPO; debt-to-equity fell to 0.29× in FY24. However, higher gold metal loan rates and showroom capex could pressure coverage metrics, mirroring broader sector trends.

#### **Key Risks**

**Execution Risk in Retail Transition:** Success hinges on brand pull, store economics and working-capital discipline as inventory intensity rises.

**Gold Price Volatility:** Sustained price spikes could prolong demand weakness and inflate financing costs.

**Regulatory Flux:** Any reversal of the recent duty cut or tighter GML norms could adversely affect margins and liquidity.

**Concentration:** Tamil Nadu accounts for >80% of revenue; delayed regional diversification could limit growth resilience.

**Kilburn Engineering Ltd**

**Outlook:** Strong growth path with a healthy order book of ~INR 447 crore and an enquiry pipeline of INR 4,000+ crore. 50%+ topline growth is expected in FY26 to ~INR 650 crore, supported by recent acquisitions and capacity expansion. Margins are expected to stabilize at ~23% EBITDA, even though recent quarters have been higher. The company is targeting to become a INR 1,000 crore revenue company by 2028, with growth of ~25% annually over the next few years. Expansion of the Saravalli plant and ME Energy is expected to add capacity and revenue, while Monga Strayfield will contribute high-margin niche business.

**Order Book & Pipeline**

The order backlog as of June 30th, 2025 was INR 447 crore. INR 48 crore of the order book is from nuclear projects currently under execution. The company has a current enquiry pipeline of over INR 4,000 crore. Historically, it has converted 20–25% of its enquiry pipeline into orders. ~30–40% of the order book comes from repeat customers.

**Capex & Expansion**

The board has approved a INR 30 crore brownfield expansion at Saravalli, expected to complete by early next year, enabling additional revenue of INR 100–120 crore.

A further phase-2 expansion for ME Energy is being evaluated, with a likely spend of INR 7–10 crore. Future capex beyond FY26 is expected to be limited to INR 8–10 crore annually, unless required.

**Acquisitions & Integration**

ME Energy (acquired Feb 2024) now scaled to INR 100 crore+ topline with strong potential due to complementary operations with Kilburn and new opportunities in steel, cement, and non-conventional energy.

Monga Strayfield (acquired Jan 2025), a niche RF drying solutions business serving food, meat, textiles, and ceramics; expected to contribute high margins rather than rapid topline growth.

Integration is ongoing, with collaboration on combined solutions already underway. Expected payback period for acquisitions is 3–4 years.

**Tariff Impact**

Minimal impact on Monga Strayfield's RF drying business. For US customers, orders are routed through the UK subsidiary, which helps bypass tariff-related issues. For orders booked through India, the tariff adds a cost, but it is a very small portion of the customers' overall product cost. Even with a 50% tariff, the absolute impact is negligible for customers.

**Other Highlights**

The company provides customized drying and process solutions across industries such as carbon black, soda ash, fertilizers, chemicals, pharma, wastewater, and nuclear.

Recent traction in rotary dryers across multiple verticals makes it a key product contributor. Diversified revenue with fertilizers contributing most in the last quarter. Monga Strayfield has recently secured 4 new orders in the meat industry across the US, Southeast Asia, Middle East, and South Korea. Working capital days in FY25 were 169, with a target to reduce it to ~100+ days in FY26.

The company expects to achieve positive cash flow by year-end FY26. Strategy includes negotiating higher customer advances (10–20% and rising) and extending vendor credit to manage liquidity. No immediate inorganic growth is planned, but management is open to suitable acquisition opportunities in the drying solutions space.

Promoter holding reduced from 54% in Dec 2020 to ~45–46% due to fund raises and warrant conversions, but they continue to participate in capital infusions and warrant exercises.

**Kranti Industries Ltd**

**Company Overview:** Kranti Industries is a Pune-based company that manufactures automotive components, such as gearbox parts, differential housing, and knuckles, mainly for tractors, commercial vehicles, electric vehicles (EVs), construction machinery, and some non-automotive sectors. Around 60-65% of their business comes from the tractor industry, with the rest from commercial vehicles, EVs, construction equipment, and other engineering sectors. Their biggest client is CNH (Case New Holland), contributing about 50% of revenue. Other clients include Carraro India, Dana Group, Escorts, and non-automotive customers like Ingersoll Rand.

**Manufacturing Setup:**

Kranti Industries has three plants in Pune (Pirangut, near Mumbai-Pune highway) with over 78 high-tech machines (CNC, VMC, HMC).

**Recent Acquisition:** In 2023, Kranti acquired Preciso Metall, a casting foundry, for backward integration. This unit was struggling but reached break-even in the last quarter, improving overall financials.

**Financial and Operational Performance**

**Revenue Growth:** Expects a minimum of 15-18% revenue growth in FY26 and consistent double-digit growth over the next 3-4 years. Growth will come from new product segments, export projects, and increased market diversification (tractors, EVs, construction equipment, etc.).

**Capacity Utilization:** Current capacity utilization is 58-60%, expected to reach 75-80% by the end of FY26.

**Margins:** Current EBITDA margin is 11-12%, expected to improve to 15-17% by FY27 due to: Higher capacity utilization, which spreads fixed costs, New product mix with better profitability, Price adjustments with some customers and Break-even at the acquired Preciso Metall, which previously dragged down profits.

**Inventory and Working Capital:** Inventories are high due to the development of 25-30 new components over the last 4-5 quarters. This involved building inventory for tooling, sampling, and testing, which takes time in the component industry and now starting to monetize this inventory as new product orders are received which should reduce working capital stress and improve margins.

**Strategic Initiatives**

**New Product Development:** Developed 25-30 new components with production starting for some. These include parts for Bonfiglioli (3 out of 5 components in production) with an expected annual revenue of INR 150 Mn once fully scaled. The company is also working on export projects, with sample orders already received. Production for this is expected to start in Q1 FY27.

**Export Focus:** Exports currently account for 2.5% of revenue including deemed exports. This is expected to rise to 4-5% this year and reach double digits next year. Main export markets are Europe and some US customers, with development orders already in progress.

**Preciso Metall Integration:** The acquired foundry is at 50% capacity utilization, expected to reach 70% by Q4 FY26. It is now integrated into Kranti's operations and has stopped negatively impacting consolidated financials after reaching break-even.

**EV and New Segment Opportunities**

**Entry into EVs and 3W Segment:** Has received initial development orders for EV components. These are under development, with plans to scale by exploring opportunities with larger EV OEMs.

**Revenue Potential:** The Bonfiglioli order (3W and EV components) is expected to generate INR 150 Mn annually once fully scaled.

**Guidance**

**Revenue Growth:** Targeting 15-18% growth in FY26 and consistent double-digit growth for the next 3-4 years, driven by new products, exports, and market diversification.

**Margin Improvement:** Aiming for 15-17% EBITDA margin by FY27 through higher capacity utilization, new product mix, and operational efficiencies.

**Exports:** Expected to grow to double digits next year, with Europe and the US as key markets.

**Capacity Expansion:** No major capex until FY27, with existing capacity sufficient to support growth. Future capex will be strategically planned and funded through debt and equity.

**Krishana Phoschem Limited**

**Outlook:** Krishana Phoschem demonstrates exceptional value creation potential through its integrated fertilizer manufacturing model and strategic capacity expansion initiatives. The company's remarkable transformation from a loss-making BRP unit in 2007 to a profitable enterprise with 64% revenue CAGR and 47% EBITDA CAGR over five years reflects superior execution capabilities. Current capacity expansion targeting 50% increase to 615,000 MT by FY26, coupled with backward integration advantages including exclusive access to beneficiation rock phosphate mines, positions the company for sustained growth in India's expanding fertilizer market.

**Business Model & Strategic Positioning**

Krishana Phoschem operates as an integrated fertilizer manufacturer specializing in Single Super Phosphate (SSP), Di-ammonium Phosphate (DAP), and NPK complex fertilizers. Acquired by the Oswal Group in 2007 as a distressed BRP unit, the company has undergone complete transformation through backward integration across the value chain, from beneficiation of low-grade rock phosphate to finished fertilizer production. Revenue streams include proprietary SSP brand "Annadata" and DAP/NPK products marketed under "Bharat," with geographic focus on neighboring states including Madhya Pradesh, Chhattisgarh, Gujarat, and selective presence in Maharashtra and Andhra Pradesh.

**Capacity Expansion & Operational Excellence**

Current expansion program targets 50% capacity increase from 410,000 MT to 615,000 MT by FY26, with INR 1.42 bn investment funded through debt and internal accruals. Historical capacity evolution demonstrates systematic growth from 200 MT BRP unit in 2007 to current capabilities. Key milestones include SSP plant establishment (2012), sulfuric acid backward integration (2017), Spanish plant acquisition for DAP/NPK complex fertilizers (2024), and secured green ammonia supply arrangements (2026) replacing natural gas dependency. The phased approach minimizes execution risks while ensuring optimal capacity utilization during ramp-up phases.

**Financial Performance & Return Metrics**

Outstanding financial performance reflects successful transformation with revenue CAGR of 64% and EBITDA CAGR of 47% over five years (FY21-FY25). EBITDA margins range 13-15% for manufacturing operations, significantly outperforming competitors lacking similar backward integration.

The company reported FY25 revenue of INR 13.55 bn and net profit of INR 870 mn. Return metrics demonstrate exceptional capital efficiency with ROE of 25% and ROCE of 21%, substantially exceeding industry averages. Capacity utilization maintains near-optimal levels with SSP facilities operating at approximately 100% and DAP/NPK complex achieving 80% in Q1 FY26.

**Backward Integration & Competitive Advantages**

Krishana Phoschem maintains comprehensive backward integration covering sulfuric acid and phosphoric acid requirements, providing significant cost advantages and supply security. The company operates one of only two private beneficiation plants in India for low-grade rock phosphate, sourcing from MP Mining Corporation under long-term agreements. This exclusive access provides 20% of total rock phosphate requirements while remaining 80% imports from Egypt and Morocco. Manufacturing integration includes in-house sulfuric acid plant, solar power generation, and waste heat recovery systems, reducing energy costs and enhancing environmental compliance.

**Market Position & Future Outlook**

Indian fertilizer industry benefits from structural growth drivers including agricultural intensification, government subsidy support, and import substitution initiatives. Krishana Phoschem operates in markets where India imports approximately 50% of DAP/NPK requirements, creating substantial domestic manufacturing opportunities. The company's competitive advantage stems from proprietary expertise in refurbishing old plant equipment to achieve new-plant performance levels at lower capital deployment. Key growth catalysts include successful capacity expansion completion, potential acquisitions, geographic expansion, and government policy support through PLI schemes and infrastructure development, positioning the company for continued market leadership.

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**Krishival Foods Ltd**

Krishival Foods Limited, one of India's fastest-growing FMCG companies, provided an update on its dual-brand growth journey and market positioning. Incorporated in 2014, the company operates across two high-potential categories—dry fruits under *Krishival Nuts* and ice creams under *Melto Milo*. Both categories tap into India's rising discretionary consumption, supported by increasing per-capita income, urbanisation, and premiumisation trends. With an integrated value chain, robust sourcing, strong distribution, and product innovation, the company is positioned to capture growth opportunities in both nutritional and indulgence segments.

**Business Model and Brand Strategy**

Dual-brand structure diversifying across nutrition (*Krishival Nuts*) and indulgence (*Melto Milo*).

Categories complement each other, enabling cross-promotion, distribution synergies, and balanced working capital cycles.

Premium yet affordable positioning, with early-mover advantage in tier-2/3/4 towns.

Expanding omni-channel presence across general trade, modern trade, e-commerce, and exports.

**Industry Tailwinds**

India's dry fruit and nuts market projected to triple by 2030 on rising incomes, health awareness, and urbanisation.

Ice cream market expected to quadruple by 2032, driven by aspirational consumption, lifestyle changes, and penetration into semi-urban and rural areas.

Premiumisation trends evident across both categories, with consumers seeking higher quality, innovation, and brand trust.

**Operations and Infrastructure**

World-class dry fruit processing facility near Belgaum (50,000 sq. ft.), with expansion underway to 200,000 sq. ft. to quadruple capacity.

Strong global sourcing relationships built over a decade for almonds, cashews, pistachios, and other dry fruits, ensuring consistent quality and pricing advantage.

Ice cream manufacturing facilities in Aurangabad and Samai Nagar with installed capacity of 125,000 litres/day; currently operating at ~20–25% utilisation, with ramp-up planned to ~90% over 2.5 years.

Integrated cold chain and storage infrastructure to maintain freshness and product quality.

**Distribution and Market Presence**

Krishival Nuts available in 100+ tier-2/3 towns across Maharashtra, Madhya Pradesh, NCR, Haryana, and Karnataka.

Melto Milo ice creams present at 25,000+ retail touchpoints across Maharashtra, Telangana, Goa, and North Karnataka.

E-commerce partnerships with Blinkit, Zepto, Amazon, Flipkart, and others.

Export presence in Singapore across 300 retail points, with monthly run-rate of ~INR 6 MN; plans to expand into USA post regulatory clearances.

**Financial Performance**

FY25 revenue of INR 2,060 MN, up 97% YoY.

EBITDA of INR 252 MN, up 66% YoY.

Net profit of INR 135 MN, up 45% YoY.

Per-share earnings increased from INR 4.3 to INR 6.1.

Ice cream segment turned around from operating losses in FY24 to INR 1,150 MN topline in FY25, contributing meaningfully alongside nuts.

**Competitive Advantages**

Integrated value chain from global sourcing to branded retail presence.

Strong brand recall in underpenetrated aspirational markets (tier-2/3/4).

Complementary product categories balancing seasonal demand cycles and optimising working capital.

Culture of innovation with continuous product launches (e.g., Kaju Katli, bakery-linked ice cream products).

Efficient supply chain and ISO-certified quality processes ensuring consistency and competitiveness.

**Growth Strategy**

Scale ice cream segment by deeper penetration in existing territories and optimising current manufacturing capacity.

Expand nut processing capacity with new facility under construction, enabling multi-fold growth.

Strengthen distribution footprint from 100+ towns to 200+ towns within 12–18 months.

Grow exports beyond Singapore into North America and other international markets.

Focused innovation in value-added products within dry fruits and ice creams, avoiding unrelated diversification.

**Future Outlook**

Krishival Foods is well-positioned to capitalise on India's discretionary consumption wave, supported by structural growth drivers in both dry fruits and ice creams. With a strong brand portfolio, robust supply chain, scalable infrastructure, and expanding distribution, the company targets sustained double-digit revenue growth and margin expansion. Upcoming capacity additions and export opportunities further strengthen medium-term visibility. The company remains focussed on maximising value through disciplined execution, innovation, and brand-led growth in its core categories.

**Krsnaa Diagnostics Limited**

**Outlook:** Krsnaa Diagnostics demonstrates exceptional growth potential driven by the transformational Rajasthan pathology contract and systematic expansion into retail services. The Rajasthan project, covering the entire state with 42 mother labs and 285 collection centers, represents INR 300350 mn annual revenue potential starting FY27 with attractive 25% margins. The company's unique PPP-focused business model provides sustainable competitive advantages through zero rent facilities, concessional electricity rates, captive patient flows, and 100% technical qualification success rates across 300+ diagnostic centers spanning 18 states.

**Business Model & Strategic Positioning**

Krsnaa Diagnostics operates as a specialized PPP-focused diagnostic service provider founded in 2009 by Rajendra Mutha, evolving from two radiology centers in Pune to a dominant government diagnostic services player. Current operations span radiology services (48% revenue) and pathology services (52% revenue), with additional hospital lab management contributing 89% of total revenue. The company maintains a 100% success rate in technical qualifications for PPP tenders, competing primarily on financial bids at approximately 78% of CGHS pricing while serving 160 districts across India's 730+ total districts.

**Rajasthan Pathology Project & Revenue Impact**

The recently awarded Rajasthan pathology contract represents a transformational growth opportunity covering entire state operations through 42 mother labs, 150 hub labs, and 135 collection centers. Implementation timeline spans 69 months with full operational commencement by FY27, targeting annualized revenue of INR 300350 mn with superior 25% EBITDA margins. The project leverages previous experience in six Rajasthan districts and represents approximately 4045% incremental revenue contribution based on current run rates, providing significant earnings growth catalyst.

**PPP Model Competitive Advantages & Economics**

The PPP business model provides multiple structural advantages including zero rental costs for government-provided premises, concessional electricity rates, and captive patient flows through mandatory government hospital referrals. These operational benefits enable competitive pricing while maintaining superior margins compared to retail-focused competitors. Center-level economics demonstrate attractive returns with mature radiology centers achieving 32% ROC and pathology operations targeting 2022% IRR. Contract durations provide long-term revenue visibility with radiology contracts spanning 10+ years and pathology contracts covering 57 years.

**Retail Expansion & Asset Utilization Strategy**

Strategic retail expansion commenced in FY25, contributing 6% of quarterly revenue with targeted growth to 8% of total annual revenue. Expansion focuses on states with comprehensive PPP presence including Maharashtra, Punjab, Odisha, and Assam, leveraging existing laboratory infrastructure and 24/7 operational capabilities. The retail strategy optimizes asset utilization by expanding customer base beyond government contracts while maintaining cost structure advantages through shared infrastructure and creating operational synergies.

**Growth Drivers & Future Outlook**

Key growth catalysts include new tender wins across untapped districts and states, expansion of services within existing operational territories, maturation of recently deployed centers reaching optimal capacity utilization, and strategic retail expansion. Technical qualification barriers continue strengthening through experience requirements and operational track record emphasis, creating competitive moats for established players. With government healthcare spending increasing and diagnostic services demand expanding across tier-2/3 cities, Krsnaa is well-positioned to capitalize on structural industry tailwinds while maintaining disciplined capital allocation and operational excellence.

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**Krystal Integrated Services Ltd****Company Overview**

The company, has evolved from a security service provider into a comprehensive multi-service provider with a national presence across 26 states and a workforce of over 43,000 employees. The core competence lies in providing integrated facilities management and offering a single-solution approach for clients with diverse needs.

**Business & Revenue Mix**

The company's revenue streams are well-diversified, with a significant portion coming from integrated facilities management services (IFM) and staffing solutions.

IFM and Staffing: These are the largest segments, accounting for over 80% of revenue. The company provides services such as integrated facilities management, staffing, payroll management, and private security.

Newer Verticals: The company has strategically expanded into new, high-potential areas including solid and liquid waste management, technical facility management, and wastewater management. These services are being offered to residential communities and large-scale industrial clients.

Client Sectors: The client base is a mix of government and corporate entities. Key sectors include education, public administration, infrastructure (metros, courts), and healthcare. The company has a strong focus on government contracts, which make up about 70% of its business.

**Growth Strategy**

The company's strategic focus is on both organic and inorganic growth.

Organic Growth: The company aims to expand its customer base and grow within existing verticals by leveraging its wide range of services and national presence. It's actively working to optimize its service offerings and qualify for new government contracts.

Inorganic Growth: The company is pursuing acquisitions of mid-sized companies with strong technical expertise, particularly in the waste management sector, to accelerate its entry and growth in these new markets.

**Financial Outlook:** The management is confident in achieving sustainable growth and maintaining margins, attributing their success to their 25 years of experience, a diversified portfolio, and strong, long-term customer relationships. They are also focused on reducing working capital days to improve cash flow. The company stated that it has a low debt-to-equity ratio and is strategically focused on projects that improve its bottom line.

Workforce & Training: A critical part of the company's success is its people-centric approach. It has a dedicated training academy to ensure consistent training and high-quality service, which leads to strong customer satisfaction and retention. The company boasts a high customer retention rate, with many long-standing relationships.



**Landmark Immigration Consultants**

Company is strategically expanding beyond its study visa core, which currently accounts for 95% of its approximately INR 380 million revenue, by aggressively moving into education services. The company is diversifying its geographical focus, aiming to reduce dependence on Canada from over 80% to under 50% by leveraging growth in the UK, Germany, and Dubai, and is also expanding internationally with a new B2B model and offices starting in Bangladesh. Key new ventures include the advanced-stage acquisition of a nursing college in India for pathway programs and the establishment of a licensed campus in Dubai, expected by late October/early November. Management is guiding for a INR 600-INR 650 million revenue in FY25. They project similar EBITDA margins of about 43% for these new educational offerings and are investing in a centralized IT platform and increased marketing for Pan-India expansion. Strategic Shift & Growth: The company changed its name to reflect its plan to launch Pathway Programs and set up satellite campuses to provide international degrees with some study completed locally.

**Expansion Initiatives:**

Dubai Campus: Applying for a license to set up its own campus, aiming to be operational by late October/early November.

India Acquisition: In advanced discussions to acquire a majority stake in a nursing college in Punjab.

Geographical Sourcing: Expanding aggressively from its North India base to Pan-India and international markets (Bangladesh, Sri Lanka, Africa).

Financial Model: The new educational services are expected to maintain high margins, and the capex for expansion (focused on licenses/rentals) is low-asset with a potential payback period of under one year.

**Le Merite Exports Ltd**

**Guidance and Future Outlook:** Management expects FY25 to deliver ~INR 40–45 bn in sales with stronger EBITDA uplift driven by defence orders. The company aims for a near-equal revenue split between defence and textiles within three years, supported by its INR 13.5 bn technical textile plant and PLI incentives. With a robust order book, expanding product basket, and supportive government schemes, Le Merite Exports is positioning itself as a differentiated player in India's defence textile ecosystem, prioritising profitability and sustainability over pure volume growth.

**About the company:** Le Merite Exports Ltd. outlined its strategic shift from conventional textile exports toward defence-focused technical textiles. The company highlighted its growing order book from the Ministry of Defence (MoD) and Ministry of Home Affairs (MHA), progress on its new INR 13.5 bn project under PLI, and plans to strengthen profitability through high-margin defence contracts. While the export business remains muted due to global softness, management emphasised that bottom-line improvement is expected to drive performance in the near to medium term.

**Diversification into Defence**

Started defence diversification 2.5 years ago via DRDO ToTs (2 secured, 1 absorbed).

Now actively supplying to MHA and MoD with products like uniforms, ponchos, sleeping bags, and ECC jackets.

Order execution already underway for BSF, ITBP, Assam Rifles, Ladakh Police, etc.

Current defence order book at INR 550–600 mn, execution targeted by Nov'25.

**Large-Scale Project Underway**

Subsidiary **Le Merite Tactical & Defence Solutions Pvt Ltd** set up.

INR 13.5 bn investment planned; land procured, civil work started.

Backed by **PLI approval**; expected commissioning by Sep'26.

Phase 1 to handle ~10 tonnes/day, expandable to 30 tonnes/day with minimal capex.

**Sales Mix and Growth Targets**

FY25 sales expected at **INR 40–45 bn**, with ~INR 8–10 bn from defence.

Breakup: ~70% exports, 20–25% defence, and ~5% domestic yarn.

Exports to remain sluggish; growth focus to come from defence orders.

FY27 consolidated revenue targeted at ~INR 75 bn, with 50:50 split between exports and defence.

**Margin Expansion**

Export EBITDA margins at 10–15%.

Defence contracts carry margins of 40–70%, expected to lift blended EBITDA to 15–25%.

Focus on bottom-line growth rather than chasing topline in low-margin exports.

State and central incentives (PLI + state subsidies) expected to enhance profitability.

**Product Expansion & R&D**

Product suite includes coated fabrics, uniforms, rain ponchos, sleeping bags, technical garments.

New facility to backward integrate coated fabrics and scale garmenting.

Future pipeline includes parachute fabric (pending machine acquisition in FY26), aramid and FR yarn spinning.

Dedicated R&D and testing lab planned to support new product development.

**Market Outlook & Opportunities**

Large opportunity in supplying paramilitary forces and defence organisations.

Aerospace and parachute fabric seen as medium-term growth adjacencies.

International focus shifting to technical textiles (fire suits, coast guard gear) for Europe, Middle East, Russia.

Conventional exports remain cyclical, but demand pipeline strong in Bangladesh, Turkey, and Egypt via existing networks.

**Financial Strength & Investor Queries**

Manufacturing revenue currently ~INR 12 bn; balance from trading.

Defence sales targeted at INR 8–10 bn in FY25, potentially INR 25–30 bn by FY27.

Incentives from PLI expected to add INR 6–7.5 bn over project life.

Debt and working capital cycle manageable: export receivables at 120–250 days, domestic/defence at 30–90 days.

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Lokesh Machines Ltd

**Outlook:** Lokesh Machines is poised for a resilient recovery and growth in the medium term. The company expects revenue in FY26 to rebound to nearly FY24 levels, supported by a strong order book and a significant pickup in momentum anticipated in the latter half of the year. Margins are projected to improve, driven by the higher profitability of the defense vertical and a strategic shift toward manufacturing high-value CNC machines. Key growth drivers include the rapid scaling of its indigenous defense manufacturing portfolio, successful diversification of its auto components business into the EV sector, and capacity expansion in high-demand CNC machines. The expected near-term resolution of the OFAC sanctions is likely to restore a major customer relationship and remove a significant overhang. With a focused strategy on sectoral diversification, in-house R&D, and technological collaborations, Lokesh Machines is well-positioned to capitalize on the strong demand tailwinds in Indian manufacturing and the government's push for import substitution, particularly in defense. The outlook for the company remains positive.

**Revenue:** Revenue is expected INR 2.8bn+ in FY26E. The company's performance was adversely affected during the last two quarters of the previous financial year and the first two quarters of the current year due to OFAC sanctions.

**Margins:** EBITDA margins in the range of 13% to 14%. Margins are anticipated to improve moving forward, driven by the higher profitability associated with the defense sector and the introduction of high-value CNC machines.

**Revenue Mix and Future Portfolio:** The company operates across three primary verticals: Machine Tools (encompassing CNC and Special Purpose Machines), Auto Component Division (machining and forging), and Defense (small arms manufacturing). Looking at the medium to long term, over the next 2 to 3 years, the projected revenue split is expected to be balanced, with Machine Tools remaining the core contributor at approximately 60% of total revenue. The Defense and Auto Components verticals are each expected to contribute around 20% of total revenue. This strategic mix aims to reduce the company's historical dependence on only two sectors and create a more resilient overall portfolio.

**CNC Machines:** Lokesh Machines, a prominent player in the Indian machine tool industry since 1985, currently manufactures around 750 CNC machines annually. The company is in the process of doubling this capacity to 1,500 machines per year with minimal additional investment. Its product range includes three-axis, four-axis, and five-axis machines, such as vertical machining centers, CNC turning centers, vertical lathes, and horizontal machining centers. More than 7,500 to 8,000 of its machines are operational across India. Historically, 90% of CNC sales were to the automotive industry; this dependence has been successfully reduced to less than 50%. The company is now targeting new sectors including agricultural implements, energy, aerospace, defense, infrastructure, and power. A key strategic shift involves focusing on high-value machines like five-axis and horizontal machining centers, which command better realizations. The current average realization per machine is around 23 lakhs, and this figure is expected to increase with the changing product mix.

**Special Purpose Machines (SPMs):** Special Purpose Machines are custom-built, tailor-made solutions, and Lokesh Machines has developed a strong niche in this area. The company specializes in critical engine manufacturing processes such as cam and crank boring and piston boring, claiming a near top position in India for these specialized SPMs. Orders for SPMs are typically long-term in nature, providing revenue visibility and stability.

**Auto Components and Forgings:** The Auto Component division focuses on the machining of cylinder blocks, heads, and connecting rods. A significant recent development is the backward integration into forging. Following the successful implementation of its first 1,600-ton hot forging press, the company is adding two new forging lines an additional 1,600-ton press and a 1,000-ton press scheduled for commissioning before March 2026. Notably, a substantial portion of the demand for these new forging capacities is originating from the Electric Vehicle (EV) sector, particularly for two-wheelers and three-wheelers, thereby reducing the division's reliance on Internal Combustion Engine (ICE) components.

**Defense and Aerospace:** Lokesh Machines has established itself as a significant player in defense manufacturing, notably as the first private sector company in India to supply indigenously manufactured small arms to the Indian Army. Its inaugural product, the Asmi 9x19 submachine gun, was developed in under three months and was production-ready in less than nine months—a process that typically takes 4-5 years. The company delivered 550 of these weapons in September. Building on this success, DRDO has transferred technology for two additional weapons: the 7.62 x 51 Light Machine Gun (LMG) and a Medium Machine Gun (MMG). The company now boasts a portfolio of more than six weapons. A state-of-the-art facility was established in Hyderabad with an investment exceeding INR 500mn, with an initial annual capacity of 15,000 to 18,000 weapons and infrastructure scalable to over 50,000 units. Defense revenue, which was 6 crores last year, has an internal target of exceeding 30 crores this year. Defense orders currently constitute about 20% of the total order book. The compact R&D team is also developing other defense products beyond small arms, expected to launch within two years.

**OFAC Sanctions and Issues with Mahindra:** The company faced significant challenges due to sanctions imposed by the US Department of Treasury's Office of Foreign Assets Control (OFAC). The Auto Component division was severely impacted as it was entirely dependent on Mahindra and Mahindra. Mahindra suspended business due to concerns that their tractors in the US market, which contained components supplied by Lokesh Machines, could attract secondary sanctions. This suspension led to a loss of business estimated at INR 850-900mn in FY24. Lokesh Machines has represented its case to the US government, engaged US legal counsel, and responded to a detailed OFAC questionnaire. The company believes it has sufficiently demonstrated no wrongdoing and expects to be removed from the sanctions list "very soon," potentially within the next quarter. The long-standing relationship with Mahindra (over 30 years) is expected to resume post-sanction removal, especially since Mahindra had invested about 30% of the capital in the dedicated production lines. This episode served as an awakening, prompting the company to aggressively diversify its customer base for the forging business, securing new orders primarily from the EV two-wheeler and three-wheeler sectors.

**Order Book and Capacity Utilization:** The company's current order book stands at INR 960mn. Orders are segmented, with CNC machine orders coming in frequently on a quarterly basis, while SPM orders are long-term; long-term SPM orders alone amount to over INR 210mn. The defense segment contributes approximately 20% to the current order book. The overall capacity utilization across the company is currently around 70%.

**Capex, Working Capital, and Debt:** For the doubling of CNC machine capacity, the company has invested INR 375mn. This capital expenditure was financed through a INR 250mn term loan, with the balance covered by internal accruals and equity. Promoters have demonstrated strong confidence by investing over INR 280mn of the total 80 crores invested in the last two years. The company possesses a sufficient land bank near Hyderabad to support growth for the next 10 to 15 years. Inventory levels are maintained high primarily due to two reasons: the long lead times (12-18 months) associated with SPMs, and the strategic need to stock critical imported components (like ball screws and CNC systems) for CNC machines to avoid production delays when customers change specifications. The primary debt is the INR 250mn term loan taken for CNC expansion.

**Automation, R&D, and Technical Collaboration:** Lokesh Machines maintains a strong focus on research and development, both in-house and through external collaborations. The company currently collaborates with an American company, Euroch, for multi-axis lathes used in defense and aerospace, and with an Italian company for five-axis machines. In a significant advancement, the company is working with Raja Ramana Center for Atomic Technology (RRCAT) in Indore on developing a metal additive manufacturing machine (metal 3D printer), achieving about 75% localization in this high-tech area. The R&D efforts also include collaborations with leading educational institutes like IIT Chennai for the development of advanced five-axis machines.

**Industry, Market Size, and Demand:** Lokesh Machines specializes exclusively in CNC metal cutting machines, including turning centers and lathes. The estimated annual market size for this specific segment in India is between 30,000 to 40,000 machines, with nearly 50% of the demand being met through imports. The company perceives strong and sustained demand for CNC machines in the foreseeable future, fueled by India's positioning as a potential global manufacturing hub. The machine tools industry itself is projected to grow two-fold over the next five years. In the defense sector, demand is particularly high, with recent geopolitical events prompting the government to prioritize quality domestic suppliers like Lokesh Machines due to global supply chain uncertainties.

**Growth Drivers:** Key growth drivers for the company include the strategic diversification of its CNC customer base beyond automotive into high-growth sectors like defense, aerospace, and EVs; the scaling up of high-margin defense manufacturing; backward integration into forging, particularly catering to the EV segment; the introduction of high-value CNC machines leading to better realizations; and the expected resolution of OFAC sanctions, which would allow the restoration of business with Mahindra and improve overall profitability.

**Lords Chloro Alkali Ltd**

**Outlook:** Lords Chloro Alkali Limited is a well-established player in the chloro alkali industry, with a strong focus on caustic soda and CPW. Recent expansions, renewable energy investments, and better chlorine pricing in the North have driven improved financial performance. The company is strategically expanding capacity and increasing renewable energy usage to stay competitive, especially with large players like Reliance and Adani entering the market. While industry volatility and chlorine oversupply pose challenges, Lords is well-positioned for stable growth over the next few years, with a focus on cost efficiency and market opportunities in exports and domestic demand.

**Company Overview:** Based in Alwar, Rajasthan, with a head office in Defence, New Delhi, the company manufactures caustic soda (sodium hydroxide), chlorine, chlorinated paraffin wax (CPW), hydrochloric acid, and other chemicals. Operates on an 86-acre site, with 40-45 acres in use and 40 acres vacant for future expansion.

**Products and Uses:**

Caustic Soda: Used in paper, soap, detergents, textiles, and pharmaceuticals.

Chlorine: Used in-house for CPW and hydrochloric acid, with 60% sold externally.

CPW: A secondary plasticizer for rubber and PVC products, consumed locally in the Delhi NCR region, a major hub for CPW.

**Financial and Operational Performance**

Q1 FY26 showed improved results due to: Increased caustic soda capacity (from 210 to 300 tons per day), Full operation of a new solar plant, Higher CPW capacity (from 20 to 50 tons per day) and better pricing and energy efficiency from zero-gap technology which reduces electricity use.

**Revenue Breakdown:**

Caustic soda contributes ~80% of revenue, CPW ~20%.

Major end-use for caustic soda: Paper industry (25-30%), with the rest split among textiles, chemicals, pharmaceuticals, and soaps.

**Capacity Utilization:** Current caustic soda capacity utilization is 84-85%, close to the global best of 85-87%.

**EBITDA Improvement:** Driven by expanded capacity, better solar power utilization, and stable pricing.

**Recent Capex**

Completed Capex (INR 1,520 Mn) which was funded by debt and internal accruals, used for:

Caustic Soda Expansion: Increased from 210 TPD to 300 TPD.

CPW Expansion: Increased from 20 TPD to 50 TPD.

Solar Power Plant: A 16 MW DC (11.5 MW AC) plant in Bikaner, covering ~10% of energy needs, saving ~INR 10 Mn monthly.

**Future Capex (INR 1,000 Mn):** Caustic Soda: Increase from 300 TPD to 360 TPD (additional 60 TPD) and CPW: Potential expansion to 200 TPD.

**Timeline:** CPW expansion within 8-12 months, caustic soda within 12-15 months.

**Capex for FY26:** ~INR 300 Mn which will be funded by mix of debt and internal accruals.

**Renewable Energy Focus: Current Status:** 10% of power from renewables (solar plant), expected to reach 20-25% by the end of the current quarter with the Continuum wind-solar hybrid project.

**Chlorine Management**

**Current Usage:** 30-35% of chlorine is used in-house for CPW and hydrochloric acid and 60% is sold externally with better prices in the North compared to the West.

**Future Plans:** CPW expansion will increase in-house chlorine consumption by 20%. The additional 60 TPD of chlorine from the new caustic soda capacity will be absorbed by the expanded CPW plant, keeping external sales volume stable but reducing the percentage of external sales.

Lumax Auto Technology Ltd

**Outlook:** The company is well-positioned for sustained growth, leveraging a combination of premiumization, EV/CNG adoption, and aftermarket expansion. FY25 revenue growth is projected at ~20% YoY, with margin steady at ~14% and clean mobility contribution ~10–12%. Medium-term (FY27) revenue CAGR is 15–16%, clean mobility ~15% mix, and EBITDA 15–16%. Long-term (FY31) revenue is targeted at INR 11,000cr, EBITDA ~20%, and ROCE ~20%. Margin expansion appears achievable through technology partnerships and cost rationalization. Key risks include execution of clean mobility products, integration of inorganic acquisitions, and EV adoption timelines. Overall, the medium- to long-term revenue and EBITDA trajectory remains robust, supporting strong ROCE generation.

Management targets revenue growth from INR 3,700cr in FY24 to ~INR 11,000cr by FY31, implying 20%+ CAGR. Growth drivers include organic growth (~14–15% CAGR) from premiumization, content increase, and aftermarket expansion, and inorganic growth (~5–6% CAGR) via selective acquisitions. Clean mobility is expected to form 20% of revenues by FY31, supported by CNG and EV-linked products.

**Margin:** Current EBITDA margin is ~14%, with guidance to move towards ~20% over 6–7 years. Key levers include higher value content (sensors, electronics, premium interiors), aftermarket and CNG business (structurally higher margin), technology partnerships (Lumax Alps Alpine, IAC, Yokowo), and cost rationalization/operating leverage.

**Segment:** Advanced Plastics & Interiors (IAC JV) benefit from premiumization and ambient lighting opportunities. Mechatronics (Yokowo JV) drives growth via sensors, telematics, and EV-related electronics. CNG (GreenFuel acquisition) targets Maruti receptacle and tubing parts (~35% current share for receptacle), with content per vehicle ~INR 7,500–8,000. Aftermarket shows strong scope for new products and brand-led demand creation.

**JV & Subsidiary:** Lumax Cornaglia has underutilized plastic tank capacity; rooftop EV parts for M&M expected to ramp utilization to ~25–30%, with FY25 growth guidance of 10–12%. Lumax Manu is the market leader in gear shifters (~80–85% utilization), tracking PV industry growth and premiumization (manual → automatic shift), with capex-light horizontal expansion (new Pune plant) and FY25 growth of 8–9%. Lumax Alps Alpine is expanding from power window switches to IVI, throttle sensors, and telematics, targeting revenue of INR 100cr in FY25, scaling to INR 350–400cr by FY28.

**Strategic Initiatives:** Lumax is on a Tier-1 to Tier-0.5 journey, moving toward integrated modules (cockpit, consoles, interiors). Its China office provides access to cutting-edge interior and EV electronics technology. Early-stage software & ADAS initiatives leverage Alpine for embedded systems.

**Capex:** FY26–27 capex is expected to remain asset-light, focusing on assembly lines, aftermarket expansion, and selective JV product localization. Larger investments are earmarked for clean mobility and premium interiors.



**Mach Conferences & Events Ltd**

**Outlook:** Mach is expected to consolidate its position among India's top 3–5 MICE players. In FY26, H1 growth likely muted due to delayed corporate travel spends, but H2 should see stronger momentum in line with historical seasonality. Margins are expected to recover towards the 15–16% range as operating leverage kicks in and pricing discipline returns. Medium-term growth drivers include: (i) corporate client expansion (cement, insurance, auto), (ii) launch of the digital travel platform, and (iii) incremental contribution from Travicsell. PAT growth is expected to outpace revenue growth.

22-year-old pure-play MICE company (Meetings, Incentives, Conferences, Exhibitions) catering to BFSI, auto, cement, and large corporates. ~99% of revenues come from B2B clients.

Turnkey model covering hotels, transfers, events, gala dinners, speakers/performers, and merchandising, offering one-stop execution.

Promoter family continues to hold ~70% stake post-IPO; no other businesses outside Mach, underscoring commitment. Next generation already inducted into leadership.

FY25 revenue stood at ~INR237 crore, flat YoY due to loss of a large INR80 crore contract and war-driven travel disruptions.

Gross margin historically at 15–17%, compressed in FY24/25 due to aggressive pricing and ramp-up in manpower (team grew from ~5 pre-IPO to ~100+ employees).

Profitability under recovery; PAT margins improving in FY26 as company prioritizes bottom line over top line.

Competition & Positioning: Facing aggressive competition post-IPO from Yatra, SOTC, Thomas Cook, and other domestic players.

Management stresses differentiation through (i) exclusive MICE focus, (ii) high-touch promoter involvement, (iii) flexibility in client servicing/payment, and (iv) depth of operational execution.

Unlike diversified peers, MICE is Mach's sole core, which drives stronger specialization.

Growth Initiatives: Digital Foray: Developing travel portal + app (delayed due to legal dispute on brand) targeting ~1 lakh captive annual travelers; expected launch Oct–Nov 2025.

Diversification: Small pilots in religious tourism (Kedarnath Yatra) and marquee events, though still limited.

Subsidiary: 60% stake in Travicsell (doctor conference/events) with strong sector expertise; expected to add scale and margin contribution.

Succession: Promoter's son actively involved, strengthening leadership continuity.

**Cash Flow & Receivables**

Receivables peaked at ~INR42 crore in FY24; reduced to ~INR25–30 crore recently, with further normalization expected.

Remains debt-light, though inherent working capital intensity persists.

Seasonality: Strongly skewed towards H2 (~60–65% of annual revenue). Weddings and religious tourism remain marginal (<3%).

**Madhusudan Masala Ltd**

**Outlook:** Madhusudhan Masala Ltd is targeting aggressive pan-India growth, with a robust distribution network, capacity expansion, and new product launches driving a projected 30% CAGR through 2030. The management expects margin stabilization, improved working capital efficiency, and stronger B2C penetration following recent acquisitions and integration with subsidiary Vitagrin Products. The company aims to expand its leadership in core and blended spices while also increasing direct retail and branded sales contributions.

**Business Overview & Strategic Positioning**

The company has an established legacy in spices, with roots dating back to 1977 and multiple registered brands, notably the flagship "Double R" brand for premium spices, and economy brands Maharaja.

Operations are spread across two primary units: a 4,800 MT Jamnagar facility operating at 85% utilization, and a recently acquired 600 MT unit (Vitagrin) running at 93% utilization in Q1FY26.

Completed acquisition of Vitagrin Products to expand reach outside of Gujarat, with a strong product overlap in ground, blended, and instant mix spices.

**Product Portfolio & Segment Performance**

Wide portfolio includes ground spices, blended spices, whole spices, grocery, and ready-to-cook instant mixes, marketed under multiple brands for both premium and economy segments.

Majority of revenue is derived from branded B2C sales, though B2B and regional segments remain significant contributors, especially in own and acquired brands.

Category-wise margin structure: blended spices yield the highest margins (~25%), ground spices, grocery, and tea at ~15%, with B2C margins expanding relative to B2B operations.

Major markets include Gujarat and Maharashtra; new distributor appointments have extended presence into five additional states outside the core geography.

**Capacity, Distribution, and Expansion Initiatives**

Sales and distributor network has grown significantly in Q1FY26, adding 3,000+ retailers and 300+ wholesalers, supporting national rollout ambitions.

Existing manufacturing capacity is sufficient to support 30% growth for the next 2–3 years: additional capacity planning underway for sustained long-term growth.

Marketing efforts include regular retailer, distributor and incentive-based schemes, alongside expansion of direct supply to supermarkets and departmental stores nationwide.

**Market Dynamics & Industry Scenario**

Industry-wide volatility in raw materials (notably chili prices) continues to impact procurement strategy and margin management.

Competition remains intense from large players like MDH, Everest, and regional brands, especially in procurement and pricing of raw materials.

The company manages this by diversified sourcing (direct and via auctions), efficient procurement cycles, and focus on regional taste differentiation for ground and blended spices.

**Guidance & Strategic Initiatives**

Margin improvement focus on increasing B2C share and driving premiumization in blended and branded ground spices.

Projecting ~30% revenue CAGR until 2030, with incremental margin uplift as new markets and categories scale up.

**Madhya Bharat Agro Products Limited**

**Outlook:** Madhya Bharat Agro Products is strategically positioned for transformational growth through ambitious capacity expansion and unique competitive advantages in the phosphatic fertilizer sector. The company's rare capability to convert low-grade rock phosphate into high grade material, coupled with complete backward integration, provides significant cost advantages and higher margins compared to industry peers. The upcoming Dhule facility with 660,000 MT combined capacity will more than double current production by October 2026, positioning the company to capitalize on India's structural fertilizer demand-supply gap where domestic production meets only 50% of requirements.

**Business Model & Competitive Positioning**

Madhya Bharat Agro operates as part of the Oswal Group, established in 2002 through strategic acquisitions of distressed fertilizer units. The company has emerged as India's only private sector player with proprietary VRP Value Recovery Process) technology to convert low-grade rock phosphate into high-grade material. Current operations center at Sagar, Madhya Pradesh, with 240,000 MT SSP capacity and 240,000 MT NPK/DAP capacity, supported by complete backward integration in phosphoric acid and sulphuric acid production, creating cost savings of INR 2,5003,000 per ton versus import-dependent competitors.

**Transformational Capacity Expansion**

The INR 8 bn Dhule project represents a greenfield facility across 58 hectares in Maharashtra's Nardana Industrial Estate, strategically located in India's largest fertilizer-consuming state. The facility will house 330,000 MT SSP and 330,000 MT DAP/NPK plants with matching backward integration infrastructure. Combined with ongoing Sagar facility enhancements increasing DAP/NPK capacity from 240,000 MT to 273,000 MT during FY26, total capacity will expand from current 480,000 MT to approximately 1.2 million MT by October 2026, representing more than 150% capacity addition.

**Financial Performance & Growth Trajectory**

Strong financial performance demonstrates operational excellence with FY25 revenue of INR 10.58 bn and EBITDA of INR 1.45 bn, representing healthy double-digit margins significantly above industry averages. Q1 FY26 quarterly revenue run-rate of INR 4 bn positions the company for continued momentum. Five-year revenue CAGR of 50% reflects consistent market share gains and capacity optimization. The company successfully implemented price increases with SSP realizations improving from INR 7,7008,000 to INR 8,5009,000 per MT and NPK pricing advancing from INR 23,700 to INR 26,00027,000 per MT.

**Raw Material Security & Supply Chain Management**

Strategic raw material procurement ensures supply chain stability through long-term contracts with Jordan Phosphate Company providing 10-year security, complemented by Egyptian suppliers and emerging Syrian opportunities following sanction removals. The company's unique access to low-grade rock phosphate from Madhya Pradesh state mines, entirely procured by the group, provides significant cost advantages. Recent green ammonia procurement through SECI auctions secured 60,000 MT annually for Sagar plant and 70,000 MT for Dhule facility, positioning the company favorably for India's green fertilizer transition.

**Risk Factors & Future Outlook**

Key risks include continued PSU capex delays, Chinese dumping pressures, and CCI inquiry outcomes, mitigated through active tender follow-ups, cost pass-through mechanisms, and legal counsel engagement. Exchange-level investigations have yielded no formal notices with data requests complied and no further action advised. As capex momentum returns, the company is positioned to convert tender flows into revenue growth, leveraging its zero-debt balance sheet and tax-shield advantages. With structural demand in energy infrastructure and commissioning of Nakinipalli capacity, Maharashtra Seamless should deliver double-digit revenue growth and sustain 20% EBITDA margins, driving mid-teens RoCE through FY27

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**Market Dynamics & Future Outlook**

India's phosphatic fertilizer market demonstrates favorable dynamics with total requirement of 20 million tons against domestic production of 10 million tons, necessitating 50% import dependency. Government emphasis on Atmanirbhar Bharat in fertilizer production provides strategic tailwinds. The company maintains strong competitive moats through technological capabilities, backward integration, and brand strength through "Annadata" for SSP and "Bharat" for NPK products. Marketing network spans 10 states with dedicated field teams ensuring strong customer relationships and market penetration, supporting sustained premium pricing and expansion opportunities

**Maharashtra Seamless Limited**

**Outlook:** Maharashtra Seamless is well positioned to leverage a recovery in oil & gas capex and capacity expansion at Nakinipalli to drive medium-term growth. The order book has remained subdued at sub-INR 1,100 mn since Q1, reflecting PSU capex delays; however, several key tenders are nearing finalization. The company maintains strong margin potential INR 12,000/ton normalized EBITDA) despite recent headwinds from lower offtake and Chinese dumping pressures. With a robust balance sheet (zero debt, INR 6.3 bn cash) and disciplined capital allocation, Maharashtra Seamless is poised to capture the next upcycle in energy infrastructure spending.

**Business Model & Strategic Differentiation**

Maharashtra Seamless specializes in seamless pipes and tubes, servicing oil & gas OCTG (Oil Country Tubular Goods), power, and general engineering segments. As India's largest and most resilient industry player, the company benefits from high barriers to entry including API certification requirements, capital-intensive operations, and stringent tendering processes in PSUs. The product mix includes drill pipes, sour service pipes, cylinder pipes, and cold-drawn pipes, adding higher margins and diversifying beyond core OCTG applications. Strategic partnerships with Japanese entities for premium connections and ongoing JV negotiations enhance the value-added product portfolio, with revenue exposure comprising 70% oil & gas, 15% power/boiler, and 15% general engineering.

**Financial Performance & Order Book Dynamics**

FY25 consolidated revenue was INR 5.27 bn (flat YoY) with EBITDA of INR 0.95 bn representing 18% margins. Q1 FY26 revenue of INR 1.30 bn (down 11% QoQ) and EBITDA INR 0.23 bn (20% margin) reflect weak offtake amid PSU capex delays. The order book stands below INR 1,100 mn, unchanged since end-August, although multiple PSU tenders are in advanced stages of finalization. Normalized EBITDA guidance remains at INR 12,000/ton (22% OPM standalone basis), underpinned by superior conversion margins. The company maintains a net debt-free position with INR 6.3 bn in cash and carry-forward tax losses totaling INR 45 bn valid through FY31.

**Capacity Expansion & Project Status**

At Nakinipalli, commissioning of the finishing line (660 kt capacity) is on schedule for FY26, augmenting seamless pipe capacity to support higher volumes when orders revive. A previously announced JV for premium connections is in advanced stages, requiring partner approvals for final execution with timelines contingent on partner regulatory processes. The project's utility depends on order inflow recovery, as incremental capacity will remain underutilized absent adequate demand. Strategic focus on value-added products through premium connections will enhance product mix and margins.

**Industry Trends & Competitive Moats**

India's OCTG demand recovery is driven by rising global rig counts and domestic gas exploration initiatives, with seamless pipes consumption correlating to infrastructure investment cycles in energy and process industries. The oligopolistic nature of seamless pipes in India, with only a handful of players post-bankruptcy phase, ensures disciplined supply dynamics and pricing power. High entry barriers protect incumbents through technology and certification requirements that limit new entrants, while Maharashtra Seamless's API certification and tender-driven business model secure stable revenue funnels when government and PSU capex resumes.

**Mahindra Lifespace Developers Ltd**

**Overview:** Mahindra Lifespace Developers Limited, the real estate arm of the Mahindra Group, shared an update on its performance and strategy during the recent call at the Bharat Connect Conference. The discussion highlighted the company's progress in expanding its residential and industrial portfolios, its robust pre-sales trajectory, debt reduction initiatives, and its approach to capital deployment. Key focus areas included premium residential developments, large-scale industrial clusters, redevelopment opportunities, and upcoming project launches across core markets.

**Residential Business**

- Over 50 projects delivered with a total of ~50 million sq. ft. Strong presence in Mumbai, Pune, and Bangalore with growing market share opportunities.
- GDV additions of INR 2,250 BN in the past two years through JDAs, society redevelopments, and outright transactions.
- Strategic exit from affordable housing; focus now on premium residential segment, which accounts for ~two-thirds of the market.

**Pre-Sales and Growth Ambitions**

- FY25 pre-sales stood at INR 28,000 MN, representing 4.2x growth over the past five years.
- Target to achieve INR 100,000 MN in pre-sales by FY30, implying a threefold increase.
- Current GDV in hand stands at INR 410,000 MN, supporting future growth plans.
- FY26 planned launches worth INR 70,000–80,000 MN, with larger contributions expected from FY27.

**Industrial Business:** ~6,000 acres of land bank across Jaipur, Chennai, Ahmedabad, and Pune. ~3,900 acres leasable with 2,300 acres already leased. Revenue potential of INR 50,000–60,000 MN over the next decade. Annual cash flows of ~INR 2,000 MN from leasing activity, enabling reinvestment into residential growth.

**Capital Management**

- Rights issue proceeds of INR 15,000 MN primarily used to repay long-term debt (~INR 10,000 MN).
- Long-term debt reduced to zero; short-term debt stands at ~INR 3,000 MN.
- Part of proceeds allocated to new land acquisition and general corporate purposes.

**Redevelopment Projects:** 6 redevelopment projects currently in hand, including new signings in Chembur and Mahalakshmi. IRR target of 20%+ across acquisition formats. Redevelopment offers low capital intensity but is time-sensitive; company building mechanisms to reduce launch delays. Projects such as Navi Nagar Malad and Santa Cruz provide learnings for faster execution.

**Mixed-Use and Large Projects**

- Bandra project with GDV of INR 124,000 MN, structured with ~30% revenue share for the landowner.
- Thane project (~INR 70,000–80,000 MN GDV) progressing with regulatory approvals.
- Upcoming large launches in Whitefield, Mahalakshmi, and Bandra to drive momentum. Mixed-use developments (residential + retail + commercial) form part of the strategy in key projects.

**Future Outlook:** Mahindra Lifespace remains well positioned to capture long-term opportunities in India's urbanisation-driven housing demand. With a strong launch pipeline, a lean balance sheet, and a focus on premium residential and mixed-use developments, the company targets consistent growth in pre-sales and GDV. Redevelopment and industrial clusters will continue to add strategic depth, while disciplined capital management ensures financial resilience. The company reiterated its ambition to achieve INR 100,000 MN in annual pre-sales by FY30, with potential to advance the timeline depending on market conditions and execution.

**Maiden Forgings Ltd****Inflection phase ahead; near-term steady, long-term margin accretive**

MFL is entering a structural growth phase. Management guided for ~15% growth in FY26, with a significant inflection expected from FY27 as capacity consolidation, product mix shift towards stainless steel (SS), and operational savings kick in. The company remains financially disciplined, with improving credit profile (BBB CRISIL) and a clear roadmap for debt reduction.

**Outlook & Guidance**

- Near-term growth: ~15% topline growth in FY26, already visible in H1 performance.
- Medium-term growth: FY27 identified as a turning year, with margins expected to improve substantially post consolidation of operations into Unit 4.
- Historical track record: Revenue grew from INR13 cr (2011/12) to INR200+ cr in FY25. Last year's topline growth (8%) was impacted by a 20-25% steel price correction despite 18-19% volume growth.

**Strategic Capex & Operational Consolidation**

- Unit 4 facility: 4-acre plant under construction, expected commissioning advanced to Feb-Mar FY26 (earlier Apr).
- Capacity: Expansion to 61,000-62,000 tons (from 53,000 tons) = ~15-20% increase. Current utilization ~70%.
- Cost efficiency: Consolidation of two units into Unit 4 → INR 15 lakh/month (~INR2 cr annual) savings, visible from FY27.
- Power & sustainability: Shift of 200 KV to solar (out of 1.1 MW load).
- Capex outlay: INR10-12 cr, fully funded this year; land sufficient for 5 years of expansion.
- Asset monetisation: Sale of two city-based units will release funds for capex, WC, and debt reduction.

**Product Mix & Margin Profile**

- Diversified portfolio: 8 product lines, 3,000+ SKUs covering carbon steel, alloy steel, SS, and pneumatic nails.
- SS strategy:
  - Current: 10-12% by volume, ~35% of revenue.
  - Margin profile: SS GM 20%+ vs carbon steel (8-10%) and alloy (12-15%).
  - Target: 35-40% volume contribution in 3-4 years → structurally higher blended margins & ROCE.
- New products: GI wire, forward integration into SS components via CNCs.
- Pneumatic nails: High GM (24-30%) but near-term weakness due to 75% US tariffs.

**Working Capital & Financial Discipline**

- Debtor days: Improved to 40-45 days (vs 75-80 days five years ago), driven by shift away from auto sector's long credit terms.
- Inventory: Remains elevated (75 days) due to SS stocking requirements.
- RM pass-through: All raw material price fluctuations passed directly to customers; P&L protected though balance sheet shows valuation impact.
- Debt: Current level is peak; reduction expected post asset sales.
- Credit rating: Upgraded to CRISIL BBB (from CARE BBB- previously).

**Customer & Market Diversification**

- **B2G opportunity:** Actively targeting Defence, Railways, and Infra with higher-quality products. Orders secured from HAL, BHEL, NTPC; expected contribution in 1-2 years.
- **Exports:** Currently ~10% of sales (US & Europe).

**Risks & Watch Points**

- **Execution:** Timely commissioning of Unit 4 critical for FY27 margin lift.
- **Tariffs:** 75% duty on pneumatic nails in US limits near-term traction in this line.
- **Working capital:** Inventory-heavy SS strategy could stretch WC despite debtor improvement.



**Malpani Pipes & Fittings Ltd**

**Outlook:** Malpani Pipes & Fittings is positioned to capitalize on India's expanding plastic pipes market, which is projected to grow at 10-12% CAGR over the medium term. The company's strategic expansion into PVC production, aggressive pricing strategy, and diversification into agricultural equipment through its China partnership provide multiple growth avenues. With the Indian plastic pipes industry valued at approximately INR 4,000 bn and organized players capturing 67% market share, Malpani's focus on mid-tier positioning offers substantial opportunities. The company's target of 15% annual revenue growth appears achievable given favorable industry dynamics including government infrastructure spending, agricultural modernization, and the ongoing telecom infrastructure buildout under BSNL/BBNL initiatives.

**Product Portfolio Expansion and Strategic Initiatives**

- Following its IPO, Malpani commenced PVC production to diversify beyond its traditional HDPE/MDPE focus. The company plans significant PVC expansion in the second half of FY25, capitalizing on strong demand and successful cross-selling opportunities in agriculture and domestic segments. This strategic move positions the company to benefit from the broader plastic pipes market growth, with PVC pipes commanding 65% of India's plastic pipes market.
- The company announced plans to expand into drip irrigation manufacturing by April-May 2025, targeting the rapidly growing micro-irrigation market. This expansion aligns with India's drip irrigation market, valued at USD 284 mn in 2024 and projected to reach USD 662 mn by 2033 at 9.12% CAGR. The timing coincides with increased government focus on water conservation and the 25% increase in PMKSY funding to INR 830 bn for FY26.
- Malpani secured an exclusive partnership with China's second-largest agricultural equipment manufacturer, covering premium brand 'Gauchen Pro' and economy brand 'Best'. The management targets INR 100-120 mn revenue from this partnership in FY25, scaling to INR 200-250 mn in subsequent years. The partnership requires 75% pan-India coverage across major states within 18-24 months, representing a significant diversification opportunity.

**Growth Guidance**

- Management provided conservative revenue growth guidance of 13-15% for FY26, with expectations of maintaining 15% annual growth over the subsequent three years. This guidance appears conservative considering the company's high capacity utilization, expanding product portfolio, and favorable industry dynamics.
- The company expects EBITDA margin improvement driven by multiple factors: solar captive power plant commissioning targeted for October 15, 2024, generating annual savings of INR 80-100 mn plus depreciation benefits. The solar installation represents part of the company's operational efficiency drive to maintain competitive positioning while improving margins.

**Capacity Expansion and Capital Allocation**

- Malpani outlined a comprehensive capex plan totaling INR 120-150 mn over two years: INR 30-35 mn allocated for FY25 focusing on PVC expansion, with the balance scheduled for FY26 targeting drip irrigation facility establishment. The funding structure comprises 50% internal accruals and 50% bank financing, indicating prudent financial management.
- The company operates a strategic warehousing approach, maintaining facilities in Amravati, Maharashtra for finished goods and Bhiwandi for raw materials. Plans include establishing a new warehouse near Hyderabad to support southern India expansion, particularly targeting the growing Telangana and Andhra Pradesh markets.
- Currently operating at high utilization levels across 15 production lines, the company's expansion focuses on product diversification rather than volume increases. This strategic approach maximizes return on invested capital while capturing higher-margin segments in the plastic pipes value chain.

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**Industry Dynamics and Growth Drivers**

- Management highlighted significant opportunities in telecom infrastructure development through BSNL's Bharat Broadband Network Limited (BBNL) initiative. With government allocation of INR 3,000 bn for pan-India fiber optic connectivity over 3-4 years, the demand for PLB duct coils presents substantial revenue potential. BBNL has floated 11 tenders with four finalized and seven in progress, creating multi-year visibility for telecom-related pipe demand.
- The reduction in GST rates on agricultural equipment provides additional tailwinds for the irrigation segment. Under government schemes like PMKSY and PDMC, farmers receive 45-55% subsidies on micro-irrigation systems, with general category farmers receiving 45% and SC/ST/small farmers receiving 55% subsidies. These policy initiatives directly benefit Malpani's irrigation business segment.
- Expected implementation of anti-dumping duties on Chinese PVC imports from October 2024 should benefit domestic manufacturers. Management anticipates this will create price stability and restore dealer confidence in inventory holding, as falling prices had previously discouraged stock accumulation. The duty of approximately USD 130 per tonne on Chinese imports should level the playing field with Gulf country suppliers.

**Distribution Strategy and Market Penetration**

- The company focuses on expanding its dealer network through weekly additions while simultaneously developing warehouse infrastructure. The strategy emphasizes onboarding larger dealers who require credit support and can handle truckload quantities, supplemented by cash-and-carry relationships with established smaller dealers.
- Malpani is registered for agricultural sector operations in Maharashtra, Madhya Pradesh, and Rajasthan, with plans to expand into emerging markets including Chhattisgarh, Bihar, Odisha, and Uttar Pradesh. The company identified these states as having significant untapped potential in micro-irrigation adoption, supported by increasing farmer awareness and government initiatives.
- The management emphasized their flexible approach compared to larger branded players who impose territorial restrictions and exclusive dealer arrangements. This flexibility allows Malpani to penetrate markets more effectively while offering dealers comprehensive product portfolios rather than single-product solutions.

**Risk Factors and Operational Challenges**

- To manage raw material price volatility, Malpani employs a hedging strategy covering 60-70% of requirements upon order booking for large contracts, with the balance maintained through rotational inventory and continuous purchasing. This approach provides price protection while maintaining operational flexibility.
- The plastic pipes industry faces intense competition from both organized and unorganized players. However, management noted that the unorganized segment is unlikely to gain significant market share due to quality concerns and higher replacement costs, supporting the continued growth of organized players like Malpani.
- The company experiences seasonal variations with H1 typically weaker than H2 due to monsoon-related demand patterns. Extended rainy seasons particularly impact Q1 performance as pipe laying activities are curtailed, though management reported Q1 FY25 performed better than the previous year despite challenging conditions.

**Man Infraconstruction Ltd**

**Outlook:** The business visibility, driven by a strong pipeline of real estate projects valued at INR 118bn and a strategic shift towards the high-margin ultra-luxury segment. Its zero-debt status and robust liquidity of INR 8bn provide significant financial flexibility to fund expansion and new acquisitions without strain. Growth is expected to be sustained by timely execution and high sales velocity in its core Mumbai market. While the US venture is a long-term prospect, the company's primary focus remains on capitalizing on domestic opportunities through its low-capital, fee-heavy model, which consistently supports healthy profitability.

**Margins:** Margins derived from fee-based income streams such as DM fees, PMC fees, and interest on invested funds are highly profitable. This is because these streams do not carry associated interest costs or significant overheads for the company.

**Growth Drivers:** This growth is expected to be sustained by the increasing scale and size of both current and pipeline projects. The primary focus remains on the Mumbai real estate market due to the abundance of opportunities, though the company does not rule out expansion into other markets in the future. The upward trend in project ticket sizes and rates per square foot, particularly in the ultra-luxury segment, serves as a key growth driver.

**Capex, Fundraise, and Working Capital:** The company operates a low-capital model, avoiding significant capital expenditure on land acquisition by favoring JDAs, DMs, and JVs. Following a recent preferential capital round, the company holds substantial liquidity of ~INR 8bn at the consolidated level. A significant portion of funds, around ~INR 12bn, has already been invested as equity or loans into its real estate projects. Unutilized funds, including INR 3.67bn from a July preferential issue, are not required for existing projects, which are already financially closed. These reserves are earmarked for expansion, acquiring new projects, and meeting any necessary working capital requirements.

**Pre-Sales, Project Pipelines, and New Launches:** The company has significant sales visibility, with a total project pipeline valued at INR 118bn. The total area under development is approximately 4.8 million square feet, split between 2.3 million square feet of ongoing projects and 2.5 million square feet in upcoming projects. Man Infraconstruction has a track record of completing projects ahead of schedule and maintains almost zero inventory in its completed projects. Recent launches include the Tardeo project, which is 35% sold a year after launch, and Aradhya Anant, India's tallest residential tower, which is 50% sold. The company is observing a strategic shift towards higher ticket sizes and ultra-luxury segments, as seen in projects like New Marine Lines.

**International Business:** Man Infraconstruction has strategically entered the US real estate market, with current projects located in and around Miami, Florida. These include a completed bungalow project, where one unit was sold and one retained, and another bungalow project scheduled for completion within a year. Two larger projects are also in the pipeline. The approval and launch process in the US is significantly longer, taking one to two years compared to India, with expected results targeted within the next three years. The strategy involves partnering with local entities and is managed by a promoter based in the US. The company is currently focused on executing these projects and is not pursuing any new projects in the US at this time.

**Debt and Financial Structure:** Man Infraconstruction maintains a strong financial position and is effectively a zero-debt company on a net basis.

**Manaksia Coated Metals & Industries Ltd**

**Outlook:** Manaksia Coated Metals maintains a robust growth trajectory despite seasonal headwinds, with management projecting transformational expansion through strategic capacity upgrades, technology transitions, and sustainability initiatives. The company anticipates doubling production capacity to over 200,000 tonnes per annum by FY27, with peak revenue potential reaching INR 2,200-2,300 million at full utilization. Export diversification and premium product positioning provide defensive characteristics, while the planned backward integration creates a platform for tripling current revenue levels in the medium term.

**Export Excellence & Market Positioning**

- Manaksia generates over 60% of revenue from exports, with Q1 FY26 exports contributing 57% to total revenue. The company's proximity to Mundra and Kandla ports in Gujarat provides significant logistical advantages for international trade.
- Export markets span Southern and Eastern Europe, including Italy, Spain, Portugal, Greece, Poland, Romania, Czech Republic, Bulgaria, and Germany. Management is expanding presence to Latin America and Caribbean markets.
- Export pricing typically commands superior realizations compared to domestic markets. The company benefits from European anti-dumping duties exceeding 25% on Chinese competitors, providing structural protection for Indian exporters.

**Capacity Expansion & Technology Upgrade Program**

- Phase One - Aluminum-Zinc Transition: The company is upgrading its galvanizing facility to produce Aluminum-Zinc coated steel, expanding capacity from 132,000 to 180,000 tonnes per annum (36% increase). This premium product offers triple the service life of conventional galvanized steel and commands superior pricing realizations.
- Phase Two - Color Coating Expansion: Addition of a new pre-painted steel line will increase capacity from 86,000 to 236,000 tonnes per annum by Q1 FY27, representing 170% capacity growth in the highest value-added segment.
- Timeline & Revenue Impact: The Aluminum-Zinc line becomes operational by Q3 FY26, with full capacity utilization expected by Q2 FY27. Peak capacity utilization of over 200,000 tonnes annually should generate revenue potential of INR 2,200-2,300 million at current realizations.

**Sustainability & Energy Efficiency Initiatives**

- Captive Solar Investment: A 7-megawatt solar power plant represents INR 300 million investment, targeting 50% reduction in annual power costs and covering 60-65% of total energy requirements. Commissioning is scheduled by end of FY26 or early FY27.
- Carbon Footprint Benefits: The green energy initiative provides competitive advantages in European markets where new carbon tax regulations favor low-emission producers. This positions Manaksia advantageously as European customers increasingly prefer sustainable sourcing.
- Cost Structure Optimization: Management expects over 50% savings in annual power bills, creating substantial operational leverage as production scales. The investment provides dual benefits of cost reduction and export market positioning.

**Strategic Growth Vision & Future Roadmap**

- Backward Integration Plans: Phase Three expansion involves establishing a cold rolling mill complex with over 300,000 tonnes annual capacity, creating complete vertical integration from cold-rolled steel to pre-painted aluminum-zinc products. This initiative targets revenue tripling from current levels with enhanced margins through economies of scale.

- **EBITDA Enhancement:** Management projects 40% EBITDA expansion following completion of Phase One and Two investments, driven by premium product mix, raw material cost savings (aluminum 55% cheaper than zinc), and operational efficiencies.
- **Market Position Strengthening:** The consolidated industry structure with only five major players nationally provides favorable competitive dynamics. Domestic demand growth of 11-12% annually, double GDP growth, creates sustained expansion opportunities.

**Raw Material Strategy & Risk Management**

- **Procurement Diversification:** The company maintains 70% domestic sourcing through long-term MOUs with Arcelor Mittal, JSW, and Tata Steel, with 30% imports from Far East markets providing cost optimization. This balanced approach ensures supply security while maintaining competitive input costs.
- **Monsoon Resilience:** Current heavy flooding and extended monsoon conditions have halted domestic construction activity, but the company's export-focused strategy maintains full capacity utilization and strong order books.
- **Order Book Strength:** Management reported solid forward commitments with INR 337 million export orders and INR 113 million domestic orders entering Q2 FY26. This provides revenue visibility amid seasonal construction fluctuations.

**Margin Enhancement & Product Mix Evolution**

- **Premium Product Focus:** The transition to Aluminum-Zinc technology represents a fundamental shift toward higher-margin offerings with superior performance characteristics and extended service life. Pre-painted steel expansion further enhances the value-added product portfolio.
- **Technology Differentiation:** Aluminum-Zinc coating provides three times the durability of conventional galvanizing while utilizing lower-cost aluminum input materials, creating both pricing power and cost advantages.
- **Capacity Utilization Excellence:** Current operations achieve 85% utilization on the galvanizing line and 100% on color coating facilities, demonstrating efficient asset management and strong market demand.

**Manba Finance Ltd****Capacity & Capex**

- Manba Finance is operational across six key states (Maharashtra, Gujarat, Rajasthan, Chhattisgarh, MP, UP) with presence in 77 locations and 47 offices managed under a hub-and-spoke model.
- AUM as of June 2025 stands at INR 1,400 crore, with plans to reach INR 3,000–3,500 crore by FY28, supported by branch network expansion primarily within existing geographies for deeper market penetration.
- The company maintains a very healthy capital adequacy ratio of 31% post recent listing, and intends to raise another INR 75 crore in equity to support scale-up, limiting leverage to four times net worth.

**Financials & Margins**

- Historic AUM growth rate stands at 42% YoY, with net PAT rising consistently: INR 14 crore to INR 47 crore anticipated by FY26, supported by product and market expansion.
- Net interest margin (NIM) runs at 12.5% with credit cost at 1%, operating expense currently at 8% but guided to decline to 5–5.5% due to economies of scale and improved borrowing cost (reduced by 1.35% over the last year).
- ROE guidance is 13.5–15% across cycles; company maintains liquidity buffer of INR 200 crore, able to cover three months of repayments, well above industry norms.

**Growth Drivers**

- Company's core growth engine is in two-wheeler lending (currently 80% of AUM), with new products including EV loans (8–10% of two-wheeler mix), top-up loans (5%), three-wheeler, used car, and small business loans expanding portfolio diversity.
- Growth is targeted at 25–30% per year, supported by ongoing penetration in existing states (especially MP and UP) as well as strong festive demand linked to GST benefits and seasonal uptick.
- Dealer-driven origination and robust collection bandwidth are central, ensuring scalable growth through embedded field teams.

**Product Differentiation & Moat**

- The company maintains lower LTV (average now 75% vs 83–84% industry; competitors often offer up to 95%), enforcing higher borrower equity and better repayment discipline.
- 92% of portfolio loans are backed by owned houses, and focus remains on utility segment (up to 125cc)—both factors contributing to lower credit loss (1%).
- Notable competitive advantages include a fully integrated digital loan origination system allowing 70% of loans to be sanctioned in under a minute, rapid disbursement, legacy dealer relationships (15+ years per dealer), and in-house collections (85%), yielding lower opex than larger NBFC peers.

**Client & Channel Strategy**

- Sourcing is 100% dealership-driven for two-wheeler, three-wheeler, and small business loans; company maintains a field force of 800 directly stationed in showrooms for real-time customer conversion.
- Dealer incentives include free trade advance (one-month disbursement ahead, interest-free), quarterly/yearly payout boosters, and co-marketing events (loan melas, PUC camps) to sustain traffic and pipeline.
- The company intentionally caps new-to-credit customers (35–38%), avoiding excessive onboarding risks apparent in higher NTC portfolios at competitors.

**Outlook**

- AUM targeted to triple by FY28, with two-wheelers to remain ~65% of mix even as EV/used car/small business lending ramps.
- Technology upgrades remain a constant focus: all journeys are digital, including e-signatures, with disbursement times within two hours from loan approval.
- Management expects festive demand, GST tailwinds, and deeper state presence to drive near-term business robustness, while keeping credit cost, margin, and liquidity discipline intact.

**Manoj Ceramics Ltd****I. Management Vision and Growth Outlook**

- Market Positioning: MCPL aims to transition into a leading retail-focused player within the next 2-3 years, with an emphasis on brand-led growth.
- Growth Targets: Management has guided for a 25-35% topline CAGR over the next three years, supported by deeper domestic penetration and rising export contributions.
- Market Opportunity: The Indian ceramic tile market is expected to reach ~\$17bn over the next five years, providing significant headroom for growth.

**Geographic Expansion**

- Core focus remains on strengthening presence in West and South India, with North India expansion flagged as a key driver that could potentially double volumes.
- Long-term vision includes establishing a global footprint via depots and sub-depots across key international markets.

**Capital Deployment:** Proceeds from promoter warrant conversion will be channelled into upcoming expansions.

**II. Financial Guidance and Profitability**

- Margins: MCPL expects to sustain mid-teen EBITDA margins (14-15%), with scope for 100-150 bps improvement in FY26 on operating leverage.
- Receivables: Trade receivables to remain stable at 30-40% of revenues, aligned with the retail-heavy business model. Growth in topline will proportionately increase receivables.
- Credit Risk Management: MCPL will soon implement debtors' insurance, expected to cover ~90% of claims, significantly mitigating bad-debt risk.
- Working Capital Discipline: Management remains committed to reducing the working capital cycle as scale improves.

**III. Export Strategy and Global Footprint**

- Revenue Ambition: Exports are projected to rise from the current 1% to ~20% of revenues within three years.
- Dubai Hub: The newly opened Dubai depot (operational since July-end) will serve as a strategic hub for Middle East and Africa projects. Agents have already been appointed in key African cities.

**Market Strategy:**

- Targeting premium buyers who currently source from Spain/Italy, with comparable quality at more competitive prices.
- Advance-payment model for all exports ensures no credit risk in overseas markets.
- US Plans: Expansion in the US has been shelved due to tariff-related uncertainties.

**IV. Strategic & Operational Initiatives**

- Technology Differentiation: Proprietary online studio tool enhances customer experience by enabling real-time product visualization and faster purchase decisions.
- Backward Integration: Plans to backward integrate into tile adhesives, with capex capped at INR1.5-2 crore, to be funded via internal accruals.
- Sanitaryware: Currently remains non-core, with negligible topline contribution and no near-term expansion plans.

**V. Promoter Commitment & Shareholding**

- Warrant Conversion: Promoters have pledged 14 lakh equity warrants, with conversion expected within 18 months of the second preference round.
- Shareholding: Promoters reaffirmed their intent to retain >51% ownership, ensuring alignment with shareholder interests.



**Manorama Industries Ltd****Business Overview & Products**

The company processes Indian seeds Sal, Mango, Mowrah, Kokum, etc and imports Shea seeds from West Africa into specific fats.

These fats find applications in diverse industries, including food, confectionery, chocolate, and personal care.

They also produce mango butter from mango kernel seeds, primarily for the personal care industry.

The specialty fats are used in new applications like ice cream coatings (closed desserts) and the dairy fats industry.

Their products are premium, zero trans-fat, forest-origin, and purely organic, with no chemical modification, hydrogenation, herbicides, chemicals, or pesticides used in the process. They are entirely forest-based with no animal fat or cholesterol.

The company serves a B2B model, supplying ingredients to large manufacturers, not directly to consumers.

**Sourcing & Supply Chain**

They operate a very strong supply chain network, sourcing from approximately 8 mn tribals and managing around 15,000 collection centres in India and West Africa.

Sourcing is roughly 50-50% in volume and value terms between India and West Africa.

Shea is exclusively sourced from West Africa and accounts for about 60% of their raw material.

Sal and Mango are sourced from India, contributing about 45% of their revenue.

Raw materials are forest-origin and fall naturally during their respective seasons, meaning there is no deforestation or organised farming/cultivation involved.

Procurement is seasonal: Sal, Mango, and Kokum are collected in May-June, while Shea is collected from October to March.

They buy directly from tribals in India, having a full network there, and from traders or tribals in West Africa.

A significant strength is that the company has no risk of non-availability of raw materials. As only 8-10% of raw materials are collected from the forests.

**Manufacturing & Process**

Their key process is fractionation.

They have an end-to-end state-of-the-art production facility managing everything from seed storage to packaging at Raipur.

The process involves multiple stages (4-5 processes).

Manorama is the only player in India for Mango and Sal-based products. There are high entry barriers due to the extensive collection network required, which involves millions of people.

**Capacity & Expansion**

The company is planning to increase the capacity to 52,000 tonnes, which will do revenue of INR 1,700 -1,800 Cr, (at peak capacity utilisation) and they will also expand up to 90000 Ton/A which will generate INR 3,000 -3,500 Cr at peak capacity utilisation. This represents more than 10x expansion in the last 5-7 years.

They are currently experiencing huge demand and are unable to meet it due to capacity constraints. A single customer could potentially take their entire capacity.

They are planning further expansion with five new projects, two for backward integration and three for forward integration.

These projects are estimated to cost INR 300-400 Cr.

The goal is to increase capacity from 52,000 tonnes to approximately 90,000 tonnes.

The expansion is expected to be completed by (FY28), pending board approvals.

The company is planning to fund this expansion partly through INR 100 crore cash/bank balance.

**Financials & Revenue**

The De-Oiled Cake, a by-product, contributes 8-10% of the revenue. DOC is sold in India's large cattle feed market (e.g., Amul),

Overall, around 70% of revenue comes from fats and 30% from by-products.

For the current year, FY26, they have a revenue guidance of INR 1,050 crore.

With the expanded 90,000-tonne capacity, they expect to achieve a turnover of INR 3,000+ crore at peak capacity utilisation, almost double the INR 1,700-1,800 crore potential of the 52,000-tonne capacity.

They aim to maintain a 25%-27% EBITDA margin.

The asset turnover is around 5 to 6.

The company primarily uses short-term working capital borrowings from PSU banks, with State Bank of India as the lead lender.

**Research & Development (R&D)**

R&D plays a crucial role in developing products jointly with customers (e.g., Body Shop, Mondelez, etc.). They have an R&D team led by Dr. Krishnadath Bhagga.

They claim a competitive edge in R&D, stating that competitors like Fuji Oil do not have an advantage in new product development. Their R&D focuses on creating "better products" from Sal olein, aiming for new value added products.

They are looking into Cocoa Butter Alternatives to cater to evolving market demands, which has already been proposed to the board and is expected in 1-2 years.

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## Markolines Pavement Technologies Ltd Concall KTAs

The company revenue saw a dip to ~INR 3 Bn, as company focused on operational efficiency and higher profitability, resulted in a 25% YoY growth in EBITDA and a 31% YoY growth in PAT for FY25.

EBITDA margins have historically ranged between 9-13%, fluctuating due to the varying machinery requirements of different projects and the cost-plus nature of contracts.

### Operational Highlights

- Markolines is a leading highway O&M service provider in India, primarily catering to private sector asset owners who manage roads under BOT and TOT (Toll-Operate-Transfer) models.

### Order Book & Pipeline

- The current unexecuted order book stands at ~INR 4 Bn. Given that maintenance contracts have a short tenure of 6-12 months, the order book is churned rapidly. The company has a strong pipeline of ~INR 6 Bn for H2FY26.

### Clientele

- The company works with major international fund and infrastructure InvIT, that has invested in Indian road assets.
- Key clients include Cube Highways, Macquarie, L&T, Tata, and the NHAI InvIT. Cube Highways is currently one of its largest customers.
- The company has a pan-India presence and has executed projects across all regions except the Northeast.

### Segment Breakup

- **Highway Maintenance**, involves periodic overlaying and repairs, which are required on average every five years for bituminous roads. Rigid pavement maintenance are primarily involving the replacement of damaged concrete panels.
- **Specialized maintenance services** are higher-margin services where the company has pioneered technologies in India.
- The micro-surfacing method is a cost-effective, green technology that extends road life by creating a protective layer.
- **Specialized construction services** are a technique to strengthen the sub-base of new greenfield roads, reducing excavation and material costs.
- Tunneling is a relatively new vertical, with two projects currently underway in Maharashtra and Jammu & Kashmir in a consortium.

### Industry Update

- The government's push for monetizing road assets through the TOT model and InvITs is the key industry driver.
- New TOT bundles are being offered for longer concession periods of 20-30 years, which provides long-term visibility for recurring maintenance demand.

### Other Updates

- The merger of Markoline Infra with Markoline Pavement Technologies is under process with the NCLT.
- The business is seasonally affected by monsoons. However, the company is mitigating this by strategically securing monsoon-specific repair works and targeting projects in regions with less rainfall.

### Guidance

- Management expects of achieving 25-30% revenue growth for FY26E. With strong Q1 performance and execution visibility, the company expects to deliver at least 40% YoY growth in the H1FY26.
- The company, profitability margins will be in similar to FY25.

**Maxvolt Energy Industries Ltd**

**Outlook:** The company is poised to sustain its impressive growth rate, fueled by the expansive potential in both the Energy Storage Systems (ESS) and L4/L5 mobility markets. With a solid order book, a robust pipeline of large-scale projects, and a significant capacity expansion coming online, revenue growth is expected to remain strong. Strategically, Maxvolt's focus on developing a complete circular economy through repurposing and recycling is a key long-term differentiator, promising higher margins, cost savings, and a sustainable competitive edge. While aggressive expansion will require continued capital investment and may keep cash flows negative in the near term, the company's clear focus on high-margin segments, technological innovation, and superior service quality positions it for sustainable profitability and market leadership in the evolving Indian battery industry over the next four to five years.

**Growth Drivers**

Maxvolt has demonstrated remarkable revenue growth, closing the fiscal year ending March 2023 at 48.5 crores and March 2024 at 107 crores, representing a year-on-year growth of over 100%. This follows a consistent historical trend of exponential growth from initial years. Management projects this 100% growth rate will continue into FY 2025. Key growth drivers include the rapid expansion of the Energy Storage Systems (ESS) market and the L4/L5 mobility segments in India. The company is strategically positioned to capitalize on the overall Indian battery market, valued at approximately \$18 billion and growing at a 30% compound annual growth rate (CAGR). Supportive government initiatives, such as schemes promoting solar panel adoption and Battery Energy Storage Systems (BESS) projects, are further boosting demand.

**Revenue Mix and Target Segments**

The current revenue mix is heavily dominated by the mobility segment, which contributed 60-65%, primarily from E-scooters, E-rickshaws, and L4/L5 vehicles. The repurpose business contributed 5%, with the remaining balance coming from the energy storage segment. Retail sales account for 60-70% of revenue, while OEM partnerships contribute 30%. The company is strategically focusing its expansion efforts on the ESS and L4/L5 categories, which are expected to yield higher profits and margins in the long term due to their customization requirements.

**Margins and Profitability**

Margins are expected to improve as the company shifts its revenue mix. While partnerships with larger OEMs may slightly pressure margins, this is offset by the highly profitable repurpose and recycling business. Repurposing offers significantly higher EBITDA and PAT margins because the Bill of Materials (BOM) value is around 45-48%, substantially lower than the 76-78% BOM for new production. The company aims to increase the revenue contribution from repurposing to over 8% this year and reach 25% within the next three to four years, which will positively impact overall profitability.

**Order Book and Pipeline**

The company is currently overbooked until October 31<sup>st</sup> 2025, leveraging festival season demand. Current bulk orders are capped at 300 kW, but plans are in place to target 1 Megawatt orders starting in November and December. The sales pipeline is robust, including discussions for a 4.5 Megawatt residential/off-grid solar project in Rajasthan (the first phase of a 25 MW project) and ongoing talks with major players like Tata Power, SRI, and R3. The company anticipates onboarding more reputed OEMs in two-wheeler, three-wheeler, L4/L5, and ESS categories once its expanded plant becomes operational in January.

**Capex and Expansion**

Maxvolt is executing an aggressive expansion strategy. The current plant capacity is 6,000 batteries per month. A new plant, expected to be operational by January, will increase capacity by 2.5 times to 15,000 batteries per month. A major capital expenditure project is the Aligarh factory, for which 6 acres of land has been allotted by the UP government. This factory is planned in two phases: Phase 1, a recycling plant costing approximately 54 crores, and Phase 2, a 2 GWh ESS battery pack manufacturing facility costing between INR 680-780mn. The company continuously invests in machinery, with INR 120mn recently allocated.

**Debt, Working Capital, and Financing**

Due to aggressive expansion, the company is in a significant capital infusion phase, resulting in negative cash flows that are not expected to turn positive for the next two years. For capex funding, the company plans to self-contribute 30-35%, relying on bank debt for the remainder. Preferential and rights issues are planned for the following year. The greenfield recycling project is eligible for approximately 25% concessions under MSME schemes. Working capital is managed efficiently through tools like bill discounting, and the receivables credit cycle is kept short, typically 30 to 35 days.

**Lithium Battery Packs and Charger**

The company manufactures lithium battery packs for two-wheelers, three-wheelers, and ESS, all equipped with smart Battery Management Systems (BMS). A key differentiator is offering customers the flexibility to upgrade or expand their battery pack capacity if performance degrades. Each battery is sold with a charger. Chargers are currently developed in-house but manufactured through outsourcing, with potential for future in-house manufacturing. The company is not focused on setting up public charging stations.

**Energy Storage Systems (ESS) and Inverters**

ESS is a core future growth area due to high demand potential and margins, currently contributing about 12% to revenue. The ESS market has a low conversion rate of only 1.5%, indicating massive untapped potential. The company currently delivers solutions up to 300 kW and is establishing a robotic manufacturing line. Repurposed cells from EV packs are used for small-scale ESS applications, including power backup (often fulfilled by inverters) and low-current uses.

**Recycling, Repurpose, and Circular Economy**

Maxvolt is building a complete circular economy for lithium, encompassing manufacturing, repurposing, recycling, and material extraction. The current focus is on repurposing cells from end-of-life EV packs for second-life applications like small-scale ESS. Phase 2 involves recycling to extract rare earth materials. The land for the recycling plant has been acquired, with construction expected to take 1.5 to 2 years. Recycling is a form of cost savings, being three times cheaper than mining new materials. The company plans to apply for the government's INR 15bn PLI scheme for recycling, which could provide benefits of around INR 500mn, aligning with Extended Producer Responsibility (EPR) principles.

**Raw Materials and Backward Integration**

With no major commercial-scale cell manufacturers in India, the company imports cells from Tier 1 suppliers in China. Supply chain risks are hedged by procuring materials six months in advance. The long-term strategy involves backward integration through the recycling division. Phase 2 of the recycling project aims to produce cathode/anode materials, potentially positioning Maxvolt as a supplier to upcoming Indian cell manufacturers.

**Distribution, Dealers, OEM, and Services**

The company's philosophy is based on product plus service. It has a strong distribution network across 14 states, supported by warehouses in 7 states and third-party tie-ups covering 140 pin codes. Service is a key competitive advantage, with rapid resolution times: 4 days for battery pack replacement and 48-72 hours for wire-level issues. Service centers are being expanded state-by-state to localize support. A major differentiator is the introduction of a buyback or scrap value system for lithium battery packs, boosting consumer confidence. Strong product demand means dealers often pay in advance, and OEMs partner with the company based on its proven quality and service.

**R&D and Technology**

Through a tie-up with ARCI, a premier materials research institute, the company is actively engaged in R&D. It plans to file several patents related to its material extraction process within the next three months. A joint lab with ARCI will be established in Hyderabad within six months to conduct small-scale trials before commercializing new processes.

**Industry, Market Size, and Demand**

The Indian battery industry is valued at approximately \$18 billion with a 30% CAGR. Growth potential is significant across all segments; the mobility market has only a 6% replacement rate, and ESS has a mere 1.5% conversion rate. With annual sales of 0.5 to 1 million EVs compared to 17-18 million ICE vehicles, and a government target of 30% EV penetration, the company anticipates sustainable profitability for the next four to five years due to high underlying demand and market expansion potential.

**Competitive Advantage and Differentiation**

Maxvolt's primary competitive advantage is its integrated circular economy model, which differentiates it from competitors focused solely on manufacturing. A strong focus on high product quality has allowed it to thrive post-stringent regulations like AIS 156. Other key differentiators include a guaranteed service network, fast service resolution, battery upgradeability, and the pioneering buyback/scrap value system for lithium packs.

**Staffing**

The company currently employs 180 people. Due to expansion across sales, service, and manufacturing, it plans to double its headcount to ~400 within the next year.

**MBL Infrastructure Ltd**

**Outlook:** Emerged from IBC with a clean balance sheet and is now focusing on rebuilding its business systematically. With debt largely at a very low cost and no legacy liabilities, the management is guiding for steady growth. Arbitration claims of over INR 3,200 crores also provide potential upside, with INR 259 crores already awarded and part secured. The company is actively bidding for new projects, with INR 1,800 crores of bids already placed and a strong pipeline in upcoming tenders.

**About the company:** Established in 1995 and listed in 2010. The company faced challenges in 2016–17, went through IBC proceedings, and after litigation up to the Supreme Court, a resolution plan was successfully implemented from September 2024. Currently, the company has no contingent liabilities from the past and is operating with a clean slate. The promoters have already infused INR 9.11 crores into its subsidiary MPTRCL, making it debt-free. A further infusion of INR 20 crores is planned at par value (INR 10/share) as part of the resolution plan.

**Financial Position & Debt**

At the standalone level, the net worth as of March 2025 is INR 1,325 crores, reduced to INR 978 crores at the consolidated level due to provisions at subsidiaries.

With resolution of 2 subsidiaries (Suratgarh–Bikaner Toll Road and MBL–MP Toll Road) expected by Sep 2026, net worth is projected to exceed INR 1,500 crores.

Current standalone debt is INR 650 crores. Most of it is at 0.1% coupon rate NCDs, while the balance carries MCLR + 0.5% (~9.5%).

**Guidance**

For FY26, revenue is expected at INR 330 crores with PAT of INR 46.34 crores. For FY27, revenue is expected ~INR 1,200 crores with EBITDA of INR 132 crores and PAT of INR 87 crores. For FY28, revenue is expected to above INR 2,500 crores with EBITDA of INR 271 crores and PAT of INR 186 crores.

**Order Book & Pipeline**

As of April 1, 2025, the order book stood at INR 253.84 crores. The company has bid for projects worth INR 1,800 crores and expects inflows of INR 1,000 crores in FY26 and INR 2,800 crores in FY27.

**Arbitration Claims:** The company has arbitration claims totaling INR 3,205 crores. Awards worth INR 259.32 crores have already been won, of which INR 136.40 crores are deposited in courts. It expects to realize at least INR 150 crores within one year. These claims provide upside to cash flows beyond operating revenue.

**Industry & Demand Outlook**

The company sees a strong project pipeline with ~INR 7,000 crores of tenders expected in the next 2 months in addition to ongoing bids of INR 1,800 crores.

Focus will remain on EPC projects while selectively partnering on BOT/HAM projects.

Government shift toward more concrete roads (instead of bituminous roads) is expected, benefiting long-term infrastructure players.

**Other Highlights**

Maintained EBITDA margins of 11–13% and targets 11–15% going forward. Order conversion (hit ratio) historically ranged between 30–66%, but for the next 2 years, the company conservatively assumes 15% conversion. The company now avoids bidding for projects with unresolved land/environmental risks. Strong relationships with banks (SBI, PNB, Indian Overseas Bank, Union Bank) support future growth.

The subsidiary MPTRCL has become debt-free and generates regular revenues through semi-annual annuities of INR 3.26 crores plus toll collections. 2 more subsidiaries (Suratgarh–Bikaner Toll Road and MBL–MP Toll Road) are expected to be resolved by Sep 2026.

**Strategic Initiatives**

Megastar's strategy centers on specialized flours, which currently account for 15% of revenue but are targeted to reach 30% within three years to boost margins.

Developing a new specialized flour takes 6–12 months, securing 100% client dependency for about three years. The company is also prioritizing sustainable wheat, having grown 8,000 MT on 5,000 acres for Nestle's baby food, aligning with carbon credit goals. This secures annual contracts and 5–7% premium pricing.

Megastar plans to expand into Gujarat with a INR 400–500 mn Capex, primarily for a new roller mill near Nestle's Sanand plant. Future plans include entering the frozen bakery segment (e.g pizzas) due to market trends toward standardized, high-margin products.

**Gujarat Expansion**

The planned INR 400–500 Mn Capex for Gujarat primarily focuses on establishing a new roller mill capacity to support specialized flour production, particularly for clients like Nestle.

**Megastar Foods Ltd**

**Outlook:** For FY26, Megastar projects revenue exceeding INR 5,000 Mn and an EBITDA margin of 7.0–7.5%, with capacity utilization reaching 85% by FY27. The Gujarat expansion will support growth in specialized flours, while sustainable wheat initiatives will secure long-term contracts with companies like Nestle, ITC, and Britannia. Profitability is expected to improve as Capex-related costs decrease. Megastar's expertise and infrastructure position it 5–10 years ahead of competitors in the specialized flour segment.

**Company Overview:** Megastar Foods Ltd was incorporated in 2011 and operational since 2013 in Chandigarh has grown from a small flour mill. These mills supplied normal flour to major clients like ITC, Britannia, and Domino's. Since 2015, Megastar has shifted focus to specialized flours for premium clients such as Nestle, Pizza Hut, Subway, and Ferrero Rocher, leveraging advanced infrastructure and specific wheat varieties.

**Business Operations**

Megastar operates in the largely unorganized Indian flour mill industry, with around 1,600 roller flour mills, of which only about 50 produce specialized flours.

Company stands out by producing 40–50 types of specialized flours for products like croissants, pizzas, noodles, and Choco Pies. Its major clients include Nestle, ITC, Jubilant, Mrs. Bector's, Bimbo Bakeries, General Mills, Ferrero Rocher, Orion, and Lotte. The company holds significant market shares, such as 100% of Subway's flour supply, 80% of Pizza Hut's, and 90% of Ferrero Rocher's in India.

Production capacity has grown from 310 MT/day in 2013 to 710 MT/day after a 2022 expansion, with 610 MT/day for refined flour and 100 MT/day for whole wheat chakki atta. Current capacity utilization is 70–75%, with chakki atta at 40% due to increased competition from the unorganized sector following the 2023 Metrology Act. Megastar also supplies private label chakki atta for Pillsbury, Reliance Independence, Amazon, and Flipkart.

**Financial Performance**

Megastar's revenue has surged driven by expanded capacity and a focus on premium flours. The EBITDA margin has improved from 5% to 7–7.5%, with a target of double-digit margins in 3–4 years.

PAT has declined due to high financial costs and depreciation from recent capital expenditure, but profitability is expected to normalize within 2–3 years.

Trade receivables have risen from INR 250 Mn to INR 450 Mn due to higher revenue with steady receivable days of 35–40, supported by reliable MNC clients.

Aims for a net debt of INR 500 Mn by FY26 end, with annual interest costs of INR 120–130 Mn, higher in the first two quarters due to seasonal wheat procurement.

**Capital Expenditure and Subsidies**

In December 2022, Megastar invested INR 1,250 Mn to increase capacity by 400 MT/day, build a warehouse, add 10,000 MT wheat storage silos, and install solar infrastructure. Funding included INR 420 Mn from a February 2024 preference issue, with the rest from bank loans.

As a Punjab Mega Project, Megastar qualifies for 15-year benefits, including relief on land stamp duty, Electricity Duty and a 200% Fixed Capital Investment benefit. This translates to an annual subsidy of ~INR 50 Mn with Electricity Duty reimbursement starting in January 2025 and FCI reimbursement post-financial year.

**Strategic Initiatives**

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**Gujarat Expansion:** The planned INR 400–500 Mn Capex for Gujarat primarily focuses on establishing a new roller mill capacity to support specialized flour production, particularly for clients like Nestle.



**Megatherm Induction Ltd**

**Outlook:** Megatherm is at an inflection point with its transformer division ready to contribute meaningfully and induction products benefiting from India's steel capacity build-out and green steel thrust. Global expansion via the U.S. JV and South American presence broadens its addressable market, while backward integration into transformer tanks improves cost efficiency. Near-term margins may remain modest as the company scales, but management's growth targets of INR 5,000 Mn by FY27E and INR 10,000 Mn by FY31E. The company remains optimistic about scaling revenues to INR 5,000 Mn by FY27E, aided by transformer-led growth, and is confident of doubling this to INR 10,000 Mn by FY31E.

**Guidance**

Revenue growth targeted from INR 3,000 Mn currently to INR 5,000 Mn by FY27E; further to INR 10,000 Mn by FY31E.

Transformer division to scale from ~INR 400 Mn currently to INR 1,500 Mn by FY27E, with longer-term contribution of INR 2,500–3,000 Mn.

Induction product growth to be driven by domestic and export expansion.

Company expects significant PAT margin improvement as scale supports absorption of overheads and new capacities.

**Business Segments**

Large Furnaces used for steel accounts to ~30% market share in a ~INR 5,000-6,000 Mn market.

Heating & Hardening currently has ~5% share; market dominated by Inductotherm. The company is developing products to capture incremental share.

Transformers is a key growth lever, leveraging approvals from major renewable players like Tata Solar and Waaree.

Company focused on inverter-duty and multi-winding transformers while avoiding commoditized utility/board segment.

**Transformer Division**

Manufacturing capacity: 2,000 MVA annually, with revenue potential of ~INR 150-180 Mn at full utilization.

Approvals secured from Tata Solar and Waaree; order inflows expected within 3-4 months, with contribution from Q4FY26E.

Industry EBITDA margins: 17-18%. Megatherm may price competitively initially to gain share before aligning with industry standards.

Backward integration in transformer tanks to reduce costs in-house at INR 75-80/kg vs. outsourced at INR 125/kg and improve quality/timelines.

**Manufacturing & Capex**

Three sheds in Kharagpur; newest and largest dedicated to transformers.

Transformer shed expansion complete, CPRI rating secured, production expected to commence shortly.

Land lease renewal with Port Trust underway; fabrication unit planned for backward integration.

**Operational Update**

Minimal impact expected from withdrawal of West Bengal state incentives (~INR 10–20 Mn).

Promoter sold stake investing ~INR 40-50 Mn funded land lease renewal; strategic to backward integration.

**Industry Outlook**

India targeting ~300 MT steel capacity by 2030E. Induction furnaces best suited for TMT bars, are fastest to set up taking ~6 months.

Blast furnaces for high-volume sheet steel, requiring heavy capital.

With the push for green steel, induction and EAF expected to gain share in the coming decade.

**Global Expansion**

Company has done JV with Cyber Induction in U.S to provide local service and build trust in North America.

Company expanding its sales agencies operational in South America; currently looking for ongoing expansion in UK and SEA.

Tariffs in U.S./EU not seen as a material concern, as higher price markups in these markets provide adequate profitability buffer.

**Meghmani Organics Limited**

**Outlook:** Meghmani Organics presents a compelling transformation story through strategic diversification from traditional pigments into high-growth agrochemicals and innovative crop nutrition segments. The company's balanced portfolio positioning with 7580% revenue from crop protection chemicals provides resilience against cyclical market pressures while maintaining strong export orientation at 80% of total revenue. Revolutionary entry into nano urea through Meghmani Crop Nutrition subsidiary demonstrates technological leadership with potential to capture significant import substitution opportunity in India's INR 700+ bn fertilizer market, while anti-dumping duty on Chinese titanium dioxide creates favorable market dynamics for the Kilburn Chemical subsidiary.

**Business Model & Strategic Positioning**

Meghmani Organics operates as a diversified chemical company with four decades of operational expertise spanning crop protection chemicals, pigments, and crop nutrition segments. Founded in the late 1980s as a pigment manufacturer, the company strategically diversified into agrochemicals and recently expanded into crop nutrition through patented nano urea technology. The company maintains global presence across 75+ countries with manufacturing infrastructure comprising nine facilities in Gujarat's chemical belt, all maintaining responsible care accreditation. Strategic positioning emphasizes entire value chain participation from intermediates to technical grades to formulations, with 780+ product registrations establishing regulatory moats across key markets.

**Core Business Segments & Market Leadership**

The agrochemical division represents Meghmani's primary revenue contributor through four manufacturing facilities with combined capacity of 55,000 metric tons annually, ranking among India's top 10 pesticide manufacturers. Recent capacity expansion includes multipurpose plant at Dahej designed for manufacturing high-value, high-margin products including lambda flumendamide, beta cyfluthrin, and ethyprol. Traditional pigment operations face structural headwinds from digitalization-driven demand reduction, while strategic acquisition of Kilburn Chemical represents diversification into titanium dioxide market addressing substantial import substitution opportunity with 4.85 mn tons annual Indian market demand and 7075% import dependency.

**Revolutionary Nano Urea Technology**

Meghmani Crop Nutrition represents transformational entry into fertilizer segment through exclusive technology agreement with IFFCO for nano urea liquid fertilizer manufacturing. The 500ml bottle format provides equivalent nutrition to 45kg conventional urea bag while priced at INR 225 without government subsidy versus INR 265 post-subsidy conventional urea, demonstrating superior cost economics for farmers. Current manufacturing capacity of 5 crore bottles annually addresses India's massive urea import dependency exceeding 9 mn tons worth INR 700+ bn annually, with six country registrations achieved and substantial pipeline under development across export markets.

**Financial Performance & Export Strategy**

Recent financial performance demonstrates resilience with FY25 consolidated revenue growth and margin stability, while nano urea segment achieved INR 400 mn revenue with substantial export contribution. Management guidance targets 1520% annual revenue growth with EBITDA margins of 1415%, prioritizing asset utilization optimization before major greenfield investments. Strong export orientation at 80% of revenue provides natural hedge against domestic market volatility while accessing premium international markets, with key destinations including USA and Brazil and strategic emphasis on maintaining below 20% exposure to any single geography for risk mitigation.

**Growth Strategy & Future Outlook**

Medium-term strategy emphasizes organic growth through existing asset utilization while developing international market penetration in underserved geographies. The anti-dumping duty implementation on Chinese titanium dioxide provides structural tailwind for domestic manufacturers, with pricing improvement expected from Q3 FY26 as existing inventory depletes. Comprehensive regulatory expertise across multiple jurisdictions and established customer relationships spanning decades provide sustainable competitive advantages through complex approval processes, positioning Meghmani advantageously to capitalize on structural growth opportunities across agrochemicals, titanium dioxide recovery, and revolutionary nano urea scaling both domestically and internationally.

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**Menon Bearing Ltd**

**Outlook:** FY26 marks capacity expansion completion with ALCOP's second unit operational and railway registration process nearing conclusion pending dynamometer installation by November 2025. Strong order pipeline of INR 90 mn in development (INR 50-60 mn ALCOP, INR 40 mn bi-metal bearings) with production start over next two years provides multi-year growth visibility. Export growth trajectory from current 27% targeting 35% by year-end, supported by new Alison USA business generating INR 3 mn monthly revenue. Management expects EBITDA margins to improve from current 20% to 21-22% over next two years while maintaining 40-45% dividend payout policy.

**Company Background:** Established automotive component manufacturer specializing in critical components for heavy commercial vehicles, tractors, and industrial applications. Operating in niche four-player market (Menon, Federal Mogul, KSPG) with high entry barriers requiring 9-10 months testing and validation. 30-year relationship with customers like Tata Motors, John Deere demonstrates sticky business model with 90% single source supply arrangements.

**Business Segments:** **Bi-Metal Bearings** (70-75% revenue) for automotive engines, compressors, generators, earth movers, and marine engines targeting higher realization per kg through critical component focus. **ALCOP Products** (25-30% revenue) serving industrial applications with export focus. **Brake Lining** new segment launched two years ago for HCV, LCV brake pads, and two-wheeler applications with capacity building through in-house developed machinery.

**Capacity & Infrastructure:** **Manufacturing Excellence** with six operational units and semi-automatic machines developed in-house rather than imported high-volume passenger car lines. **Zero PPM Certification** from major OEMs including Cummins and John Deere.

**Network Strength:** 1,000 dealer-distributors serving 10,000 mechanics with marketing team of 40 personnel.

**Financial Performance:** FY25 bi-metal revenue of INR 165 mn (vs INR 114 mn FY24) and ALCOP INR 63 mn (vs INR 66 mn FY24). EBITDA margins improved to 20.04% with expectation to reach 21-22% over next two years. CAPEX completion: bi-metal INR 19.55 mn, ALCOP INR 12 mn with second ALCOP unit now operational. Strong balance sheet with net debt-equity of 0.03 and ROE of 23%.

**Growth Drivers:** **Export Expansion** from current 27% targeting 35% by year-end with new market exploration in Indonesia and Germany.

**Product Development:** INR 90 mn worth RFQs under development with samples approved and commercial discussions completed.

**Railway Business:** Registration completed, awaiting dynamometer equipment installation for final audit approval enabling INR 18 mn (FY27) to INR 24 mn (FY28) revenue potential.

**EV Resilience:** Business largely insulated from electric vehicle adoption due to focus on heavy commercial vehicles, tractors, and industrial applications. Simultaneously developing EV charging station manufacturing capabilities through US technology partnership exploration, seeking joint ventures for competitive positioning in emerging three-player Indian market.

**Operational Efficiency:** **Limited Capex Requirements** due to in-house machine development capabilities and semi-automatic systems suitable for current market segments.

**Strong Customer Retention:** Zero customer loss over 30-year operating history with international OEMs. **Margin Sustainability:** Focus on critical components with high technical barriers enabling premium pricing versus competitors.

**Strategic Initiatives:** **Technology Partnerships** exploring EV charging station manufacturing with US partners for technology transfer and market entry. **Geographic Diversification** through new market development in Indonesia, Germany, and Malaysia for aftermarket expansion. **Product Portfolio Expansion** while maintaining focus on high-margin critical components.

**MMP Industries****Company Overview**

Company was started in 1983 and is a manufacturer of aluminum powder and other aluminum products. The promoter holding is around 74%. The company is also coming up with a new project for manufacturing wire rod and low voltage power cable.

**Business Verticals and Key Capacities**

Atomized Aluminum Powder: Capacity is 12,000 tons per annum. 85% is used captively for downstream products, while the remaining 15% is sold in the open market for various applications including refractory, explosives, and defense.

Pyro flake Powder: Total capacity is 16,100 tons per annum. This includes explosive powder, AAC block powder (used by AAC block makers), firecracker powder, and pesticide powder.

Aluminum Foil: Capacity is 8,400 tons. 150 tons are used captively for converted foils, and the rest is sold to the open market for pharma and food-grade applications.

Converted and Printed Foils: Capacity is 3,600 tons per annum. The products are supplied directly to major pharma companies.

Aluminum Conductor (AB Cables): Capacity is 7,200 tons per annum, with new additional capacity of 1,200 tons to be commissioned by Q3FY26. Composite Silicon Insulators: The first phase of this new product line started in July 2025. The company has already started selling smaller insulators up to 33KVA and is in the process of getting approvals for larger insulators.

**New Projects and Financial Outlook**

Low Voltage Power Cable (LVPC): A new wholly owned subsidiary, MMP Cables Pvt. Ltd., is being set up to manufacture LVPC with a total capacity of 6,000 tons per annum. The project is expected to be commissioned by the end of November or December 2026.

Wire Rod Facility: The company plans to set up a new wire rod facility to reduce dependency on external sourcing and improve margins. This product will be mainly for captive use.

Capex and Funding: The total capex requirement is estimated to be INR 1250 -1300 Mn over the next two years. The funding mix will be 75% from banks and 25% from internal accruals. Loans are expected to be secured at an interest rate of 7.5-8%.

Revenue and Margin Guidance: The company has set an internal target to double its revenue by FY29-30. They expect blended EBITDA margins to return to 11-12% in the next three to four years, driven by new high-margin products.

Star Circlips: The company generates a revenue of around INR 1600-1650 Mn from Star Circlips, with an EBITDA margin of 23-25%.

**Key Highlights**

Aluminum Powder Slowdown: The company noted a slowdown in the aluminum powder business, particularly in the AAC block segment, due to a lack of manpower for their customers. The defense segment has a negligible presence.

Insurance Claim: An insurance claim for a fire incident is in progress. The total loss amount and claim have been filed. The company is waiting for the removal of burnt debris and expects the claim settlement by the end of December.

Working Capital: The cash conversion cycle has increased due to the uncertain availability of raw materials (specifically foil stock) from suppliers like Hindalco, leading to higher inventory levels. Additionally, unfavorable payment terms of 90-100+ days from pharma companies have impacted the cycle.

Revenue Mix: The current revenue mix is approximately 58% from the powder division, 16% from the conductor division, and 26% from the foil division.

Raw Material Sourcing: Raw materials are sourced from prime metal manufacturers like Nalco and Hindalco. Over 80% of the foil stock is sourced from Hindalco.

**Modi Navnirman Ltd**

**Outlook:** Modi Navnirman Ltd is set to extend its industry-leading growth, driven by focused redevelopment and mid-income residential execution within Mumbai's high-demand western corridor. The company's operational discipline and partnership-driven model position it well for margin expansion and capital-efficient growth. Management targets continued double-digit revenue and PAT growth, supported by a strong order pipeline and effective project launches. Recent equity fundraise and balance sheet strengthening enhance financial flexibility for future development, while quality assurance and customer satisfaction remain integral to strategy.

**Business Performance and Financials:** FY25 total revenue up 53% YoY to INR 886 mn, reflecting strong execution and market demand for new projects. Net profit surged 83% YoY to INR 123 mn, aided by operational discipline and margin improvement (PAT margin of 13.8%, up from prior 11.6%). Profit before tax grew 82% YoY to INR 165 mn, with EPS up 78% YoY to INR 6.25. Total assets rose to INR 1.59 bn (primarily inventory for current/future developments), indicating healthy pipeline and capital readiness. Raised incremental equity capital via warrant conversion to support ongoing project expansion.

**Strategic Positioning**

Asset-light focus on MHADA, SRA, and society redevelopment in Mumbai's western suburbs maximizes margins and mitigates land risk.

Strong emphasis on swift project execution: typical project completion cycle of two years for sub-70m buildings, enabling faster capital turnaround.

Pipeline includes 5 ongoing and 3 upcoming projects, totalling over 1.7 mn sq ft, with new launches set to sustain revenue growth.

Continued regional focus in western/central Mumbai, but exploring selective entry into township formats and tier 2 city partnerships.

**Operating Model and Differentiators**

Four-pillar strategy: Timely possession, quality work, customer satisfaction, and commitment, underpinning customer trust and repeat business.

Inventory management and sales velocity maintained, with average 10–15 units sold per quarter, translating to INR 200–250 mn revenue per quarter.

Regulatory discipline assured through experienced consultant teams for BMC, RERA, and Environment approvals, supporting project reliability.

Corporate governance reinforced by auditor's clean opinion and absence of material fraud.

**Capital and Balance Sheet**

Equity base strengthened with recent share issuance; liquid asset base to support project launches and working capital needs.

No material credit or operational event risk flagged; healthy inventory and cash position.

**Market Dynamics and Growth Drivers**

Mumbai residential sector benefitting from sustained urbanization, rising middle-class aspirations, and proactive infrastructure/transport expansion.

Redevelopment and mid-income housing segments growing due to policy support and attractive financing environment.

Stock performance resilient with 28% YTD return, significantly outperforming sector and index. Volume indicators point to rising institutional participation.

**Moneybox Finance Ltd**

**Guidance and Future Outlook:** Moneybox reaffirms its FY26 AUM guidance of INR 1,300–1,400 cr, with expected improvement in profitability. The management indicated a shift toward double-digit PAT-level returns, with better outcomes compared to FY25. The company aims to achieve 65% secured AUM by end-FY26. Tech tools like the MB Collect app and AI-led underwriting are helping improve collection efficiency and reduce credit costs. Profitability in FY25 was modest but is expected to improve significantly in FY26.

**About the company:** The company is a non-banking financial company (NBFC) focused on providing secured and unsecured business loans to small and micro enterprises, with an emphasis on impact financing. Operations are concentrated in semi-urban and rural India through a network of over 160 branches across 12 states. The company targets an AUM of ₹1,000 crore by November 2025.

**Business Model and Customer Segment:** Moneybox offers loans ranging from INR 1 lakh to INR 25 lakh with tenures from 24 to 120 months. Customers are primarily micro-entrepreneurs operating in essential sectors such as livestock, Kirana stores, retail trade, and micro-manufacturing. The company operates without third-party agents, maintaining a direct customer relationship model.

**Tech and Digital Innovations:** The company has implemented significant tech-led solutions such as the Cattle AI App (for biometric identification of livestock to mitigate fraud) and the Sikka App (customer-facing app for EMI tracking, loan status, top-up application, and referrals). These tools enable fully digital underwriting, income assessment, and collections, even in rural and low-document environments. The company has received several recognitions from publications like Business World and Economic Times for its digital inclusion efforts.

**ESG Initiatives:** Moneybox has disbursed INR 1,900 crore cumulatively until March 2025, transforming over 2 lakh lives >60% women entrepreneurs. It also runs initiatives like free veterinary services and distribution of fruit-bearing plants to enhance livestock productivity and disposable incomes. Partnerships have been established with global organizations including the Rabo Foundation, Dell Foundation, Bill & Melinda Gates Foundation, and Water.org. ESG collaborations with CII, Shell Foundation, and Axion are currently under development.

**Liability Franchise & Credit Rating:** Moneybox has 31 active lending partners, including SBI, IOB, HDFC Bank, Kotak Mahindra Bank, AU SFB, and Utkarsh SFB. Recently, the company secured a 4-year term loan from SBI at sub-11% pricing. Cumulative debt raised so far is INR 1,200 crore. The company is rated BBB (Stable) by both CRISIL and India Ratings. On the equity side, INR 270 crore has been raised, with INR 85 crore in committed capital expected via warrants by March 2026. Investors include HNIs, family offices, and select AIFs.

**Industry Backdrop and FY25 Stress:** The broader microfinance industry witnessed considerable stress during FY25. Industry AUM declined 15% YoY, and delinquencies (GNPAs) doubled to 16%. Despite this, Moneybox managed a 27% YoY AUM growth in FY25. While many customers had exposure to MFIs, Moneybox maintained profitability and has historically operated with one of the lowest delinquency levels in the industry.

**ARC Transaction and Asset Quality:** The company sold an INR 60 crore stressed portfolio to an ARC, including INR 18 crore fully written-off and INR 42 crore of partially provided GNPA loans. The ARC transaction was executed at a 15:85 structure, yielding INR 3.6 crore in upfront cash and generating INR 3 crore profit on sale. The remaining 85% is in the form of Security Receipts (SRs). Moneybox retains recovery rights and expects meaningful future recoveries, supported by legal actions such as Section 138 and SARFAESI. This transaction is expected to materially reduce GNPAs in Q2FY26 results.

**Disbursements & Collections:** Monthly disbursements increased from INR 30 crore/month in Q1FY26 to over INR 45 crore in August 2025, with further improvement expected in September. Approximately 70% of incremental disbursements are now in the secured segment. Collection efficiency is also improving — the number of bounce cases is declining by 500–600 accounts monthly, and forward flows are reducing by 70–80 accounts per month. Despite an overall weak market, demand is now recovering.

**Cost of Funds and Opex Trends:** The company's cost of borrowing has declined steadily — from 12% last year to 10.5% for recent SBI borrowings. It targets sub-10% borrowing cost within 12–18 months. Operating expenses currently stand at ~13% of AUM due to expansion-related investments, including the opening of 60 branches last year. However, this is expected to normalize to sub-10% as AUM scales beyond INR 2,000 crore. The management emphasized that OPEX is semi-fixed in nature, and overall costs per unit will reduce with scale.

**Secured Loan Focus:** Secured lending provides greater sustainability, longer average life of assets, improved recovery visibility, and better acceptance from lenders. It allows for larger ticket sizes and lower capital costs. As the company plans to scale, secured loans are expected to drive operational efficiency and lower credit costs.

**Equity Infusion Timeline:** INR 85 cr of equity via warrants is expected before March 6, 2026. The company plans to infuse a portion by December 2025, with the balance by February 2026. This will further support leverage ratios and debt-raising capacity.

**NSE Listing and NCLT Process:** Moneybox Finance is already listed on BSE and has received NSE listing approval, with plans to list on NSE by October 2025. Separately, the company is pursuing a reverse merger with its holding company, Moneybox Capital, through NCLT. This process is expected to conclude in 8–9 months post-NSE listing. All operational and fundraising activities already reside under Moneybox Finance, so this structural change will have no impact on existing investors.



**Monte Carlo Fashion Ltd**

**Outlook:** Targeting revenue growth of 10–15% in FY26, supported by strong demand for both winter and non-winter categories and expects margins to recover to the guided range of 18–19%. A key focus area is diversifying beyond winter wear, with a target to achieve a 50:50 sales mix between winter and non-winter products by FY28, aided by expansion in summer wear, kidswear, footwear, and home furnishings. Online sales are expected to grow 25–30% with website revenues likely to double, while store expansion plans include 40–45 new outlets in FY26.

**Channel & Store Expansion**

Plans to open 40–45 EBOs in FY26 under the Monte Carlo brand and another 15–20 stores for its sub-brand “Rock and Decker”, totaling 65–70 new stores. ~40% of revenue already comes from EBOs, and the channel will continue to be a key growth driver.

Online sales stood at INR 1.63 Bn in FY25, and the company is targeting INR 2.0 Bn (25–30% growth) in FY26 across marketplaces and its own website, with website revenues expected to double in FY26.

**Margins & Profitability**

Margins were impacted in Q1FY26 due to sales returns; expects to normalize to 18–19% EBITDA margin, with a possibility of improvement in FY26 and FY27.

Home textile EBITDA margins are currently lower at 13–14%, compared to the company average of 18–19% and expected to improve steadily in the next 3–4 years.

Profitability is similar across summer wear and winter wear, with summer wear even delivering 10–20 bps higher margins.

**Category Developments**

Kidswear is being expanded, with Reliance Retail onboarding Monte Carlo kidswear in 150 stores from summer FY26 onwards, which management expects to be a “big win.”

The footwear business, though small, is growing; from INR 80 Mn in FY25, management expects revenue to reach INR 250–300 Mn by FY28.

Strong growth in summer wear and home furnishings, which will reduce dependence on winter wear.

**Geographic Expansion**

Strong in northern India but is now expanding in western and southern India through EBOs, large format stores, and online platforms.

Sales in southern and western India grew by 17% YoY, largely driven by summer wear and lighter apparel.

The company is also present in tier 3 and tier 4 cities, having moved early into these markets 15–20 years ago, and continues to see strong sales productivity there.

**Other Highlights**

~20% of total advertisement spending is now directed toward digital platforms such as Meta and Google, with a focus on performance marketing managed by an in-house team in Gurgaon.

Quick commerce (Blinkit, Swiggy Instamart) and currently sells ~100–150 pieces per day through these platforms. No change in revenue guidance because of decrease in GST.

The company continues to invest in brand visibility, with initiatives like OTT/movie product placements and metro advertising in New Delhi. A new subsidiary, Amstaple Venture, has been floated to invest in the solar and renewable sector, with tenders already filed for 150 MW projects in Madhya Pradesh.

Working capital remains high at 135 days receivables and 155 days inventory, and likely to remain at this level due to the nature of the seasonal business.

Currently, exports contribute only 0.1% of revenues (~INR 15 Mn), with small pilots in Germany and the Middle East. The company plans to expand exports only under the Monte Carlo brand name, starting with online channels in the US, UK, and Middle East, and will consider physical presence once traction builds.

Non-winter categories such as summer wear, kidswear, footwear, and home textiles are expected to accelerate growth, with home furnishings projected to grow at 20–25% annually.

**Motilal Oswal Financial Services Ltd**

**Outlook:** Looking ahead, Asset Management and Private Wealth are expected to continue outpacing other businesses with growth of over 40% in the past 18 months. Capital Markets is also well positioned with a strong pipeline, while Broking growth will align with the industry's 20–25% CAGR, with higher contribution from distribution and lending. Housing Finance will scale steadily until FY27, and Treasury will remain a consistent compounding engine. Overall, Motilal Oswal's diversified model, twin-engine strategy, and strong growth drivers position it to deliver 25–30% PAT CAGR and sustain ROE above 25% over the medium term.

**Financial :** In Q1FY26, the group reported 20% YoY growth, supported by momentum carried forward from FY25 where operating profit had grown 30% YoY (~INR 20 bn). Profit pools in Q1 were led by Asset Management and Private Wealth contributing 43–44% of operating PAT, followed by Broking & Distribution at 34%, Capital Markets at 15%, and Housing Finance at 5%. Segmental ROEs remained strong with Broking at 18%, Capital Markets at 51%, Asset & Wealth at 32%, Housing Finance at 7% (dragged by low leverage), while Treasury continued to deliver 20% IRR. The group's decadal average ROE remains above 25%.

**Asset Management & Alternates:** Motilal Oswal has crossed INR 1.5 lakh crore AUM with ~25% contribution from alternates. Market share has doubled in the past three years to 2.7%, with flow share at 8% and SIP market share at 5%. Net yields are around 60 bps, aided by alternates and an equity-heavy mix. Alternates are scaling rapidly—PE Fund Series V (~INR 8,000 crore) is nearly closed, Real Estate Fund Series VI closed at INR 2,000 crore, and Series VII is in pipeline. A Private Credit Fund launch is expected in Q4FY26, which could double alternates AUM to INR 20,000 crore.

**Private Wealth Management:** The Private Wealth business remains the fastest growing vertical, benefiting from reinvested profits and recent leadership hires from Kotak and ICICI Securities. With strong traction in advisory and alternates, along with group synergies across AMC, PE, broking, and ECM, the vertical is well placed to capture share in the HNI and ultra-HNI segment.

**Capital Markets:** Capital Markets, which includes Institutional Equities and Investment Banking, continues to gain recognition with a top-ranked equity franchise in Asia Money Polls. The IB division has been especially strong, ranked #1 in QIPs over the last 18 months and #2 when including IPOs. The ECM pipeline remains robust with growing traction in block deals and an expanding M&A practice.

**Broking & Distribution:** In Broking and Distribution, the business has diversified well beyond brokerage, which now contributes only 35% of revenue, while distribution and NII/advisory account for the rest. Distribution AUM stands at INR 40,000 crore compared to DP AUM of INR 3 lakh crore, indicating significant cross-sell potential. The franchisee/partner network exceeds 9,000 and operates on a variable cost model, giving it scale efficiency. Retail broking contributes only 12% of group revenues, keeping structural dependence low.

**Housing Finance:** Has crossed INR 5,000 crore in loan book with a target growth of 25–30% CAGR. While ROA is expected to stabilize near 3%, ROE currently remains modest at 7% due to low leverage (2.3x). Management plans to revisit equity capital raise or strategic options only after FY27 once leverage normalizes to 3.5–4x.

**Treasury:** Manages a USD 1 billion book, continues to compound at ~40% CAGR over the last decade, delivering 20%+ IRR and reinvesting free cash flows. About 90–95% of treasury investments are parked in the group's own AMC/alternates, reinforcing fundraising credibility while enabling net worth to grow at 24% CAGR.

**Muthoot Microfin Ltd**

**Outlook:** Credit costs expected to trend lower; targeting ~2% in steady state and profitability improving after returning to profit in Q1FY26. The company is diversifying beyond microfinance by selectively offering MSME, gold, and individual loans, mainly to existing high-quality customers, which will strengthen resilience and customer retention. With CoF falling from 11.5% to ~10.8% and expected to decline further, margins should improve. Expects better-than-projected AUM growth; 5–10% initially, but now seeing stronger momentum and lower credit costs than earlier projected, supporting a profitable year ahead.

**Financial Performance**

AUM stood at INR 122,528 Mn as of June 2025. The company has around 1,726 branches across 20 states and union territories.

Employee strength is 16,397 people. The company serves about 3.41 Mn active clients.

Collection efficiency improved from 91% in Q4FY25 to 93% in Q1FY26, while ex-bucket collection remained strong at 99%. Q1FY26 saw a turnaround to profitability after a loss in Q4FY25. In Q1FY26, disbursements were about INR 17,750 Mn.

**Capital and funding**

Raised over INR 9,600 Mn via IPO in December 2023, of which INR 7,600 Mn came directly into the company.

Completed a large ECB deal of USD 113 Mn in 2024 with participation from banks in Taiwan, the Middle East, and Indian banks' foreign branches.

CoF reduced from ~11.5% to 10.79% in Q1FY26, with further reductions expected in H2FY26.

The company expects lower credit costs and improved margins going forward.

**Asset Quality & Provisions**

Portfolio quality has improved, with NPAs under control. In Q4FY25, the company made accelerated provisions of ~INR 2,300 Mn to strengthen the balance sheet.

Credit cost for Q1FY26 was ~4.3%, lower than guidance of 4–6%; aspires to bring steady-state credit cost to ~2% over the medium term.

Karnataka, which was under stress earlier, has now stabilized with ex-bucket collection at 99%.

**New Products & Diversification**

The company has started pilot lending in MSME loans, individual loans (Micro-LAP), and gold loans.

Diversification is being done carefully by targeting existing customers with good credit history, rather than going to the open market.

~440,000 existing customers with a credit score 700+ have been identified for cross-selling new products.

These new products are expected to provide resilience and balance to the overall portfolio alongside core microfinance lending.

**Industry Overview**

The overall microfinance sector saw a 20% decline in portfolio over the last 9M, but the company maintained its portfolio size.

RBI has relaxed qualifying asset norms for MFIs from 25% to 40%, allowing product diversification beyond microfinance.

Co-lending norms now allow it to originate loans and share them with group entities, which will help in offering gold, MSME, and other products to customers.

The overall macro environment is improving with better GDP growth, controlled inflation, and expected decline in base rates.

**Other Highlights**

~30% of loans are on a weekly repayment model, while 70% are on a monthly model, depending on customer cash flows. Each Relationship Officer manages ~400–420 clients.

Branch-level portfolio is capped at ~INR 120 Mn; larger branches are split to maintain control.

Incentives for staff are structured as 70% fixed and 30% variable, with higher weight on collections than disbursements. Credit scorecards have been recalibrated, and AI-driven underwriting tools are being implemented to strengthen credit decision-making.

Expects AUM growth of at least 5–10% in FY26, though momentum is building for stronger growth.

Credit costs are expected at the lower end of the guided range (4–6%) and may even fall below that.

Long-term steady state credit cost is guided at ~2%.

ROA guidance was 0.5–2% for FY26, but management expects to refine and improve guidance after Q2FY26 results.

**Nacdac Infrastructure Ltd****Financial Performance and Growth Guidance**

The company closed the last financial year with a turnover of around INR 48.57 crore. For the current year (FY26), management is targeting a turnover of INR 60 CR to INR 65 CR.

The company expects to beat the last financial year's results by at least 40% of revenue. This growth trend is expected to continue.

Management guides maintaining at least a 35% growth rate for the coming three years. They suggest they could achieve 50% growth if conditions remain favorable.

The management is hopeful that profit margins will increase at the end of FY26.

Half-Yearly Results (Q2): For the current half year, they expect to cross INR 20 CR in revenue, and profits will easily cross or be close to INR 2 CR.

Working capital days are around 60 to 70 days (average 70 days, plus or minus five). Free cash flow is difficult to achieve during the current expansion period.

**Order Book Status and Execution**

Current Order Book: The current order book stands above INR 100 crore.

Under Evaluation: Contracts currently under evaluation with various government departments total more than INR 120 crore. They anticipate securing at least 40% of these contracts.

FY26 Target: By the end of FY26, the company expects the order book to be around INR 140 CR to INR 150 CR.

Single Order Capacity: The largest amount for a single order they can undertake, based on current technical specifications, is between INR 40 CR to INR 50 CR.

Key Projects: The biggest completed project was a group housing project worth around INR 30 CR. The largest single order currently being worked on is a terminal workshop building for the Uttarakhand government, potentially reaching INR 45 CR with additional approvals.

Execution Timeline: The execution timeline for the current order book is 18 months.

**Operational Reach and Client Diversification**

The company is currently working for around 11 separate customers, including both private and government entities.

The current order ratio is 60% Government to 40% Private.

The top three clients are the Uttarakhand government, Indian Railways, and NBCC. Other clients include private companies like Swap Stack and Metro Hospitals.

They have recently added NBCC India Limited as a new government department client. They are actively progressing with the registration process for CPWD (Central Public Works Department). Association with these central government bodies facilitates pan-India operations.

Currently registered in four states: Delhi, UP, Uttarakhand, and Bihar. They plan to target nearby states like Rajasthan, Haryana, and Madhya Pradesh via their association with CPWD.

Uttarakhand holds around 38%, Delhi around 25%, UP around 20%, and Bihar 7% to 10%.

They anticipate that roads will contribute around 20% of revenue in FY27.

**Competitive Advantage and Market Landscape**

**Market Size:** The Indian infrastructure industry is vast, estimated in lakhs of crores, with the Government of India having budgeted around INR 9 lakh crore for development until 2029–30.

The biggest challenge faced is the very high competition, often resulting in tenders being quoted at unnecessarily lower rates by competitors. This high level of competition is attributed to the presence of an estimated 1,000 or more competition is attributed to the presence of an estimated 1,000+ construction companies in India.

The company can easily achieve INR 100 CR of revenue in a year with the current capacity, manpower, and equipment, without further increasing capex. They can effectively double their current work size without increasing equipment costs.

**Naman In-Store India Ltd****Company Overview & Segments**

Naman In-Store is a leading pan-India provider of retail and industrial furniture/fixture solutions with high-profile clients such as Asian Paints, HUL, Reliance, and Siemens.

The business is broadly split into two segments: retail (~65-70%) and industrial (~30-35%). Retail includes shop interiors, kiosks (notably for beauty/cosmetics and tobacco segments), and pan shop fabrication.

The industrial segment delivers solutions like metal enclosures for Siemens and kiosks for MNCs in refueling and tooling.

**Growth Strategy & Capacity Expansion**

Post-listing in 2024, the company plans substantial capacity expansion: Land acquired (10+ acres, Vada, Maharashtra), awaiting state permissions.

Phase 1 of capacity expansion (CapEx: INR 45-50 Cr) is scheduled for operationalization by FY27, enabling incremental topline potential of INR 150-200 Cr per annum.

Current unit nearly maxed out; FY26 sales expected flat at INR 150-160 Cr due to space constraints.

**Segmental & Revenue Targets**

Long-term goal (FY28): Achieve 50:50 business mix between retail and industrial; initial ambition—INR 300 Cr revenue (split equally across both segments).

Exports remain focused on the US/EU; FY25 export revenue was INR 3.5 Cr, with current efforts stymied by a 50% US import duty. Other geographies (Middle East/Africa) not a focus currently; export team and back-end capacity ramping up for future scale.

**Diversification & New Initiatives**

Company is piloting a move into B2C (details confidential pending compliance signoff), leveraging current infrastructure/team for value-added products.

Recent entry into the jewelry store fixture segment (Tanishq, Indira) with successful pilots; cosmetics, tobacco, and airport lounge fabrication remain emerging verticals.

**Financial Highlights & Margin Profile**

FY25 sales: INR 155 Cr. Revenue CAGR (past 3 Yrs): ~45%; EBITDA CAGR: >70%.

FY25 EBITDA margin: Company targets 7-8% PAT margin, currently above 6% but below ambition due to internal/external challenges.

ROE (10%) and ROCE (12%) stable; additional improvement targeted post-expansion.

**Competitive Edge & Execution**

Fully integrated manufacturing with in-house capabilities across wood, metal, acrylic, thermoforming, and coating divisions, enabling uniform pan-India service and rapid execution.

Key driver is consistent, on-time delivery for major retail rollouts irrespective of geography; over 80% of business is repeat orders.

Technological upgrades underway: ERP upgradation, automation to boost operational efficiency and data-driven decision making.

**Management & Governance**

MD Raju Paleja and a team of five executive directors (long-tenured, home-grown leaders) supported by strong vendor and client relationships.

Emphasis on ESG, governance, and stakeholder value creation as pillars for sustainable growth

**Narmada Agrobases Ltd**

**Outlook and Strategy:** Management remains confident of sustaining growth momentum achieved in FY25 and Q1 FY26, supported by a strong financial base and brand-led positioning. The company is steering toward a “stronger and more impactful” growth phase, anchored in three pillars:

Geographic expansion (domestic + international),

Product diversification into value-added segments, and

Disciplined capital management with a long-term goal of becoming debt-free.

Working capital, elevated post the FY25 rights issue, is expected to normalize by year-end.

**Financial Outlook and Margins**

Management guides for stable-to-expanding EBITDA margins, underpinned by continued investments in brand development and product quality.

Debt levels are being managed with a stated objective of becoming gradually debt-free over the long term.

Margin visibility is supported by the ongoing mix shift into value-added products and diversification into poultry feed and cotton seed oil.

**Geographic Expansion****Domestic Markets:**

Strengthening dealer networks to deepen penetration across Maharashtra, Punjab, Haryana, MP, and Rajasthan.

Expansion expected to help de-risk the business from overdependence on existing geographies and capture demand growth in high-consumption states.

**International Markets (Exports):**

South Asia, Middle East, and Africa identified as near-term focus markets.

Vietnam is a priority market, with Cotton Seed Hulls (used in mushroom farming in Korea & Vietnam) as the lead export product.

Initial traction already achieved through B2B e-commerce platforms.

**Product Diversification**

New launches: “Virat Cattle Feed” and Cotton Seed Oil added to the portfolio.

Poultry Feed Entry: Operations commencing with management targeting 10% of revenues by FY27 from this new vertical.

Core focus remains on milk-yield cattle feed, with no plans for fisheries currently.

Strategy reflects management’s intent to enhance value addition and margin resilience through diversification.

**Capital Expenditure and Operations**

R&D pipeline: Active projects underway across diversified categories to drive innovation and value addition.

Capacity expansion: A project under evaluation in Gujarat could double output capacity with an estimated INR 7-8 crore CAPEX.

Sustainability focus: Commitment to zero-waste manufacturing, renewable energy adoption, and eco-friendly packaging.

Partnerships: Exploring acquisition/collaboration with a Vietnamese company; discussions ongoing with local corporates and the Gujarat Government for supply opportunities under its branded distribution.

**Key Monitories**

Execution of domestic and export expansion plans (especially Vietnam traction).

Margin sustainability amid diversification into poultry feed.

Timely normalization of working capital by FY26-end.

Scale-up of partnerships and CAPEX execution in Gujarat.

**Neetu Yoshi Limited**

**Neetu Yoshi Limited is set to drive significant top-line growth over the next two to three years through the commissioning of its bogie manufacturing facility and strategic expansion into higher-margin railway segments, including coaches and tracks. The company aims to maintain its high PAT margin profile of around 25% through cost control, operational efficiency, and leveraging its modern, state-of-the-art manufacturing setup.**

**Capacity Expansion and Production Timeline**

NYL is transitioning from primarily a component manufacturer to an assembler of major railway sub-systems. The centerpiece of this expansion is a new bogie manufacturing facility in Haridwar, funded by IPO proceeds. The plant is expected to become operational in April 2026/27, with a total CAPEX of approximately INR50 crores. The facility is designed to produce up to 500 bogies per month, with FY27 utilization projected at 60–65%, translating into INR120–150 crores in revenue. Peak capacity of 100% utilization could generate up to INR200 crores by FY28. In parallel, NYL is expanding its component manufacturing capabilities, establishing a spring production unit within this financial year at an estimated CAPEX of INR10 crores. This facility is expected to contribute an additional INR30 crores in revenue during the next financial year. Plans for complete component manufacturing, including rubbers and other key inputs, will support the long-term objective of building a full wagon manufacturing facility by 2030.

**Revenue Mix and Margin Strategy**

Despite moving into the capital-intensive bogie segment, NYL expects to maintain its high-margin profile by strategically managing costs and focusing on higher-value products. Margins vary by product, with locomotives commanding the highest (INR310 per kg), followed by coaches (INR210 per kg), and wagons (INR110 per kg). The company is deliberately shifting its product mix toward higher-margin coaches and track components, which are primarily government-driven business, while retaining private sector clients. This strategy is expected to increase government revenue mix to 20–25% from 10% last year, with the remainder sourced from private clients.

**Industry Tailwinds and Strategic Growth Drivers**

NYL's growth outlook is underpinned by a favorable macro environment in the railway sector. Significant investment in track infrastructure, coupled with the operationalization of the two existing Dedicated Freight Corridors (DFCCs) and the planned six new DFCCs, is expected to drive demand across the wagon and bogie industry.

Private sector demand is rising, as companies like Adani and Jetex increasingly place direct orders with wagon manufacturers. Currently, wagon builders produce roughly 50% of their bogies in-house and outsource the remainder due to manufacturing complexity. NYL's new bogie facility targets this outsourced market, estimated at 20,000 wagons, with a client mix of 20% government and 80% private sector orders.

**Financial Outlook**

The company's total revenue target for FY27, including contributions from the new bogie facility and the spring segment, is approximately INR340 crores. NYL aims to maintain a PAT margin of around 25% and an EBITDA margin of approximately 36%, reflecting the combined effect of operational efficiency, product mix optimization, and higher-margin segment focus. The strategic expansion into bogies and coaches positions NYL to capture a larger share of outsourced sub-systems while building toward the long-term vision of a complete wagon manufacturing facility by 2030.



**NIIT Learning Systems Ltd**

Market size of L&D is \$ 400bn; market is unexplored with only 10% penetration. Focus of NLSL is on proprietary training for enterprises. Market size of the same is 67% of the TAM.

Focus on market segments which have the tendency for rapid changes like Tech, Telecomm. Other market segments where there is high requirement of mandatory training like BFSI, Healthcare are also pursued. 50% of revenue comes from highly regulated market segments.

Volatile markets and uncertainty in terms of discretionary spending has impacted the overall industry. Meanwhile, the increased requirement for outsourcing is offsetting the headwinds.

Management believes the L&D outsourcing market is at the stage similar to IT services, when it was at a nascent stage.

NLSL competes with the likes of global players like Accenture, IBM. Pricing is a key parameter for enterprises.

AI and humans are expected to work in tandem, with hiring patterns remaining largely unaffected. Instead of being seen as a threat, AI is increasingly viewed as a growth enabler. While overall employment levels may stay stable, the nature of work and employee roles are set to undergo significant transformation.

More profound impact of AI will be how training will be delivered in the future vs today, rather than only focusing on efficiency. AI will help deliver more outcome-driven training for enterprises. Opportunity lies in IP led training delivery embedded with AI, which also comes with marginal incremental costs, helping margin growth.

Investments in AI, capability building and sales and marketing are targeted to keep EBITDA margins at ~20%. While improving effort mix with increased focus on driving revenues will lead to faster growth, management believes the former pathway is much more sustainable.

Guidance reiterated: 10% organic revenue growth in FY26E with incremental growth coming from MST acquisition. 20-21% EBITDA margin expected for FY26E.

5 employees are currently on H-1B visa and the management expects negligible impact from the recent changes in the H-1B visa model.

Nisus Finance Services Co Ltd.

### Business Overview

The Company is positioned as a specialist in urban infrastructure financing and asset management. The Company operates across two core verticals – Fund & Asset Management and Transaction Advisory Services – with a strategic focus on real estate special opportunities, private capital markets, and structured financing.

Leveraging over a decade of experience, Company has carved a niche in delivering risk-adjusted returns through innovative structures and deep market expertise, the Company has accelerated its expansion across India and the UAE.

### Q1FY26 Performance

The Company reported its strongest-ever quarterly performance in Q1FY26. Revenue came in at INR 28.7 Cr, up 91 percent YoY, while PAT stood at INR16.9 Cr, a growth of 103 percent year-on-year. PAT margins expanded to 59 percent, supported by higher UAE revenue contribution which also reduced the effective tax rate to ~16 percent.

Revenue mix shifted significantly, with UAE contributing 58 percent compared to 31 percent in FY25. This reflects strong traction in advisory mandates and monetization opportunities in Dubai. The business model continues to deliver high operating leverage with EBITDA margins of 66 percent.

Assets under management at FY25-end stood at INR1,572 Cr, with gross IRR in excess of 19 percent, underlining strong fund performance.

### Strategic Developments

The quarter was marked by several important milestones. Company deployed INR 115 Cr in urban redevelopment and housing projects across Mumbai and Pune, with an estimated topline potential of over INR1,100 Cr.

The Company also took a step into digital assets through a partnership with Toyow, a global Web3 platform, to tokenize up to USD 500 mn of real estate assets. This initiative is expected to unlock liquidity and widen access to global investors.

A major development was the acquisition of a 69 percent controlling stake in New Consolidated Construction Co. Ltd. (NCCCL), a 75-year-old EPC player with a INR2,700 Cr order book. The deal provides Company with execution capabilities within the urban infra value chain. The acquisition was funded through a mix of internal accruals and external debt, with IPO proceeds ring-fenced for the fund management business.

Additionally, Company expanded its UAE presence by partnering with BNW Developments on a Dh150 mn ready-to-occupy residential project in Dubai's JVC region.

### Financial Performance

FY25 was a year of strong growth with revenue of INR67.3 Cr, up 56 percent year-on-year, and PAT of INR32.6 Cr, up 36 percent year-on-year. PAT margins stood at 48 percent, reflecting continued profitability.

Net worth increased to INR161 Cr in FY25 from INR34 Cr in FY24, supported by IPO proceeds and internal accruals. Cash and equivalents rose to INR67 Cr, providing growth capital for future expansion.

Investments grew 131 percent year-on-year to INR51 Cr, largely reflecting commitments into the GIFT City fund and Dubai platforms. The balance sheet remains strong, providing adequate headroom to fund strategic initiatives both in India and overseas.

## Northern ARC Capital Ltd

**Outlook:** Northern Arc Capital demonstrated resilient performance despite challenging market conditions in FY2025, with early signs of recovery emerging across key business segments. The company's diversified business model continues to drive sustainable growth, supported by strengthening macro fundamentals including rising consumption, increased corporate capex, and improved liquidity environment. Management remains cautiously optimistic about FY2026, expecting growth momentum to strengthen in the second half, particularly in the microfinance segment where asset quality is stabilizing.

**Credit Solution Business Performance**

**Fee-Based Revenue Growth:** Core fee income from placement and fund management businesses grew 24% year-on-year while balance sheet expanded only 12%, reinforcing the strategic focus on building solutions-led ecosystem rather than pure balance sheet expansion.

**Placement Business Momentum:** Achieved gross transaction volume of INR 4,900 mn in Q1FY26, with management targeting 15,000-16,000 mn placement volume annually, generating approximately INR 450 mn in fee income. The business operates with 1,300+ investor partners across multilaterals, banks, family offices, and mutual funds.

**Fund Management Excellence:** Northern Arc Investment Managers operates seven active Alternative Investment Funds (AIFs) with total AUM of INR 3,174 mn as of June 2025. Six matured funds delivered gross yields of 14-14.5% to investors with zero default experience over eight years of operations.

**Direct-to-Customer Lending Expansion**

**MSME Finance Segment:** Operating through 84 branches with secured loan products, average ticket size of INR 1.0-1.1 mn, yields of 17-19%, and CIBIL scores above 650. The segment targets geographical expansion and product innovation while maintaining disciplined underwriting standards.

**Consumer Finance Digital Model:** Partnership-based business through fintech platforms generating net yields of 15% post-credit costs with consistent ROA of 3.5-4% over recent years. The model leverages FLDG structures up to 5% and sophisticated risk-based pricing mechanisms.

**Rural Finance Calibration:** Portfolio consciously reduced from INR 1,500 mn in March 2024 to INR 700-800 mn currently due to microfinance industry stress. However, incremental PAR accretions have reverted to steady-state levels of 50 basis points, indicating sector stabilization.

**Regulatory Environment and Risk Management**

**Co-Lending Model Resilience:** Northern Arc has consistently operated under CLM1 (Co-Lending Model 1) framework for five years, maintaining 80:20 risk-sharing with partner banks. The recent RBI discontinuation of CLM2 does not impact operations, providing competitive advantage over affected players.

**CGFMU Scheme Adoption:** New microfinance disbursements from February 2025 are covered under Credit Guarantee Fund for Micro Units, with management expecting stabilized credit costs of approximately 3% based on 73% recovery guarantee coverage.

**Karnataka Ordinance Impact:** While Karnataka microfinance ordinance created initial collection challenges, management reports early signs of stabilization with collections at 80-85% compared to historical levels. Most provisioning requirements have been addressed in Q1FY25.

**Technology Platform Monetization**

**nPOS Platform Partnerships:** Signed MOUs with DCB Bank, South Indian Bank, and Karnataka Bank to leverage nPOS for co-lending and origination services. The platform facilitates seamless integration with multiple NBFCs and provides Software-as-a-Service revenue opportunities.

**Altifi Platform Growth:** Retail bond platform has registered 58,979 users facilitating over INR 1,220 mn in investments. The platform democratizes fixed-income investing with minimum investment of INR 10,000, addressing significant market gap for retail debt securities access.

**Capital Allocation and Growth Strategy**

**Leverage Management:** Current leverage ratio of 2.5-2.6 times with internal target of 4-4.5 times provides substantial growth runway. Management expects no additional equity requirement before FY2029 given strong capital adequacy and internal accrual generation.

**Sectoral Focus:** Strategic emphasis on scaling partnership-based consumer finance and secured MSME lending while maintaining calibrated exposure to rural finance. The approach balances growth opportunities with risk-adjusted returns across business cycles.

**Geographic Expansion:** Rural finance operations concentrated in Tamil Nadu, Uttar Pradesh, Bihar, and Jharkhand with installed capacity exceeding INR 1,000 mn monthly disbursements. Current run-rate approaching INR 800 mn monthly with expectations of reaching INR 1,000 mn by year-end.

**Market Position and Competitive Advantages**

**Integrated Business Model:** Unlike competitors operating in piecemeal approaches, Northern Arc combines technology platforms, balance sheet lending, placement services, and fund management creating comprehensive financial services ecosystem.

**Risk Management Framework:** Established relationships with 350+ originator partners over 15 years, providing deep sector expertise and proven track record across multiple economic cycles including demonetization, IL&FS crisis, and COVID-19 pandemic.

**Fee Income Diversification:** Current fee contribution of 80 basis points to ROA expected to increase to 120-125 basis points by FY2028, reducing dependence on net interest margins and improving return stability.

**Nukleus Office Solutions Ltd****Financial Performance and Growth Trajectory**

Nukleus Office Solutions Limited demonstrates robust financial health and an ambitious growth path.

**Market Position:** Mcap is INR 650 mn, and the CMP is INR 160.

**Revenue Growth:** The company has achieved consistent **70–80% year-over-year revenue growth**. Revenue scaled significantly from INR 34 mn (FY22) to INR 287 mn (FY25), representing 743% cumulative growth over three years.

**Revenue Targets:** The current year revenue projection is INR 380 mn, maintaining the 70–80% growth momentum. Long-term targets aim for revenue to approach **INR 4,460 mn by FY30**.

**Profitability and Margins:** The company maintains consistent profitability throughout its expansion phase. EBITDA margins are around 20%, with a projected improvement trajectory targeting 22% by FY30, driven by operational leverage and efficiency gains.

PAT margins are expected to expand from the current 6% to a projected **12% by FY30**, demonstrating scaling benefits.

**Strategic Business Model and Product Focus**

The company operates using a successful, scalable, and asset-light model focused on the middle market and higher-margin services.

**Asset-Light Model:** The strategy focuses on operational excellence rather than property ownership. This model is enhanced through **strategic partnerships with landlords**.

**Managed Office Solutions Shift:** A core transformation targets shifting the revenue mix toward higher-margin managed office solutions. The goal is for managed office solutions to contribute **70–75% of total revenue by FY30**.

**Market Positioning:** Nukleus targets the middle-market segment, offering value-for-money while maintaining professional standards above basic operators but avoiding the premium luxury market.

**Operational Metrics:** The company reports **high average occupancy rates of 88–90%**. They utilize a proven build-to-suit model that reduces customer acquisition time and offers long contract terms (3–5 years for managed solutions) providing revenue stability.

**Service Portfolio:** Services include flexible co-working spaces, dedicated private cabins, fully managed office solutions, and customized build-to-suit workspace development.

**Nuvoco Vista Corporation Ltd**

**Outlook:** FY26-27 positions Nuvoco as a capacity expansion leader with 35 million tons by FY27 through strategic Vadraj acquisition and organic growth, establishing third-largest presence in western markets. The company's disciplined approach to maintaining debt within INR 3,500-4,200 mn range while executing INR 1,800 mn Vadraj refurbishment demonstrates balanced growth strategy. Premium cement focus driving 41% premiumization and Project Bridge cost efficiency targeting INR 50/ton savings annually provides margin resilience amid competitive pricing environment. Geographic diversification from 75% east to 66% east, 17% west, 17% north reduces concentration risk while accessing high-growth Gujarat-Maharashtra markets.

**Company Background:** Leading cement manufacturer with current operational capacity of 25 million tons expanding to 35 million tons by FY27. Operating five integrated units (three in east, two in north) with comprehensive waste heat recovery systems and 558 RMX plants across operations. Company maintains industry-leading cement-to-clinker ratio of 1.74 and lowest carbon emissions at 454 kg per ton of cementitious material.

**Vadraj Acquisition Strategy: Strategic Value Creation** through INR 1,800 mn acquisition adding 6 million tons cement capacity and 3.5 million tons clinker capacity, representing competitive \$66 EV per ton versus recent market transactions. **Operational Advantages** include high-quality limestone reserves, 25% of Gujarat's lignite reserves access, captive jetty for economical sea transport, and strategic location serving mid-Gujarat, Saurashtra, and North Gujarat markets.

**Capacity Expansion Timeline: Vadraj Operationalization** targeted for Q3 FY27 following 15-month equipment refurbishment, with additional 2.5 million tons grinding unit in Kutch enhancing market coverage. **Eastern Expansion** adding 4 million tons through internal debottlenecking and equipment upgrades with modest INR 200 mn capex, completing by March 2027. **Future Pipeline** includes 2.5 million tons clinker expansion in north (Chittorgarh) post-FY29 and potential Gulbarga facility serving Maharashtra market.

**Market Dynamics & Pricing: Demand Outlook** expecting 7-8% cement growth in FY26 supported by government infrastructure capex increasing 10% and Pradhan Mantri Awas Yojana capex rising 64%. **Pricing Stability** maintained since December 2024 major hike of INR 20-25 per bag, with GST reduction from 28% to 18% reducing nominal prices 10% while maintaining net realizations through tax structure adjustments.

**Financial Management: Debt Discipline** with significant deleveraging from IPO reducing debt from INR 3,680 mn to INR 3,474 mn by FY25. **Vadraj Financing** adding INR 600 mn long-term debt and INR 1,200 mn bridge financing, with plans to replace bridge loan with convertible debentures improving capital structure. **Working Capital** management maintaining quarterly variations as normal operational feature.

**Operational Excellence: Cost Management** reducing fuel costs from peak INR 2.74 per kg clinker equivalent to current INR 1.43 through optimized fuel mix and alternative fuel usage. **Premiumization Strategy** improving from 31% (2021) to current 41% through Dirogart and Concreto brands. **Resource Security** with 40-year limestone reserves and strategic slag supply agreements with leading steel players.

**Geographic Market Strategy: Western Market Penetration** targeting growth from current 1 million tons Gujarat sales to approximately 2 million tons by FY27. **Trade Channel Focus** with 75-76% sales through trade yielding INR 50-70 per bag premium versus institutional sales. **Market Diversification** across 22 states with strengthened presence in high-growth Gujarat-Maharashtra corridor representing 80-85 million tons annual demand.

Om Infra Ltd

**Outlook:** FY26 positions Om Infra at the inflection point of India's massive hydro infrastructure development cycle. With INR 2,600 mn order book providing 2-3 years execution visibility and government commitment to 50,000 MW hydro development over next 5-10 years, the company stands to benefit from sector consolidation and limited competition. Recent INR 600 mn order wins (INR 400 mn J&K Pawar project, INR 200 mn Dibang project) validate market positioning. Management expects INR 500-700 mn additional orders in current financial year, targeting INR 1,000 mn total new order book addition. Revenue growth trajectory supported by pump storage project pipeline (40,000-50,000 MW planned) and river interlinking initiatives under national importance designation.

**Company Background:** Founded in 1991 as partnership firm for operation and maintenance of common effluent treatment plant in Pali, evolved into turnkey hydromechanical equipment contractor by 2000. Built market leadership position over 33 years through specialized focus on niche hydromechanical engineering sector. Currently recognized among largest players globally in hydromechanical equipment design, manufacturing, and commissioning.

**Business Segments:** **Hydromechanical Equipment** forms core business encompassing design, engineering, procurement, construction, manufacturing, supply, installation, and commissioning. World records include largest vertical lift gate and radial gates. **Civil & Hydromechanical Turnkey** projects expanding addressable market significantly, currently executing 208 MW hydropower project in Punjab combining both capabilities. **Operations & Maintenance** providing comprehensive lifecycle support for installed equipment base.

**Strategic Market Position:** Operates in niche monopolistic business environment with limited competition due to high technical barriers and qualification requirements. India possesses second-largest untapped hydropower potential globally (after China) with only 48,000 MW developed from 150,000 MW potential. Government prioritizing border area development in J&K and Arunachal Pradesh for security and energy independence.

**Financial Performance:** Order book stands at INR 2,600 mn split between water supply/irrigation and hydropower segments. Execution timeline spans 2-3 years providing revenue visibility. Q1FY26 revenue of INR 150 mn (+25% YoY) with improving EBITDA margins to 12% from 10%. Management projects similar annual turnover to FY25 with significantly improved EBITDA and PAT levels due to reduced interest expenses.

**Growth Drivers:** **Pump Storage Projects** representing cleanest energy storage technology with 70,000-80,000 MW potential, 40,000-50,000 MW planned over next 5-10 years versus current 3,500-4,000 MW operational capacity. **River Interlinking Projects** gaining momentum with ERCP (Rajasthan), VKC, and Maharashtra projects under national importance designation ensuring 90% central funding. **Hydro Development** with government targeting 50,000 MW addition representing massive opportunity pipeline.

**Market Opportunity Quantification:** At 6-7 mn per MW project cost with hydromechanical scope contributing 5-10% of total project cost, the 50,000 MW pipeline represents INR 50,000-60,000 mn hydromechanical opportunity. Limited domestic players to serve such massive demand if development pace accelerates as planned.

**Operational Challenges:** Q2FY26 expected subdued due to monsoon impact across projects. JJM payment delays resolved with INR 45 mn received from Rajasthan and UP in recent months. Working capital management improved with Rajasthan achieving financial closure through NABARD and HUDCO funding.

**Orient Bell Ltd.****Key Takeaways**

Inflection Ahead: Management expects margin recovery.

Export Tailwind: Signs of export revival expected to ease domestic oversupply, supporting pricing.

Diversification: Successful adhesive pilot to scale pan-India, opening a new growth vector in building materials.

**Outlook - Recovery in Sight**

Management believes the industry is at a cyclical bottom, with H2 demand revival expected from government spending, export recovery, and seasonal momentum.

Profitability is expected to improve substantially in H2 with volumes picking up.

**Demand Drivers & Macro Tailwinds**

Domestic Construction: Early signs of recovery visible via cement sector growth. Tiles, being a late-cycle material, expected to benefit with a lag.

Government Spending: Higher infra spend and GST cuts on cement to improve builder margins, incentivizing shift towards organized branded tiles.

Export Revival: After a weak FY25, exports are improving (May and July showing encouraging numbers). Revival should reduce domestic pricing pressure and act as a buffer.

**Strategic Priorities**

Exports: Historically under-penetrated; management adding resources to scale exports in FY26.

**Premiumization:** Continued focus on GVT and vitrified tiles to raise ASPs and narrow the gap with larger peers.

Prices stable, with no further downside seen.

**Cost Discipline:**

Recipe modifications, alternate raw materials, and fuel switching (PNG ↔ LPG) delivering best-in-class gross margins.

Management confident these efficiency initiatives will sustain margins.

South Market Penetration: Targeted Tier 2/3 entry with tailored product designs. South remains a structural whitespace.

**Capacity/Capex:**

Current vitrified capacities (own + JV) sufficient; no major capex in FY26.

Larger format tiles to be scaled once volumes justify.

Ceramic Facilities: To be retained for now, catering to Tier 3/4 demand.

**New Revenue Vertical - Tile Adhesives**

Adhesives pilot project saw strong response and repeat orders. Company to launch All-India rollout in FY26.

Adhesives can open adjacent revenue streams; management hinted at exploring other building materials adjacencies in future.

**Overview:** Orient Bell appears well placed to benefit from an upcycle in tiles, aided by export revival, infra spend, and adhesives diversification. The operating leverage is high, implying recovery in margins as volumes recover.

While near-term risks include Morbi oversupply and sluggish private real estate demand.



**Paisalo Digital Ltd.**

Paisalo Digital Limited, a diversified NBFC with over three decades of operations, provided an update on its growth strategy, co-lending model, and financial performance. The company has successfully built a scalable retail lending franchise through strong partnerships with leading banks, efficient risk management practices, and technology-driven operations. Focus remains on MSME and small income generation loans, backed by a co-lending platform that mitigates credit and liquidity risks.

**Business Model and Evolution**

Founded in 1989; transitioned to a public limited company in 1996.

Raised INR 150 MN in IPO, followed by INR 17,500 MN via secondary offering in 2009, and USD 50 MN FCCB in FY25.

Entered small income generation loan segment in 2017 leveraging Aadhaar and Jan Dhan ecosystem.

First NBFC to sign co-lending agreement with SBI in 2019; now expanded to multiple banks including PNB, UCO Bank, Canara Bank, and Bank of Baroda.

**Co-Lending Platform**

Co-lending Model 1 (STP-based, tech-driven) forms the core; Model 2 usage phased out following recent RBI guidelines.

Loan disbursement structured under an 80:20 model – banks fund 80%, NBFC funds 20%.

API integration ensures seamless processing and real-time fund flow.

Co-lending portfolio resilient during COVID, building INR 35,000 MN book with credit cost of only 0.65%.

**Financial Performance**

AUM grew 14% YoY to INR 52,302 MN in Q1 FY26.

Disbursements up 16% YoY to INR 17,581 MN.

Customer franchise crossed 11 MN, with 1.5 MN additions in Q1 FY26.

Total income at INR 2,187 MN, up 17% YoY; NII at INR 1,244 MN, up 28% YoY.

PAT at INR 472 MN, up 14% YoY; ROE at 11.9% and ROA at 3.7%.

**Asset Quality and Risk Management**

GNPA at 0.85%, NNPA at 0.68% in Q1 FY26.

Collection efficiency strong at 99.8%.

Conservative lending approach with 100% secured portfolio via hypothecation, collateral, or floating charge.

State-level credit risks actively monitored; tighter checks and lower LTVs applied in sensitive geographies.

**Borrowing Profile and Capital Structure**

Borrowings comprise 68% from banks & DFIs, 18% NCDs, 12% FCCBs, and 2% commercial paper.

Average cost of funds at 10.7%.

Credit rating remains strong at AA- (Stable) and A1+ for CP.

FCCB conversion in progress; USD 6 MN already converted, USD 44 MN pending with ~1.5 years window.

**Strategic Initiatives**

Focus on co-lending scale-up in MSME and SME segments alongside small income loans.

Strong emphasis on risk controls, credit checks, and recovery-first culture to maintain low NPAs.

Business correspondent partnerships with SBI and Bank of India expand customer access and add fee-based income.

Aim to increase leverage and lower cost of funds to enhance profitability.

**Growth Aspirations**

Target to double AUM over the next three years.

Plan to expand co-lending partnerships across MSME, SME, and income generation loans.

Strengthening digital underwriting, credit monitoring, and customer lifecycle management for scalability.

Continued focus on reducing cost of funds, improving operating leverage, and maintaining <2% long-term NPA levels.

**Future Outlook**

Paisalo Digital is positioned for sustainable growth through its co-lending platform, disciplined risk management, and technology-led operations. With strong banking partnerships, an expanding franchise in semi-urban and rural markets, and a proven record of resilient asset quality, the company expects to scale AUM to INR 100,000 MN in the medium term while maintaining profitability. Focus remains on doubling AUM in three years, enhancing ROE, and strengthening balance sheet metrics to deliver consistent stakeholder value.

## Parag Milk Foods Ltd

## Key Highlights

**Margin Expansion (3-Year Trend):** Gross margins have improved substantially, rising from 20% to 26%. EBITDA margins have also inched up from 5.7% to 8.5%.

**Core Category Dominance:** Core categories, which include Ghee, Cheese, and Paneer, currently comprise 57% of the overall business. These categories grew by 14% to INR 487 crores in Q1. Gowardhan Ghee holds a 22% market share (leadership position) in branded cow ghee, while the Go brand holds a 35% market share in cheese (number two position).

**New Age Business Growth:** NAB is a significant driver of high gross margins. NAB's contribution has increased sharply, rising from 2% in FY23 to 9% in Q1 (implied FY26 context). The NAB segment recorded 57% growth in Q1, reaching INR 75 crores. AFAR, the sports nutrition brand, has grown 8x over the last four Q1 periods.

**B2C Focus:** The overall business mix stands at 2/3 (65%) B2C and 1/3 (35%) B2B. The B2B component, particularly HoReCa for cheese, typically carries lower margins.

**Ingredient Decline:** Turnover decline was observed primarily in the relatively low-margin ingredient business (Skim Milk Powder).

## Long-Term Ambition and Profitability Guidance

The company is aspiring for an INR 10,000 crore business in the next three to four years. This implies an expected growth rate of around 20% over the period.

**EBITDA Margin Target:** The key profitability aspiration is to move from the current 8.5% EBITDA margin to the double-digit range. Achieving the INR 10,000 crore target is expected to result in higher profits and an improved margin profile.

**Growth Levers:** The strategy to achieve this ambition rests on three pillars: (1) focusing on core category growth and gaining market share; (2) enhancing the distribution network; and (3) introducing continuous New Product Developments (NPDs).

**NPD Examples:** Recent launches include Performance Whey, Protein Wafer Bar, ready-to-eat sweets (Kajukatti, Pista Roll, Peda), Chikki, High Protein Paneer, and Greek Yogurt. These NPDs often target the growing protein/diet-conscious segment.

**Distribution Enhancement:** The company is expanding the distribution network for its premium 'Pride of Cows' brand by utilizing the quick commerce (quickcom) network, moving beyond its proprietary mobile app.

## Operational Highlight

**Milk Procurement:** PMFL procures exclusively cow milk. Procurement hubs are concentrated primarily in Maharashtra, Andhra Pradesh, Telangana, Tamil Nadu, and Karnataka.

**Capacity Overview:** The maximum milk processing capacity stands at **34 lakh liters per day**. Current average utilization is roughly 15-16 lakh LPD.

**Product Capacity:** Specific capacities include 110 metric tons per day (MT/day) for Ghee and Cheese, 10 lakh liters of Whey processing, and 20 MT of Paneer.

Management believes existing production and processing capacities are sufficient to fulfill current and anticipated increased demand. Marginal expansions or adjacencies will be pursued as necessary. For example, the highly successful *Greek Yogurt* pilot project requires capacity additions to meet demand.

## Demand Dynamics and Regulatory Tailwinds

The recent GST reform is expected to boost consumer sentiment and demand. The reduction in the consumer burden across segments like Ghee, Cheese, and Sports Nutrition should improve disposable income and significantly increase overall demand.

**Seasonal High Demand:** Consumption in Q2 and Q3 is historically very high due to the presence of numerous festival programs, leading to expectations of a high pace of growth during these quarters.

The branded cow ghee segment is growing faster than the overall category. The cheese segment is seeing growth in both consumer (B2C) and HoReCa (B2B) segments.

The company is actively targeting the market for high-protein, diet-conscious consumers, exemplified by the introduction of products like high-protein paneer and Greek yogurt (8g protein per 100g). The snack category is also being explored with new protein-based products (e.g., cheese-flavored protein snack).

**Patel Engineering**

**Outlook:** Patel Engineering's outlook is characterized by a strong medium-to-long-term growth trajectory, albeit with a near-term pause. While revenue for the current year is expected to remain flat due to previous election-related delays in order inflows, the company is positioned to capitalize on a substantial industry pipeline exceeding INR 3-4 lakh crore in its core segments of hydro power, tunneling, and the emerging pumped storage projects (PSP). With a robust order book of INR 162bn and an aggressive bidding strategy targeting INR 500bn worth of projects this year, the company aims for a significant acceleration in growth from FY27 onwards, targeting a 15% CAGR and a doubling of revenue in five years. Its niche expertise in hydro power provides a competitive edge with higher margins, and initiatives in technology adoption are expected to drive cost savings. The key monitorables will be the conversion of the large bidding pipeline into orders and the successful execution of projects to maintain its targeted 13-14% margin profile.

**Revenue and Revenue Mix:** The revenue mix is heavily dominated by the company's core segments. Hydro power, irrigation, and tunneling collectively constitute about 90% of the current order book, which directly influences revenue generation. The remaining 8% to 10% of revenue comes from urban infrastructure and central road sectors. The client base is primarily composed of Central Public Sector Undertakings (PSUs) like NHPC, SVNL, NTPC, and NIP, as well as state governments such as those of Madhya Pradesh and Maharashtra.

**Margins:** The company's current blended margin profile stands between 13% and 14%. This average masks segment-specific variations. Hydro power projects are the most profitable, typically yielding margins that are 150 to 200 bps higher than the blended rate. Irrigation projects generate margins in the range of 10% to 12%, while tunneling margins align with the blended average at 13% to 14%. Management expects to maintain this 13% to 14% margin level on incremental project bids.

**Growth Guidance and Outlook:** Revenue growth is expected to be flattish in FY26E. This cautious short-term outlook is attributed to minimal order inflow in FY25, which was impacted by election-related delays. Looking beyond FY26, the company has set a target of achieving a 15% CAGR in revenues starting from FY27. The long-term vision is to double revenues over the next five years.

**Order Book, Pipeline, and Tender:** The order book was robust at INR 162bn. This book is heavily skewed towards hydro power, which accounts for 60% of the total. Irrigation projects represent around 20%, tunneling constitutes 10% to 12%, and the remaining 8% to 10% comprises other projects like urban infrastructure and roads. The company has an ambitious bidding target of INR 500bn worth of projects for the year. The current immediate bidding pipeline is valued at INR 100-120bn with an additional INR 400-500bn expected to be available for bid before March. The company has already secured INR 250bn of orders in the first quarter and aims for a total order inflow of INR 800-1,000bn for the year. The overall bidding success ratio, or strike rate, is around 20%, though it is higher in the hydro power segment, potentially reaching 25% to 30%.

**Project Segments:** The total addressable market across the company's core segments is substantial, estimated at over three to four lakh crores. In the hydro power segment, approximately 30 GW of projects are in the pipeline from Central PSUs, representing about INR 1.5 lakh crores in civil works. Competition here is limited to only three or four main players. The tunneling segment presents a pipeline of nearly ₹1 lakh crore, with 800 to 1,000 kilometers of tunneling expected for water, railway, and road projects, primarily in Jammu & Kashmir, the Northeast, and Maharashtra. This segment is more competitive than hydro power. Irrigation remains a steady contributor, forming about 20% of the order book. Roads and other urban infrastructure projects make up the smaller portion of the business, accounting for 8% to 10% of the order book.

**Pumped Storage Projects (PSP):** Pumped Storage Projects represent a significant growth opportunity. Around 30 to 35 GW of PSP work is available, translating to nearly INR 1 lakh crore in civil works. A further 60 GW of projects are under survey and investigation. It is expected that 30 to 35 GW of work will be put up for bidding within the next 18 months, indicating that Detailed Project Reports for most are substantially complete. PSP projects are generally considered less complex than conventional hydro projects. So far, only a couple of PSP projects have been allotted, with one going to an entity associated with Tata.

**Monetization and Capex:** The company's gross block of fixed assets and equipment is ~INR 11bn. The equipment strategy involves a mix of owned machinery and hired assets. The current Return on Capital Employed is between 10% and 11%. A key strategy to improve this metric involves the monetization of non-core assets. This monetization is expected to increase ROCE by 300 to 400 bps, help offset incremental debt, and boost overall profits. Specific capex plans for expansion are not detailed.

**Growth Drivers:** The primary growth drivers for Patel Engineering are the vast project pipeline in its core segments, particularly in hydro power and the emerging PSP market. The company's strong reputation and technical expertise in these niches, coupled with a targeted high-volume bidding strategy, are central to its growth plans. Adoption of technology for cost savings also supports future profitability.

**Working Capital:** The average net working capital cycle for the company is ~ 3 to 4 months. However, this varies significantly by project type. Hydro power projects, for instance, require a lengthy mobilization phase of 6 to 8 months before monthly billing commences, leading to a higher initial working capital requirement. After mobilization, billing occurs monthly based on quantities executed, with peak revenue recognition typically happening between the later part of the second year and the end of the project's three to three-and-a-half-year completion period.

**Patel Integrated Logistics Limited**

Patel Integrated Logistics Limited is entering a growth phase, underpinned by a clean balance sheet, rising domestic air cargo opportunities, and a shift toward asset-light expansion. With India's airport infrastructure set for rapid expansion and consumer demand tilting toward faster deliveries, PALL is positioned to capture meaningful share in a segment that still contributes less than 1% of the overall logistics market. Real estate monetization and diversification into new verticals provide additional upside optionality.

**Forward-Looking Growth Drivers**

Domestic Air Cargo Tailwinds

Airport Expansion: Government plans to scale India's airports from ~140 to 220 in the near term. Each addition creates incremental air cargo opportunities.

Navi Mumbai Airport: Operations expected soon (management cited 30th September), adding meaningful cargo capacity. While stabilization may take time, long-term impact is expected to be positive.

Structural Growth: With air logistics at only ~1% market share, growth is expected to outpace road and ocean transport.

Consumption & Speed: Rising middle-class aspirations and demand for quicker deliveries (perishables, auto parts, e-commerce) reinforce the air cargo opportunity.

Festive Season: After a weak Q1, management expects volumes to recover sharply into the festive demand cycle.

**Financial & Operational Goals**

Revenue & Profitability: FY24 turnover was INR 340 crore with PAT of INR 7.6 crore; management expects to surpass both in FY25.

Margin Tailwind: Interest savings from being debt-free to aid bottom-line momentum.

Dividend Policy: Payout raised from 1% to 3% this year, with management intent to increase further.

International Division: Dedicated push to expand global volumes alongside domestic growth.

Strategic Initiatives

Growth Phase: With deleveraging completed, PALL is pursuing scale-up in air cargo and selective diversification.

B2C Entry: Intent to build a stronger presence in consumer-facing logistics, moving beyond B2B.

New Ventures: Early exploration into wellness/fitness services (e.g., spa/skin care) – currently nascent, with a new senior hire onboarded to lead new projects.

Technology Drive: Rollout of the Freight Pill app to digitize workflow, enable paperless transactions, and tighten receivable management.

**Real Estate Monetization**

Asset Value: Non-core land and building assets, now mortgage-free, carry an estimated value close to current market capitalization.

Kalina Redevelopment: Ongoing negotiations on a prime Mumbai property; monetization could be "life-changing," but management avoids fixed timelines to secure the best terms.

Receivables: Improved discipline has reduced receivables from INR90 crore to INR68 crore; further improvement expected in the next few quarters.

**Key Takeaways**

Structural air cargo tailwinds from airport expansion and consumption growth favor PALL's asset-light model.

Balance sheet is fully repaired – net debt-free with monetizable real estate as hidden value.

FY25 performance expected to improve meaningfully, with festive season providing near-term momentum.

Optional growth levers include B2C entry, new wellness ventures, and international expansion.

Real estate monetization could act as a significant re-rating trigger, though timelines remain uncertain.

**Phantom Digital Effects Limited**

Company stands as a major VFX and animation provider, serving the entertainment industry through high-end visual effects and 3D animation work for major films, TV series, and commercials. Its public listing in 2022 helped accelerate a global footprint, now spanning multiple offices in key markets across India, North America, and China.

**Financial Performance**

The company delivered exceptional growth in recent years, with FY2024 revenue reaching INR 893 million (up 54.3% YoY) and FY2023 revenue at INR 579 million (up 159.2% YoY), showing strong momentum in scaling up operations. Net profit also saw a significant surge, with INR 241 million in FY2024 (up 48.9% YoY), supported by robust profitability PAT margin of 27% and operating margin of 42.45%, both signalling high efficiency and healthy returns. The second quarter of FY2025 saw revenue at INR 87 million, with slightly compressed margins due to volatility typical in creative project cycles. **Growth and Expansion**

The company's aggressive growth strategy includes a principal acquisition agreement for "Milk & Honey Post," an Oscar-winning VFX firm, adding global talent and capabilities. In China, Phantom Digital Effects set up a government-supported office, unlocking annual revenue potential of INR 1,600 million from APAC, while also building strategic ties with Alibaba Group for large-scale projects. The international business now makes up roughly 60% of revenue, with ongoing initiatives aimed at growing this share and diversifying client portfolios.

**Core Services & Business Segments**

Visual effects remain the heart of its offering, delivering creative solutions for blockbuster movies and streaming content.

3D animation and gaming asset creation are expanding verticals, supported by investment in proprietary AI tools for project management and production productivity increases. Subsidiary operations via Spectre Post target lower-budget projects and digital colour grading, broadening the company's domestic market reach.

**Key Relationships & Market Position**

Phantom Digital Effects is the exclusive RPA partner for Netflix India, and maintains collaboration with Marvel and Disney Studios through strategic acquisitions.

The studio's credits include major Indian film Baahubali, RRR, Pushpa, Kalki and ongoing partnerships with top directors such as SS Rajamouli, strengthening its brand among both domestic and Hollywood studios. Recognized as a top-3 VFX company in India and awarded TPN Gold certification, it leverages a workforce of 600+ employees, scalable to 1000+ as major projects demand.

**Investment Highlights**

Phantom Digital Effects has delivered a compound annual growth rate of 66% over the last three years by blending organic expansion with savvy acquisitions. The adoption of in-house AI and technology has resulted in increased operational efficiency and potential cost savings.

The management's commitment to premium positioning both creatively and technically gives the company strong differentiation in domestic and international markets.

**Operational and Risk Factors**

A high debtor day ratio (307 days) and modest debt-to-equity (0.14x) warrant attention regarding cash flow and operational discipline. Revenue and margin volatility are risks, but the ongoing addition of global subsidiaries and marquee projects offer resilience and growth opportunity.

**Phoenix Mills Ltd****Outlook**

The Phoenix Mills Limited continues to demonstrate strong operational resilience with retail consumption growth of 12% in Q1 FY26 and sustained momentum in July-August periods. The company's retail-led mixed-use strategy remains intact, with retail contributing approximately 70% of business operations. The recent INR 54.49 Bn acquisition of CPPIB's 49% stake in ISMDPL positions the company for accelerated growth.

**Strategic Portfolio Expansion and Growth Trajectory**

Phoenix Mills has outlined an ambitious expansion roadmap targeting 18+ Mn sq ft of retail space by CY2030 from the current ~11.5 Mn sq ft operational capacity. The expansion strategy encompasses multiple asset classes: retail portfolio growing from 14+ Mn sq ft by CY2027 to over 18 Mn sq ft by CY2030, completed office space scaling from ~5 Mn sq ft (currently) to 9 Mn sq ft by CY2030, and hospitality assets expanding from 588 keys (currently) to 2,200 keys by CY2030. The company has secured land parcels in Coimbatore, Thane and Chandigarh with development timelines by 2030, while targeting various cities including Navi Mumbai, NCR and Hyderabad, alongside other Tier 1 opportunities. The expansion criteria focus on cultural hubs, IT centers, and locations with large student populations, aligned with retailer expansion strategies over 3-5 year horizons.

**ISMDPL Acquisition - Strategic Consolidation**

The INR 54.49 Bn ISMDPL acquisition represents a pivotal strategic move, providing Phoenix Mills with 100% ownership of a 4.4 Mn sq ft retail portfolio and 2.2 Mn sq ft of recently completed office assets. The ISMDPL platform generated INR 6,170 Mn EBITDA in FY25 and encompasses premium retail assets including Phoenix MarketCity Bangalore, Phoenix Mall of the Millennium (Pune), Phoenix Mall of Asia (Bengaluru), and Phoenix Citadel (Indore).

The acquisition eliminates minority interest leakages while providing enhanced operational flexibility and improved cash flow upstream capabilities. Management expects significant organic growth from operational retail portfolio, office occupancy ramp-up from current sub-10% levels, and Phase 2-3 of retail, office and hotel expansions in the Phoenix MarketCity Bangalore complex. The payment structure spans four tranches over 36 months, enabling financial flexibility while funding primarily through ISMDPL's cash flows, dividends, and leverage headroom.

**Operational Performance and Market Position**

Phoenix Mills reported strong operational metrics with retail rental income growing at 14% CAGR over the past 12 years, while consumption has grown by 5x and operational EBITDA expanded by 8x. The company's operating free cash flows after interest expenses and taxes surged to INR 17+ Bn in FY25 from INR 1.32 Bn in FY13. FY25 gross debt remains stable at INR 44 Bn despite EBITDA growth, with operating free cash flows after interest expenses and taxes paid of INR 17Bn+ supporting ~INR 12 Bn of annual capex requirements.

Historically, the trading occupancy across malls has been 95%+ levels, though the MarketCity portfolio is experiencing temporary occupancy dips due to strategic repositioning and tenant refresh. Management expects improvement in trading occupancy Q3 onwards, as new tenants complete fit-outs.

**Asset Enhancement and Mixed-Use Strategy**

Phoenix Mills continues active asset management through strategic tenant repositioning. The removal of hypermarkets from multiple locations and introduction of experiential dining concepts like Gourmet Villages exemplify the evolution toward premium, experience-driven retail formats. Phoenix Palladium's Gourmet Village featuring nearly 20 restaurants has demonstrated the uplift effect on overall mall performance.

The mixed-use development model delivers superior returns, with Phoenix Palladium campus (i.e. Phoenix Palladium mall + The St. Regis, Mumbai) generating ~INR 6500 Mn asset EBITDA (FY25) and additional 1.5 Mn sq ft FSI potential which is currently under planning. Further, there are additional offices under development in Phoenix's Lower Parel Complex, which are expected to be completed in 2027. Office integration provides weekday consumption support while hotel components enhance overall campus economics.

**Office Portfolio Leasing Acceleration**

Phoenix Mills appointed Mr. Vithal Suryavanshi as CEO- Commercial Real Estate, bringing over 25 years of experience from Brookfield, Raheja, and Kotak Real Estate. The strategy targets 80-90% occupancy by calendar 2026 for Phoenix Asia Towers and Millennium Towers currently at sub-10% occupancy.

One National Park, offices in Chennai, have seen strong leasing traction, and achieved nearly 60% leasing. These offices received Completion Certificate in August 2025 and initial tenant move-ins already commenced. The differentiation strategy emphasizes Grade-A offices, with amenities including F&B, gym, crèche facilities and integrated mall ecosystem access for office tenants.



**Market Environment and Consumer Dynamics**

The Indian retail mall sector is experiencing a structural shift toward organized retail, with mall vacancy levels dropping 77 basis points to 8.16% in Q2 2025. Premium Grade-A+ malls maintain just 4.28% vacancy rates, indicating strong landlord pricing power.

Consumer spending patterns show sustained momentum with July-August 2025 consumption exceeding Q1 levels. The recent GST rate rationalization creating two-slab structure (5% and 18%) provides relief for apparel under INR 2,500 while potentially impacting premium categories.

**Entertainment and Experiential Retail**

Movie exhibition segments delivered strong Q1-Q2 performance, benefiting from regional language content driving cinema attendance recovery. Family entertainment centers and experiential dining continue expansion, with bowling, gaming, and premium restaurant concepts enhancing dwell time and cross-shopping opportunities.

**Capital Allocation and Financial Strategy**

Phoenix Mills continues to operate with financial discipline with stable INR 44 Bn gross debt (FY25) despite significant EBITDA growth trajectory. The ISMDPL acquisition utilizes asset-level funding, preserving parent company balance sheet flexibility. Free cash generation of INR 17+ Bn (FY25) supports both organic expansion and acquisition opportunities.

**Competitive Positioning and Market Leadership**

Phoenix Mills solidifies its position as India's leading retail-led mixed-use developer with differentiated premium positioning. Trading occupancy exceeding 90% across operational malls demonstrates strong retailer demand and brand appeal. The active asset management approach with continuous tenant mix optimization maintains relevance in evolving consumer preferences.

**Risk Factors and Challenges**

Office leasing velocity remains the primary operational challenge, with 6% occupancy (as of June 2025) in key ISMDPL office assets requiring significant improvement. Macroeconomic pressures on discretionary consumption and e-commerce competition pose ongoing sector risks. Execution risk on ambitious expansion timeline and capital allocation across multiple asset classes require careful management attention.

Weather-related disruptions including severe monsoons affecting footfall represent seasonal operational risks, while supply chain and fit-out delays for new tenants can impact near-term trading occupancy recovery.



**Power & Instrumentation (Gujarat) Ltd**

**Outlook:** Aims to grow revenues at 40–50% annually over the next 5 years while targeting EBITDA margins of 18–20% and PAT margins of 8–10%. Growth will be supported by diversification into solar EPC, BESS, data centers, and expansion through its subsidiary, which is expected to scale to INR 100 crore revenues in the next 2 years. Profitability is expected to improve with larger projects offering better margins, faster execution, and reduced receivable cycles.

**Business Overview**

Legacy of 5 decades in the EPC space, providing electrical contracting services across substations, power distribution, industrial and commercial electrification, lighting, solar, energy storage, and ELV systems.

Executed 35+ airport electrification projects, electrified more than 1 lakh BPL households, and laid 20,000 km of HDMT lines.

The company works with marquee clients like ISRO, HAL, IOCL, BPCL, NBCC, CPWD, Ford, Arvind, and Adani Group.

**Order Book & Pipeline:** The company has an order book of INR 450 crore as of now. The bidding pipeline is ~INR 350 crore, providing visibility for the next 12–27 months. Orders are spread across different timelines, with execution expected within 12 to 27 months depending on the project.

**Growth Guidance & Financial Targets**

40–50% annual revenue growth over the next 5 years. EBITDA margin is targeted at 18–20%, and PAT margin at 8–10% over the medium term. For FY25, the company reported a profit of INR 12 crore, and management believes scaling to INR 18–20 crore in FY26 and INR 28–30 crore in FY27 is achievable.

**Strategic Expansion & Subsidiary (Peaton Electricals)**

The company has acquired 60% stake in Peaton Electricals at a cost of ~ INR 12.5–13 crore, making it a subsidiary. It manufactures electrical panels, bus ducts, and substations, and has secured Siemens certification.

Peaton Electricals is expected to grow its revenues from INR 34 crore currently to INR 100 crore in the next 2 years, supported by new products like high-voltage bus ducts (11kV–33kV).

Certification and testing of compact busway systems and HV bus ducts are expected to be completed before Diwali FY26.

**Other Highlights**

The company is actively bidding for projects in data centers and BESS. BESS can be a major growth driver in the coming decade, supported by SECI and government initiatives.

The company has already experimented with microgrid projects and is quoting tenders for pooling substations in BESS projects.

It has improved mobilization time significantly, reducing site readiness from 30–45 days to just 5–6 days.

Implementation of ERP, digitization, and HR expansion has scaled the workforce from 100 to 150 employees, with further hiring planned.

The company follows an asset-light model, outsourcing civil works which usually form 10–15% of project costs, while focusing on electrical scope which contributes 85–90% of project value.

Receivable cycle currently stands at 90–100 days, which is in line with industry standards (80–120 days).

FY25 operating cash flow turned negative due to higher working capital tied up in inventory and receivables, but management expects this to normalize in the coming quarters.

No major receivable issues with key clients like Vodafone as funds for expansion projects are earmarked.

**Pranik Logistics Ltd**

Pranik Logistics Ltd management highlighted aggressive expansion plans focusing on strengthening pan-India presence and leveraging technology, underpinned by a commitment to consistent, high-growth revenue targets while maintaining existing margin profiles. The company primarily focuses on large corporate clients to mitigate payment risk.

**Financial Outlook & Growth Guidance (FLS)**

Pranik Logistics is guiding for significant top-line expansion and aims to maintain its current profitability percentages:

**Revenue Target:** The company is aiming to reach INR 500 crores in revenue in the next three years. This target is based on maintaining a growth rate similar to historical performance.

**Growth Rate:** Management expects to sustain growth of 50% per annum, consistent with prior performance.

**Profitability Guidance:** The focus is on increasing profitability in absolute terms through expansion, while aiming to maintain the current profitability percentage.

**PAT Margin:** The expected future PAT margin is similar to the current figure, close to 6%.

**EBITDA:** The company aims to maintain its current EBITDA margin (close to 11% on average) throughout the expansion phase.

**Operational Strategy and Expansion (FLS)**

Pranik Logistics' future focus is centered on geographical expansion, deepening existing customer relationships, and strategic infrastructure investment:

**Geographical Expansion:** The core strategy involves spreading the network and increasing geographies (horizontal expansion). The aim is to make all regions at par, particularly strengthening the presence in the South (currently the weakest region), following the East (strongest), West (second), and North (third).

**Growth Triggers:** Growth is expected to come from adding new customers and vertical growth within existing customer relationships (e.g., expanding services for Misho from Siliguri to other hubs like Bhiwandi and Delhi).

**International Ambition:** The company aims to go overseas for logistics services once it achieves strong, robust positioning across all regions in India.

**Warehousing Plans:** The company is actively increasing its warehousing footprint. The prime target is multi-company warehouses, as management believes this is where future profitability in the industry lies, although they remain open to dedicated single-company warehouses as well.

**Technology and Service Offerings (FLS)**

Management detailed significant planned investments in technological integration and new transport segments:

**Artificial Intelligence (AI):** Pranik is in the process of implementing AI into its warehouses very soon. Once AI is successfully rolled out in warehousing, the company would aim to integrate this technology into its transporting segment, moving towards a complete tech-enabled system.

**Multimodal Transport:** Management is currently holding discussions in the board regarding moving into waterways. While this is at a very basic level and commentary is premature, the management views this as a potential "new feather" in service offerings. Airways are currently not a focus.

**Quick Commerce:** While already working with e-commerce companies in quick commerce (e.g., Blinkit), Pranik is also aiming to enter the dark stores segment.

**Capital Structure and Financing (FLS)**

The company has a clear preference for funding its targeted growth:

**Funding Route:** To achieve the aggressive INR 500 crore revenue target, funds are required. At present, the company is prioritizing a debt route for raising funds rather than diluting equity, given the company's "good book value".

**Equity Raising:** Raising funds through a preferential round is not an immediate plan. However, management noted that this is a futuristic plan that has been considered but not concluded.

**Listing:** Pranik aims to get listed onto the main board in the next five years (considering the existing lock-in period).

**Operational Metrics and Liquidity (FLS)**

Management provided clarity on receivables management and cash flow expectations:

**Debtor Days:** Pranik is actively working to reduce payment cycles that have stretched to 100-110 days in some areas, aiming to consolidate the average back down to the industry standard of 90 days. Management has reservations about seeing debtor days drop below 90 in the future (forecasting 90 days for FY26).

**Cash Flow from Operations (CFO):** Management stated it is not safe to say that the company will be CFO positive by FY26, as the 90-day debtor cycle is inherent to the logistics industry, requiring payment to vendors in advance while being paid by corporates later.

**Prataap Snacks Ltd****Company Overview and Operating Performance**

Prataap Snacks, operating under the Yellow Diamond brand since 2005, manufactures snacks across four categories: Namkeen (45% industry share), potato chips (22%), extruded (17%), and bridge (17%); company's mix is led by extruded (46% revenue), followed by chips (22%), Namkeen (18%), and bridge (12%).

Presence in 27 states and 4 union territories via 16 facilities (including 9 contract), serving 2.5 million outlets and selling 15 million packets daily.

COVID impacted impulse buys, reducing rings category from 30-35% to low double-digit revenue share; offset by innovation in pellets, maintaining extruded market leadership.

**Growth Strategy and Market Focus**

Products categorized into anchor (chips, rings, chulbule), growth (pellets, Namkeen), and next (popcorn, healthier options); tailored strategies include flavor innovation for anchors and regional focus for growth categories.

Markets divided into command (stronghold with higher margins), expand (high opportunity like UP, Bihar, Punjab, Gujarat, South), and maintain (hold share with cost optimization).

Leveraging technology (SFA) for sales productivity; re-entered modern trade, quick commerce (encouraging traction), and exports to GCC/Africa.

Mid-term aspiration for double-digit revenue growth; FY26 targeting 8-10% top-line growth despite variables like September disruptions.

**Financial Guidance and Margin Outlook**

Last year margins pressured by high palm oil, potato, pulses, and wheat costs; mitigated via process improvements and grammage rationalization.

FY26 relief on raw materials except palm oil; targeting 2-3% additional savings mid-term from operations, logistics, and sales channels to enhance margins (current EBITDA ~4-5%).

Structural initiatives: increased distributor margins to 9.5-9.75% post-restructuring (from 8%), aiming for parity with competitors; expect 3.5% margin uplift from efficiencies.

Quick commerce at zero margin initially (investment phase); exports relatively higher margin.

**Raw Material and Operational Risks**

Palm oil remains elevated; pulses/wheat impacted margins last year, but green shoots from good monsoon expected to aid demand recovery.

Focus on reducing 5-rupee pack dependence (~90-95% revenue); higher SKUs via alternate channels.

**Premier Roadlines Ltd****Company Overview**

Premier Road Lines Ltd. founded in 1986, is a pan-India logistics service provider with four decades of experience. The Company operates across four major verticals – Over Dimensional Cargo (ODC), Project Logistics, Contracted Integrated Logistics, and General Logistics. With 45 branches and ~245 employees, company follows an asset-light model, while selectively owning specialized heavy-duty assets such as hydraulic axles and Volvo pullers to cater to complex ODC requirements. The Company primarily serves marquee clients in high-growth sectors including transformers, renewable energy, oil & gas, and infrastructure.

**Business Model & Services**

Company's ODC and Project Logistics verticals focus on high-margin movements of large, high-value industrial equipment such as transformers and refinery components. These projects require detailed route surveys and specialized handling, positioning company as a preferred partner for clients that cannot compromise on safety and reliability. Contracted Integrated Logistics involves multi-year agreements (1–3 years) with multinational clients, offering steady revenue visibility. General Logistics caters to ad-hoc requirements such as spares and just-in-time deliveries, providing additional order volume.

**Financial Performance**

In FY25, company reported revenues of INR 288 Cr, up 26% YoY, with EBITDA of INR 24.3 Cr (8.4% margin) and PAT of INR 15.7 Cr (5.4% margin), translating to RoE of 17.7% and RoCE of 22.6%. The improvement was driven by a favorable mix of ODC and Project Logistics. Q1FY26 delivered a strong performance with 27% YoY revenue growth and 12% growth in orders, supported by robust demand in transformers and oil & gas sectors. Management reiterated FY26 is expected to be the best year in company's history.

**Client Base & Sectoral Focus**

The Company has consciously reduced its client base to focus only on AAA-rated and marquee customers, thereby minimizing payment delays and enhancing profitability, company works with leading transformer manufacturers such as Siemens, GE, Hitachi, CG Power, TBEA, Atlanta, and Transformer Rectifiers, and has entrenched itself as one of the most preferred logistics partners in this segment. Management emphasized its strong relationships and repeat business with top industry players, underlining company's leadership in transformer logistics.

**Asset Strategy & Capex**

Company maintains an "asset-right" model, owning specialized equipment while outsourcing general logistics to third-party vendors. The Company added 1 puller and 18 axles in FY26, taking the fleet to 8 pullers and 92 axles. Capex is demand-driven, with further investments in advanced equipment such as Self-Propelled Modular Transporters (SPMTs) and potential entry into barging being considered for the medium term. Management is open to raising debt to fund growth and does not target to be debt-free at all times.

**Margins & Contract Terms**

Management indicated that margins in ODC and Project Logistics are typically above 12% and can reach as high as 30–40% depending on project complexity. General and Contract Logistics operate at margins below 12%. Contracts typically include escalation clauses for fuel, tolls, and tire costs, helping protect margins during periods of cost inflation. Payment terms range from 30–120 days, with most customers adhering to ~60-day cycles.

**Sector Tailwinds & Growth Outlook**

Strong demand in transformers, renewable energy, and oil & gas sectors is expected to sustain volume momentum. Management guided for ~30% annual revenue growth over the next three years, with a long-term aspiration to scale to INR 1,000 Cr revenues. Expansion into new geographies and service lines, including ocean and air freight under Premier Worldwide Logistics, is being explored, though management remains cautious given the current weak freight market environment.

**Risks & Challenges**

Key risks include seasonality during monsoon months, which impacts ODC movement, and broader macroeconomic slowdowns. However, management highlighted that a growing order backlog and resilient manufacturing activity have helped mitigate seasonality effects in FY26. The defence logistics vertical has not scaled meaningfully, with management citing challenging terms and lack of value alignment with authorities.

**Outlook:** Management expressed confidence that FY26 will mark a record year for company, supported by healthy order wins, growing traction in transformers and oil & gas logistics, and an improving revenue mix. The Company remains well-positioned to leverage sectoral growth opportunities while maintaining financial discipline through its asset-right model.

**Prime Fresh Limited****Business Repositioning and Operational Footprint**

Prime Fresh Limited (PFL) identifies itself as a **fully integrated fruit and vegetable (F&V) supply chain company**. The business model evolved from an initial B2C focus (2007) to a B2B service provider and supplier model targeting corporate clients, including major retailers like Reliance Retail and Future Group, starting around 2008.

The core business strategy pivoted around 2013/2014 to focus on specific products where the company possesses expertise, moving away from supplying "too many products". **Nine core products** (including apple, mango, pomegranate, onion, and potatoes) contribute over **75% of the total tonnage**.

PFL's operational footprint covers **over 85 districts** across Maharashtra, Gujarat, Rajasthan, UP, and Karnataka. The company also maintains a 3PL service business (contributing 10–12% of sales in FY25) providing 21 types of services, including ripening, storage, and manpower supply, primarily serving large corporates like Reliance and pharmaceuticals.

**High-Conviction Growth Trajectory and Market Opportunity**

The management highlights the tremendous, largely unorganized opportunity within the Indian F&V market.

**Market Scale:** The total F&V market in India is estimated near **₹28 lakh crore** currently, with expectations to grow to **₹40 lakh crore plus** in the next 4–6 years, driven by value addition, modern trade, and e-commerce.

**Organised Potential:** PFL anticipates the organized F&V market segment could reach a minimum size of **₹12 lakh crore** if India matches comparable countries by becoming 30% organized in the next 6–7 years.

**Volume Aspiration:** PFL is targeting aggressive growth in volume (tonnage). Based on an estimated 33,000 tons in FY25, the company **aspires to execute 2.5 to 3 lakh tons of business annually** in the fifth or sixth year (around FY31/32). This target implies a potential 7x to 8x tonnage growth.

**Repositioning Year:** FY26 is designated as a **base year, consolidation year, and repositioning year** to prepare the necessary systems, technology, and senior teams to achieve this ambitious target.

**Working Capital and Credit Risk Remediation**

Management acknowledged the deterioration of the cash conversion cycle to **115 days**, with debtor days reaching 99 days, which is viewed as a material concern for a perishable goods business. This inefficiency is limiting the ability to fully capitalize on sales growth.

**Causes:** The high debtor days resulted primarily from aggressive growth (50 crore to 200 crore sales) that necessitated taking **aggressive credit risk** with new general trade partners and in untested channels like HoReCa and certain B2C operations.

**Remediation Plan:** PFL is implementing a proprietary **client credit evaluation format** that must be used by all sales teams, followed by evaluation from finance and senior management.

**Systemic Controls:** New controls include pushing for legal agreements, security deposit cheques, and Post-Dated Cheques (PDC) even from general trade buyers. A dedicated legal framework across major operating cities (Delhi, Ahmedabad, Mumbai, Nasik) is being established.

**Target:** The company expects to reduce debtor days to the **78–82 range** within the next year by recovering slow-moving and non-moving debtors.

**Long-Term WCD Rotation:** PFL aims to utilize incremental working capital (raised via bank or equity) to rotate **at least six times** starting from FY27. The goal is also to leverage its 18-year non-default track record to secure better credit terms from suppliers (moving from 1–7 days to an ideal 4–20 days), potentially reducing working capital requirements from FY28 onwards.

**Prizor Viztech Ltd**

**Outlook:** 70–80% revenue growth is expected in FY26 with stable margins, supported by its new manufacturing facility, which currently operates at 10–15% capacity utilization but has the potential to generate INR 1,000 crore revenue at full scale over the next 4 years. It aims to scale this to 7–8 lakh cameras units in FY26, with a longer-term target of 10 lakh units. Awaiting STQC certification, which may affect government-related orders if delayed, but management is confident of securing it. With growing opportunities in education, railways, and other institutional sectors, the company is positioning itself as a strong "Make in India" brand and expects to benefit from both government regulations and the shift away from Chinese products.

**Business & Industry Overview:** Prizor Viztech was founded in 2017 with a vision to create a strong Make in India brand in CCTV and security products at a time when Chinese players held 70–80% market share. The company operates primarily in the B2B segment, supplying through system integrators (SIs) and distributors, and avoids direct EPC work. It has expanded beyond CCTV into TVs, interactive touch panels, and monitors, receiving good market response, especially post-COVID. The CCTV market in India is estimated at ~INR 1 lakh crore, growing at 15–16% annually.

**Growth Outlook**

For FY25, Prizor sold 3 lakh cameras and is targeting 7–8 lakh cameras in FY26, with an aspirational goal of 10 lakh units.

Expects 70–80% revenue growth in FY26 on a conservative basis while maintaining margins of ~20%.

At full utilization of its new facility, the company estimates a revenue potential of INR 1,000 crore, achievable within the next 4 years.

The company is targeting INR 120 crore revenue in FY26 with similar margins as FY25.

Working capital requirement is ~25% of sales, with inventory at ~3 months and payables of 1–2 months.

**Manufacturing & Capacity:** The company has a CCTV manufacturing capacity of 50 lakh units annually. Current utilization is 10–15%, with a goal to reach 100% utilization in 4 years. A new facility has increased capacity from 5,000 units per day to 16,000 units per day. The company invested INR 20 crore in capex for the facility, funded through INR 8 crore loan and rest internal accruals. Production includes making PCBs in-house by sourcing components like ICs, processors, and capacitors from China, Taiwan, and the US.

**Distribution & Sales Network:** Strong distribution base with 40 regional distributors, 190 sub-distributors, and over 8,000 dealers across India. The company aims to 2x this network in the next 1–2 years. The sales team is expected to grow by 100+ members by the end of FY26. The company remains India-focused currently, though it has previously explored exports.

**Product Strategy & Innovation**

The company is focusing on deepening its presence in CCTV and related display products rather than diversifying into unrelated categories. Major product range includes cameras priced between INR 1,200–1,500 for 90% of sales, with some high-end models priced above INR 2.5 lakh.

Prizor provides a 30-month warranty on cameras, including 12-month piece-to-piece replacement.

The company sees opportunities in schools (due to CBSE mandate for CCTV) and railways, with tenders largely handled through system integrators.

**Other Highlights**

The CCTV industry is highly competitive with multiple domestic and global players. Raw material pricing is affected by restrictions on Chinese processors, leading to 20–25% higher costs for Taiwanese alternatives. The company differentiates itself through product quality, service, warranty terms, dealer training, and pricing schemes. The company has applied for STQC certification, which is at an advanced stage. Approval timelines depend on government processing capacity.



**Prostams Info Systems Ltd**

**Outlook:** Strong player in battery energy storage systems (BESS) with orders worth less than 0.5 GWh in hand, including large projects from Adani, Bihar, and Karnataka governments, and is setting up a new 1.2 GWh manufacturing facility in Manesar with a small capex of ~INR 25 crore, expected to start production by Q3/Q4 FY26. This plant alone has a revenue potential of INR 1,200–1,500 crore annually at full capacity. Management guided for 15–20% revenue growth in FY26, supported by both the core UPS segment and new BESS projects.

**Business Segments & Customers**

Serves 20+ industries, with customers across banking, BFSI, OEMs, system integrators, 400+ dealers, and government institutions. Strong R&D (80–90 engineers in Pune), 23 offices and service presence across 170+ districts.

In Q1FY26, 55% came from manufactured power solutions, 40% from third-party solutions, and 3.72% from value-added services.

**Energy Storage (BESS)**

Current order book in energy storage is <0.5 GWh, spread across 3 projects; Adani Electricity - 22 MWh EPC order, Bihar Government (BOOT model) - 30 MW/120 MWh project across 6 sites, with INR 16 crore annual rental and INR 32.4 crore VGF, totaling INR 224 crore lifetime business. And Karnataka Government (BOOM model) - 150 MW/200 MWh project with INR 45.72 crore annual rental and INR 81 crore VGF, totaling INR 630 crore lifetime business.

A new 1.2 GWh BESS manufacturing plant in Manesar (Jhajjar, Gurgaon) is being set up with a INR 25 crore capex and expected to start production by Q3/Q4 FY26.

The plant has a revenue potential of INR 1,200–1,500 crore annually in single shift, which could double under 2 shifts.

**Financial Performance & Guidance**

Q1FY26 revenue was INR 55 crore, down from INR 92 crore in Q1FY25, which had a one-off large order. Adjusted base revenue in Q1FY25 was INR 40 crore, indicating growth YoY.

Targets 15–20% topline growth for FY26, driven by strong BESS and power solutions demand.

End-User Computing segment surged from INR 1 crore in FY24 to INR 94 crore in FY25, primarily due to a INR 94 crore project for State Health Maharashtra, followed by a INR 130 crore CCTNS order.

**Margins**

For BESS projects (BOOT/BOOM), EBITDA margins can be 92–93% post-installation, due to low operating costs. For EPC sales, margins are healthy but depend on lithium cell prices and O&M service contracts. Margins will be higher than the company's existing ~13% EBITDA margin.

In an EPC model, a INR 25 crore capex plant could generate INR 120–150 crore EBITDA annually at full utilization.

**Other Highlights**

First-mover advantage to the company in BESS. Competitors exploring this space include JSW Energy, Dali, and a Bangalore-based player, though none have begun production.

Focus on EPC/OEM sales model in BESS for upfront revenue recognition, using developer projects (BOOT/BOOM) only to build credentials.

Expansion into C&I segment, where BESS can replace diesel gensets.

India aims to reach 66 GWh energy storage capacity by 2032, creating a INR 5,00,000 crore+ opportunity pool.



**Protean eGov Technologies Ltd**

**Outlook:** The core businesses, including Tax Services and CRA services, are projected to achieve sustainable growth in the range of 8% to 12% due to the low penetration rates in India. The strategic outlook is heavily supported by a pending RFP order book of over INR 16,000 Mn which is expected to drive the contribution of new businesses from the current 25% up to 30% of consolidated revenue within the next three years. Furthermore, the company is totally debt-free and holds INR 8,000 Mn in cash, intending to explore inorganic expansion opportunities over the next five years to achieve exponential growth.

**Company Overview**

Protean eGov Technologies is a professionally managed entity with no identifiable promoter, founded in 1995 by marquee institutional investors: IDBI, UTI, and NSE. The company has a legacy rooted in depository and e-Governance services, with substantial state backing at inception — lending significant institutional credibility and strategic positioning for long-term government-linked business.

Core businesses include Tax Services (PAN issuance), CRA services (recordkeeping for NPS, APY, UPS), Digital Identity (Aadhaar authentication, e-KYC, e-sign), supplemented by newer lines in Data Stack/API, Open Digital Ecosystems (like ONDC infrastructure), Cloud/Infosec, and emerging RFP-linked Government contracts.

**Financials & Revenue Mix**

Margins are structure-specific and broad guidance provided: Tax Services gross margin ~30-35%, CRA + Identity ~65-70% new businesses are still negligible in scale, but high potential for positive mix shift.

Debt-free balance sheet: ~INR 8 bn in cash reserves, providing flexibility for inorganic growth and sustained investments in new platforms. RFP orders exceed INR 16 bn, executable over 5-6 years, offering significant forward revenue visibility.

**Business Model Deep Dive****Tax Services (PAN Issuance):**

B2C model, direct payment from citizens at INR 91 per PAN card (fresh, edit, or duplicate) regulated by periodic 5-year agreements with Income Tax Department.

PAN penetration is still below 40% of India's population, suggesting future volume growth is highly plausible, particularly as PAN use-cases expand across banking, jewelry, real estate, subsidy applications, etc.

Distribution is omnichannel: Over 4.5 lakh offline franchises cover 12,000 pin codes; Online comprises 53% of issuances, 25-30% pure online, 70-75% assisted.

**CRA Services:**

Perpetual license (not subject to renewal) from PFRDA to operate as central recordkeeping for NPS, Atal Pension, and UPS — critical government infrastructure, rooted in regulatory relationships.

Protean commands >97% market share (~8.4 crore live accounts). Revenue streams: INR 40 per account opening (NPS), INR 100 per annual maintenance (NPS), INR 15 per AMC (APY/UPS) annuity business with strong defensibility and low switching.

The pension market in India is underpenetrated representing significant long-term volume tailwind.

**Digital Identity:**

Protean is the sole provider of all four digital identity rails (Aadhaar authentication, PAN verification, e-KYC, e-sign), with dominant shares (e.g 90% PAN verification, 70% Aadhaar-based e-sign).

Volume-intensive, low unit economics but delivered via SaaS model, supporting high incremental margins.

Competitive advantage in regulatory accreditations (UIDAI pipes, CCA license) and strong, sticky client base across BFSI and government.

Expansion Businesses — Data Stack, Open Ecosystem, Cloud, RFPs:

Data Stack products are value-added SaaS overlays targeting BFSI and other client verticals. Traction building; scale-up potential significant but early stage.

Agriculture Stack: Central government contract to digitize farmer records across the nation, delivered in phased rollouts.

International forays: Multiple contracts under evaluation, typical ticket size INR 300-800 mn, 3-year durations, spanning design/build/maintain phases.

**Growth Outlook & Strategic Vision**

Legacy verticals (Tax, CRA, Identity) expected to grow steadily at 8-12% CAGR with volume-led tailwinds (under penetration, regulatory nudges).

New businesses (currently ~25% of revenue) projected to reach 30%+ share within 2-3 years, driven by RFP pipeline, ONDC scale-up, and international wins.

Management focus: Aggressive participation in national digitization programs, backward integration into cloud/infosec, and readiness for platform expansion in health, insurance, education, and financial aggregation.

Strong capital position enables pursuit of inorganic opportunities in adjacencies — explicitly flagged as part of 5-year roadmap.

**PTC India Ltd**

**Outlook:** Electricity demand is expected to grow 6–8% annually. PTC is positioned to deliver volume growth higher than sector demand, with incremental opportunities in renewables, cross-border, and structured trading. Profitability should remain resilient, supported by higher-margin structured contracts and consultancy services.

**Diversified Portfolio with Strong Renewable Mix**

The company's long-term PPAs (7,500+ MW) have a residual life of 10+ years, with ~58% sourced from renewable and hydro assets. This positions PTC well to capture the rising share of clean energy in India's power demand growth.

**Allocation and Divestments:**

Management reiterated commitment to exit non-core assets. The sale of PTC Energy was completed in FY25, while divestment of PFS (financial subsidiary) remains on the table, awaiting board clarity on timing.

Net worth has crossed INR 5,800 crore, aided by profits and divestment gains. The company maintains an attractive dividend policy (FY25 payout of INR 11.5/share), supporting investor confidence and positioning PTC as a yield play within the utilities sector.

**Exchange Business Expansion:**

PTC continues to leverage its first-mover advantage in market infrastructure, with stakes in IEX and HPX. HPX is scaling up, though regulatory challenges (market coupling, MBED implementation) will shape long-term positioning. Growth Levers Ahead: Management targets 100 BUs of traded volumes over the next two years (vs ~83 BUs currently), driven by:

**Rising renewable capacity addition (RTC and hybrid contracts)**

Expanding cross-border trade (Bangladesh, Bhutan, Nepal)

Increasing short- and medium-term opportunities as discoms avoid 25-year PPAs

New consulting opportunities in portfolio management and risk advisory.

**Regulatory Watch Points:**

Market coupling and MBED could alter exchange dynamics, though PTC believes OTC platforms and structured contracts will ensure relevance. Management emphasized trading is about capturing mismatches and balancing efficiencies, beyond just algorithmic optimization.

**Punjab National Bank**

**Outlook:** PNB demonstrated solid operational performance in Q1 FY26 despite headwinds from tax regime transition and margin compression. The bank achieved record operating profit of INR 7,081 crore and maintained strong asset quality metrics with GNPA at 3.78%. Management remains confident about achieving FY26 guidance with targeted recovery in NIMs from Q3 onwards, supported by deposit repricing and a robust pipeline of INR 1.29 lakh crore in corporate sanctions. The transition to new tax regime positions the bank for sustainable profitability improvement with projected quarterly savings of INR 700 crore from Q2 onwards.

**Business Growth Trajectory**

**Global business expanded 11.6% year-on-year to INR 27.19 lakh crore**, with global deposits growing 12.9% to INR 15.89 lakh crore and global advances increasing 9.8% to INR 11.30 lakh crore. The bank exceeded its deposit growth guidance of 9-10% but slightly underperformed on credit growth targets of 11-12%, attributed to the strategic shedding of low-yielding corporate advances.

**CASA deposits accounted for 36.99% of total deposits**, down from 37.95% in the previous year, though the bank mobilized 26.31 lakh new CASA accounts with fresh accretion of INR 4,686 crore during the quarter.

**Asset Quality Excellence**

**Gross NPA ratio improved significantly to 3.78%** from 4.98% in Q1 FY25 and 3.95% in Q4 FY25, demonstrating consistent asset quality enhancement. **Net NPA ratio declined to just 0.38%** from 0.60% year-on-year, positioning PNB well within its guidance of below 0.35% for FY26.

The **provision coverage ratio strengthened to 96.88%**, exceeding the bank's guidance of over 96% and providing substantial buffer against potential credit losses. **Fresh slippages reduced to INR 1,886 crore** from INR 3,001 crore in Q4 FY25, with slippage ratio at 0.71% remaining well within the guided threshold of below 1%.

**Total recovery stood at INR 3,356 crore** for Q1 FY26, including INR 1,200 crore from technical write-offs and INR 500 crore from interest recovery. Recoveries exceeded fresh slippages by 1.8 times, reflecting the bank's enhanced recovery mechanisms and dedicated asset recovery branches. Management maintains confidence in achieving the annual recovery target of INR 16,000 crore for FY26.

**Net Interest Margin Dynamics**

**Domestic NIM compressed to 2.84%** from 2.95% in Q1 FY25, while global NIM declined to 2.70% from 2.81%, falling below the bank's guidance range of 2.8-2.9%. The margin compression reflects the immediate impact of repo rate cuts on external benchmark-linked loans, which constitute 56% of the loan book.

**MCLR was reduced by 15 basis points to 8.90%** following RBI's monetary policy transmission, with the full impact of rate cuts expected to reflect in Q2 performance. The bank's loan mix comprises 56% external benchmark-linked rates, 30% MCLR-linked, and the remainder in fixed and base rate categories.

Management projects **NIM stabilization in Q2** at current levels around 2.70%, with improvement anticipated from Q3 onwards driven by deposit repricing and the positive impact of CRR cuts. The bank has proactively reduced bulk deposit rates by 100 basis points from 7.85% to 6.75%, with material repricing benefits expected in the second half.

**Business Segment Performance**

**RAM advances grew robustly at 11.8% year-on-year to INR 6.11 lakh crore**, representing 56.6% of domestic advances compared to 55.5% in the previous year. **MSME lending expanded 18.6%** while **core retail grew 17.7%**, demonstrating the bank's strategic focus on higher-yielding retail segments.

The bank conducted extensive outreach activities including MSME expo on July 25, agriculture outreach on July 11, and retail expo on July 17, generating substantial leads for business development. **Digital lending sanctions crossed INR 27,900 crore**, with every fifth loan now sanctioned through digital channels.

**Corporate advances grew 6.9%** year-on-year despite the strategic shedding of INR 21,000 crore in low-yielding assets. The bank maintains a **robust pipeline of INR 1.29 lakh crore in sanctioned corporate loans** across various stages of disbursement, including INR 43,000 crore from FY25 sanctions and INR 48,000 crore from Q1 FY26.

**Project financing** receives renewed focus with dedicated cells for infrastructure, renewable energy, advanced smart metering, and HAM projects. The bank promises **15-day turnaround time for corporate loan decisions** at head office level, enhancing competitiveness in the corporate segment.

#### Digital Transformation Initiatives

**Digital transaction share reached over 95%** in Q1 FY26 compared to 89% in the previous year, with UPI transactions through PNB One app increasing by over 100%. **WhatsApp banking users doubled to 69.7 lakh** from 34 lakh users year-on-year, reflecting growing digital adoption.

The bank onboarded **4.58 lakh CBDC customers** with 74.71 lakh transactions completed through the digital currency platform. **Corporate mobile banking** serves 1.41 lakh customers with impressive app ratings of 4.1 on Play Store and 4.2 on iOS.

PNB signed strategic MoUs with **Telecommunications Consultants India Limited (TCIL)** and **Centre for Development of Telematics (C-DOT)** to accelerate IT infrastructure modernization and digital transformation. These partnerships focus on leveraging indigenous technology solutions for secure digital transactions, robust cybersecurity frameworks, and advanced telecommunications infrastructure.

The bank launched **Gen AI chatbot "PIHU"** available across website, internet banking, and mobile platforms, alongside a unified solution to streamline over 100 digital journeys. Plans include full-scale Gen AI implementation through system integrator partnerships and comprehensive internet banking solution revamp.

#### Human Resources and Organizational Development

The bank adopted a **new-age HR ecosystem driven by "Project UDAAN"** encompassing digital performance management systems and comprehensive capacity building programs. **KRAs are being revamped** to align with strategic objectives and operational goals, with a dedicated UDAAN mobile app for employee progress tracking.

**Leadership development programs** and **Gen AI learning chatbots** form core components of the skill development framework, ensuring workforce readiness for digital banking transformation. The initiative includes comprehensive training across rural and semi-urban branch networks to support financial inclusion objectives.

#### Capital Position and Regulatory Compliance

**Capital adequacy ratio strengthened to 17.50%** from 15.79% year-on-year, providing substantial buffer above regulatory requirements. **CET-1 ratio stands at 12.95%** with Tier-1 and Tier-2 capital at 14.62% and 2.88% respectively, ensuring adequate capital for business growth.

The bank's **tangible book value per share increased to INR 92.64** from INR 73.11 in the previous year, reflecting enhanced shareholder value creation. Strong capital position supports the bank's growth ambitions and regulatory compliance requirements under Basel III norms.

**Credit cost remained minimal at 0.14%** for Q1 FY26, well within the annual guidance of below 0.5%. The bank's **fresh underwriting since July 2020** demonstrates exceptional asset quality with only 0.40% NPA ratio on INR 7.18 lakh crore outstanding loans from INR 9.84 lakh crore disbursed.

**Segment-wise NPA ratios in fresh underwriting** stand at retail 0.38%, agriculture 0.59%, MSME 1.58%, and corporate 0.01%, validating robust credit assessment and risk management processes.

**Strategic Priorities and FY26 Guidance**

PNB targets achieving **total business of INR 30 lakh crore by FY26-end**, exceeding the original target of INR 29.56 lakh crore. The bank aims for **credit growth of 11-12%** and **deposit growth of 9-10%** while maintaining focus on profitability over volume expansion.

**CASA share is targeted to exceed 38%** from current levels of 36.99%, with dedicated initiatives for individual deposit mobilization and product diversification. The bank plans to issue **10 lakh credit cards** during FY26 under its newly created vertical led by a dedicated General Manager.

The bank maintains ambitious targets of **gross NPA below 3%** and **net NPA below 0.35%** for FY26, with **slippage ratio below 1%** and **provision coverage ratio above 96%**. **Recovery target of INR 16,000 crore** includes INR 6,000 crore from technical write-offs across four quarters.

**Purvankara Ltd**

**Company Overview:** Puravankara Ltd., based in Bengaluru, is a trusted real estate leader with over 50 years of experience. Operating across major cities like Chennai, Kochi, Mumbai, and Pune, the company caters to diverse segments through its three brands: Puravankara (luxury residential), Provident (mid-income housing), and Purva Land (plotted developments). Known for innovation, sustainability, and timely delivery, Puravankara has earned a strong reputation in India's real estate sector.

**Q1FY26 Sales:** Puravankara achieved strong sales momentum with 11.24 bn in sales (1.25 mn sq. ft.), customer collections of 8.57 bn, and total revenue of 5.39 bn. Average realization rose to 8,988 per sq. ft., reflecting premium pricing and market confidence.

**Pending Revenue Recognition:** 3,015 fully completed units are pending revenue recognition due to delays in Occupancy Certificates and registration, primarily in Bengaluru. Revenue is expected to be recognized in 1–2 months, causing a temporary P&L mismatch that will strengthen profitability in Q3–Q4.

**Commercial Projects Update**

**Kanakpura Road (0.8 mn sq. ft.)** – Partially leased to IKEA; plan includes partial sale and leasing.

**Airport Road (1.2 mn sq. ft.)** – To be retained; leasing discussions ongoing.

**Hebbal Junction (1.66 mn sq. ft.)** – Land acquisition underway; approvals expected in 6–9 months; pre-leasing already initiated.

**Outlook**

**Residential Launches & Market Strategy:** Puravankara plans 13 new residential projects over the next two quarters (10 in southern markets, 3 in western markets), with earlier Bengaluru delays now clearing and Mumbai projects awaiting IOD approval.

**Sales & Regional Trends:** H1 sales reached 22.2 bn, with a sustained run rate of ~10 bn/quarter; Q3–Q4 launches are expected to drive further growth. Regionally, Chennai shows steady long-cycle sales, Bangalore strong absorption (25–30% sold at launch), and Pune a balanced market position.

**Expansion & Portfolio** Active across 8 cities, Puravankara leverages its 50-year legacy and diversified portfolio to capture greater market share. Its full-stack developer model offers projects ranging from 35 mn to 1–1.5 bn, serving both mid-income and luxury segments.

**Macro Tailwinds:** RBI's 100 bps rate cut improves affordability and is expected to boost homebuyer sentiment, particularly among end-users.

**Strategic Plan:** Puravankara enters FY26 with strong momentum, a robust pipeline of 13 upcoming projects, 3,015 units set to boost future revenue, and a diversified, full-stack portfolio—well-positioned to capture growth amid favorable market conditions.

**QMS Medical Allied Services Ltd**

**Outlook:** QMS is well-positioned for sustained high growth over the next 3-5 years, driven by the rapid scaling of its high-margin Services division, continued expansion of its product distribution business, and inorganic growth through acquisitions. Management projects revenue growth of 20-25% annually, underpinned by margin expansion as the Services vertical contributes a larger share to the business mix. In the near term, Q1 FY26 has been described as “very promising,” with Q2 also tracking strongly, indicating momentum for the rest of the year.

**Company Overview:** QMS operates across two primary verticals- Services (patient support and screening programs) and Product distribution (B2B and hospital channels). The company’s differentiated focus on building a patient-centric services model alongside its traditional B2B distribution provides a balanced revenue mix. The strategic acquisition of Saarathi further strengthens its services portfolio, while product distribution continues to expand via new hospital and trade partnerships.

**Services Model (Patient Service Programs)**

This is the **fastest-growing vertical**, modeled on global benchmarks and increasingly relevant in India.

Growth projected at 40-50% CAGR, with revenues expected to scale rapidly.

Saarathi Contribution: Services business (Saarathi + Hamra + in-house programs) is on track to deliver INR 50-60 Cr this year.

Standalone Saarathi: Expected to close FY26 with INR 16-20 Cr in revenues; meaningful acceleration is anticipated from FY27 onward.

Camps/Screenings: Fixed-fee model, charging INR 4,500 per camp (four hours) or INR 1,000 per patient slot.

Market Potential: Global comparable services market valued at \$70 bn, with India still in the early adoption phase.

**Product Business (B2B & Distribution)**

The company’s traditional revenue engine continues to grow, albeit at a steadier pace compared to services.

Growth: Management expects 10-15% annual growth.

Q Devices (B2B): Full-year revenue guidance stands at INR 20 Cr, revised down from earlier INR 25 Cr despite a strong Q1.

Hospital/Trade Distribution: Started only in September last year; expected to close FY26 at ~INR 30 Cr, establishing a new revenue stream.

**Corporate Developments & Financing**

Saarathi Acquisition:

Additional 25% stake to be finalized within a week; balance 25% to be completed by September 30, FY27.

Full acquisition valued at ~INR 36 Cr, implying ~7x multiple.

**Balance Sheet:**

Zero long-term debt; only working capital financing required.

Working capital cycle ranges 70-75 days (pharma B2B/services) and up to 90-120 days (hospital business).

Funded through internal accruals and bank WC lines.

**Mainboard Migration:**

Eligible after completing 3 years on SME platform (October 12, FY26).

Management intends to migrate to the mainboard thereafter.

**Industry**

The services-led healthcare support market in India is at a nascent stage, with strong parallels to large-scale international markets. Rising healthcare access, increasing acceptance of structured patient programs, and hospital/pharma partnerships are expected to drive penetration. Simultaneously, the B2B and hospital distribution verticals provide stable cash flows and complementary scale. QMS’s early mover advantage in patient services positions it well to capitalize on this structural growth opportunity.



**Quess Corp Ltd**

**Outlook:** Based on the management conference call, Quess Corp presented a cautiously optimistic outlook while navigating through a period of strategic transformation. Management emphasized their focus on sustainable growth over aggressive expansion, with particular confidence in the professional staffing segment and emerging opportunities in the GCC ecosystem. The leadership team highlighted their commitment to margin expansion and operational efficiency improvements, while acknowledging near-term headwinds in certain segments. The company's positioning as India's largest staffing firm by headcount provides a strong foundation to capitalize on structural trends in workforce formalization and the expanding GCC market.

**Demerger Strategy & Rationale**

Management provided extensive commentary on the three-way demerger proposal, explaining the strategic rationale for creating focused business entities. The CEO articulated how the restructuring would unlock value for shareholders by allowing each business to pursue its optimal growth strategy and capital allocation approach. Management emphasized that the demerger would result in simplified structures with enhanced operational flexibility and improved strategic focus for each entity.

**Capital Allocation Philosophy**

The management team discussed their disciplined approach to capital allocation, highlighting the balance between growth investments and shareholder returns. Leadership emphasized their commitment to maintaining a strong balance sheet while pursuing selective growth opportunities in high-margin segments. The discussion included commentary on the dividend policy framework and the company's approach to managing working capital efficiency across business cycles.

**Workforce Management Business Discussion**

**Core Staffing Operations Performance:** Management provided detailed insights into the general staffing business performance, noting resilience in key sectors despite macro headwinds. The leadership team highlighted strong performance in manufacturing and BFSI sectors, while acknowledging challenges in certain verticals. Management emphasized their focus on client diversification and the importance of maintaining service quality standards to drive client retention and expansion.

**Professional Staffing Segment Growth:** During the call, management expressed particular optimism about the professional staffing segment, citing strong demand from GCC clients and technology companies. The leadership team discussed their strategy to increase market share in high-value professional roles and their investments in talent acquisition capabilities. Management noted the higher margins in this segment and its contribution to overall profitability improvement.

**Operational Excellence Initiatives:** Management discussed various operational efficiency programs, including technology investments and process automation initiatives. The leadership team highlighted their focus on improving associate experience and retention rates through better workplace practices and career development programs. Management emphasized the importance of maintaining high service levels while scaling operations efficiently.

**GCC Market Opportunity & Strategic Response**

Management provided insights into the rapidly expanding Global Capability Center market in India, highlighting Quess's strong positioning to capitalize on this trend. The leadership team discussed their existing relationships with over 350 GCC clients and their strategy to deepen these partnerships. Management noted the structural shift toward GCC establishment by multinational corporations and India's competitive advantages in this space.

Management discussed their plans to expand service offerings to GCC clients beyond traditional staffing. The leadership team outlined their vision for providing comprehensive workforce solutions including specialized recruitment, training, and ongoing support services. Management emphasized their capability to serve the entire GCC lifecycle from setup to scaling operations.

Management addressed questions about their technology roadmap and digital transformation initiatives. The leadership team discussed investments in AI and automation tools to enhance service delivery and operational efficiency. Management highlighted their focus on developing proprietary technology platforms to differentiate their service offerings and improve client outcomes.

## Radiowalla Network Ltd

**Outlook:** Radiowalla Network remains optimistic about its growth trajectory and market positioning in the B2B media tech segment. The company continues to pursue aggressive expansion plans, targeting 30-35% annual revenue growth while exploring international opportunities, particularly in the Middle East and Africa through client-driven expansion. Management expressed confidence in achieving 100+ crore revenue within 2-3 years and expects to improve EBIT margins to 20-25% by FY27, driven primarily by higher-margin advertising revenue streams. The company's technology-first approach and focus on AI-driven solutions position it well to capitalize on India's growing retail media market, which is projected to reach USD 3.5 billion by 2030.

**Business Model and Market Position**

Radiowalla operates as India's largest B2B media technology platform with 30,000+ retail stores under management across 1,400+ cities and presence in 12 countries. The company delivers three primary revenue streams:

**Audio Engagement Solutions:** In-store radio services on subscription basis (INR 500-3,000 per store per month), corporate radio for employee engagement, and multilingual content creation across regional and international languages.

**Advertisement Solutions:** Third-party audio advertising in 6,000+ stores with 5-minute inventory per hour, digital signage through 800+ screens, and static branding opportunities within retail environments.

**Digital Solutions:** Content management services for visual displays, programmatic audio advertising partnerships with US-based AdsWizz making Radiowalla the first Asian company in this space, and DOOH (Digital Out of Home) contracts including 15 large screens across Gujarat bus stations.

The company commands 1+ billion footfall across its network, making it larger than any FM radio player in India from an audio reach perspective. Radiowalla's technology-driven approach includes proprietary "store and forward" platform addressing India's power infrastructure challenges, real-time dashboard monitoring, and automated content delivery systems. The company is the only in-store audio medium empanelled with DAVP (Directorate of Advertising and Visual Publicity), enabling government and PSU advertising access.

**Growth Metrics**

**Sustainable Margins:** Management projects sustainable EBIT margins of 20-25% by FY27, driven by higher-margin advertising revenue scaling and AI-generated music libraries reducing royalty costs.

**Technology Innovation and Operational Excellence**

Radiowalla is investing in AI-generated music libraries to reduce content costs and improve margins. The company partners with US-based platforms possessing authorized LLM models trained on licensed music, avoiding legal complications while creating proprietary IP. Management expects AI-generated music to comprise 10% of total database within 12-15 months, providing cost advantages to clients and higher margins for Radiowalla.

The company's "store and forward" technology platform addresses India's power infrastructure challenges by locally storing content at store level with automatic refreshing from central servers. This proprietary solution enables sub-48-hour deployment timelines and real-time monitoring across the entire network without physical presence requirements.

**Automation Impact:** Employee strength remained constant despite store count growth from 15,000 to 30,000 locations, demonstrating operational leverage from backend automation.

**Market Expansion and Client Acquisition**

**International Growth:** Recent entry into Africa through Amazon client relationship, with expansion across US, Middle East, and multiple European countries following client store openings. International operations provide 50-60% higher margins due to zero cost of acquisition and premium pricing.

**Domestic Market Penetration:** With presence in 30,000 stores out of India's estimated 300,000 retail outlets, significant untapped market remains. The company recently targeted hospitality sector with 500+ restaurant additions planned, addressing the 200,000+ outlet hospitality market.

**Client Portfolio and Retention**

**Blue-chip Client Base:** Portfolio includes Westside, Reliance stores, Tata Motors, Mercedes, Nike, Landmark Group, and Amazon (5-year relationship expanding to Spain, Brazil, Mexico). Over 80% of major retail chains utilize Radiowalla services, with client tenure exceeding decade for several accounts.

**Revenue Visibility:** Subscription-based model with 3-5 year contracts provides recurring revenue stability, while advertising solutions offer scalable growth potential.

**Strategic Initiatives and Future Growth Drivers**

Advertisement solutions grew 119% YoY in H1 FY25, representing the fastest-growing segment. The company's 6,000-store advertising-enabled network provides substantial inventory for brand campaigns, with government empanelment through DAVP creating additional revenue opportunities.

**Programmatic Advertising:** Partnership with AdsWizz enables programmatic audio advertising capabilities, positioning Radiowalla as first Indian retail media company with end-to-end programmatic solutions.

Current 800+ screen deployment with 1,000+ additional screens planned over next 6-8 months. Gujarat transport department contract for 15 large format displays across bus stations provides first-mover advantage in transit media.

Management remains open to both organic and inorganic expansion, actively evaluating acquisition opportunities that align with technology platform and client base expansion strategies.

The company's technology-driven approach, strong client relationships, expanding international presence, and focus on higher-margin advertising solutions position Radiowalla well for continued growth in India's evolving retail media landscape.

**Rajesh Power Services Ltd**

**Outlook:** Rajesh Power Service Ltd is well-placed to capitalize on India's rising power infrastructure demand with its niche expertise in underground cables and substations, supported by a robust INR 40 bn order book and sustained 12–13% EBITDA margins. A strong pipeline in MVCC projects, coupled with geographic expansion and policy-driven schemes like RDSS, positions the company for 40%+ growth over the next 4–5 years.

**Company Overview:** Rajesh Power Service Ltd is an Engineering, Procurement, and Construction (EPC) company that traces its roots back to 1971. The company evolved from trading underground cable jointing kits into a provider of complex, turnkey power projects. Segment Focus and Expertise RPSL specializes primarily in executing turnkey projects involving underground cables and substations. The company operates in two main segments:

1. Transmission Segment: Includes 66 KV, 220 KV, and 400 KV projects, mainly focused on Gas Insulated Substations (GIS) and Air Insulated Substations (AIS).
2. Distribution Segment: Includes 1.1 KV, 11 KV projects, focused on entire underground networks along with switchgear and transformers.

**Strategic Advantage**

RPSL's competitive edge is its technical capability and extensive experience in both GIS substations and underground cables. This dual expertise allows large clients, including private industrial players such as IOC Refinery, Asian Paints, and United Phosphorus to hire RPSL as a single point contact for their entire power supply arrangement, simplifying complex projects.

**Segmentation Breakdown**

Currently, the Distribution Segment is dominating the business and order pipeline, representing approximately 60% to 65% of revenues, while the Transmission Segment makes up the balance.

**Financials and Growth Outlook**

**Order Book and Execution:** The company's total order book includes projects where they have been declared L1, or lowest bidder is approximately INR 40 Bn. The unexecuted order book stands roughly at INR 20,000 Mn. The execution period for these large orders typically ranges from 18 to 24 months.

**Margin and Growth Guidance**

Expecting the sustainable EBITDA margin is around 12% to 13%, and they are confident in maintaining and improving these margin levels. Following a significant jump in revenue largely attributed to successful bidding under the RDSS and Robust Infrastructure schemes, management is confident in achieving at least 40% growth over the next four to five years.

**MVCC Projects**

The company is executing Medium Voltage Covered Conductor (MVCC) projects at a massive scale, having completed over 12,000 to 13,000 kilometers and holding a pipeline for MVCC alone of more than 40,000 kilometers.

**Geographic Expansion**

RPSL is actively working in Rajasthan with a built-up order book of about INR 3,000 Mn and is targeting projects in Uttarakhand, UP, Kerala, Odisha, and Karnataka.

**Rajratan Global Wire Ltd**

**Outlook:** The company is entering a growth phase supported by the Chennai plant ramp-up, export expansion, and approvals from leading global tyre manufacturers. While near-term EBITDA margins (~12–14%) are under pressure due to oversupply, recovery is expected in the next 1–2 years as demand catches up. With steady capex (~INR 100 cr in FY26) and diversification into wire ropes, the company is targeting revenues of INR 1,800–1,900 crore within 3 years.

**Capacity Utilisation**

The Indore plant is running at 85–90%, while Thailand is at ~90%.

The new Chennai plant has ramped up to 1,500 tons per month, with a near-term goal of 2,000 tons and then 2,500 tons, and the long-term target is to scale up to 5,000 tons/month.

Thailand has headroom to reach ~50,000 tons per year, with some debottlenecking potential.

**Margins & Profitability**

EBITDA margin guidance for FY25 is ~14% for India and ~12% for Thailand. Margins are under pressure due to excess industry capacity, but management expects improvements once demand-supply balance returns in the next 1–2 years.

In Thailand, margins had bottomed out last year and are expected to improve in FY26.

**Customers & Approvals**

The company has received key approvals from MRF, Apollo, CEAT, and international tyre makers. MRF approvals are progressing, with full approval expected by December.

The company has started supplying to ONO, CEAT, and is in the process of securing approvals from Europe. Initial supplies have been made to Bridgestone (USA and Europe), with larger orders from Bridgestone Europe already secured.

**Industry Outlook**

The tyre industry in India is expected to grow at 6–7% annually. Bead wire is used in ~99% of pneumatic tyres. Currently, domestic bead wire capacity in India is about 40% higher than demand, but unviable players may exit, leading to balance in 1–2 years.

**Other Highlights**

In India, JSW is the main raw material supplier under a long-term agreement, ensuring steady supply. Imports from China are allowed only under export-linked advanced licenses.

In Thailand, 60% of raw material is imported from China, while the balance is sourced locally. Imports from China into India are restricted under QCO (Quality Control Order) norms, as BIS approval is mandatory and difficult for foreign players to obtain, which supports domestic producers.

A pending PLI scheme approval for the Chennai plant, if cleared, could add an 8% benefit on sales from that facility. The company is investing ~INR 70 cr in a pilot wire rope project at Pithampur, with trial production expected by the end of FY26.

At full capacity, this project can generate revenues of INR 130–140 cr with healthy margins, though large-scale expansion will only be considered after learning from the pilot.

Total capex for FY26, including balancing equipment for Chennai and other needs should be at ~INR 100 cr. Management expects to achieve ~15% growth in volumes during FY26, supported by strong exports and Chennai ramp-up.

The company has set an export target of ~25,000 tons for FY26, with ~12,000–13,000 tons from India and the balance from Thailand.

FY26 revenue is expected to be ~INR 1,100–1,150 crore, with Thailand contributing ~INR 350–380 crore. Over the next 3 years, the company aims to reach a topline of INR 1,800–1,900 cr, with maximum revenue potential from existing facilities estimated at ~INR 2,000 cr.

**Rashi Peripherals Ltd**

**Outlook:** Strong position as one of India's leading IT product distributors with long-standing partnerships with global brands like Asus, Lenovo, Western Digital, and others. The company is targeting to sustain its historic 20% CAGR growth, which is significantly higher than the industry's expected 5–10% CAGR in the coming years. margins will remain stable with gross margin ~5%, EBITDA margin between 2.5–3%, and PAT margin of 1.5–2%, supported by efficient working capital management and 95% credit insurance coverage.

**Business Segments & Product Mix**

Asus contributes 22% (18% laptops, 4% components), Lenovo contributes 18–19%, and SanDisk plus Western Digital contribute 10% of topline.

The company holds 50% market share in Asus distribution and 25–30% in Lenovo's commercial space.

Product categories are spread across components (motherboards, CPUs, storage), lifestyle products (keyboards, mice, webcams, UPS, wearables), networking, PCs, and newer segments like semiconductors and AI data center solutions.

**Growth Drivers & Strategy**

Aims to maintain 20% CAGR, while the industry is expected to grow at 5–10% CAGR over the next decade.

Upselling and cross-selling initiatives result in 2–5% higher revenue growth compared to peers.

Growth strategy will be deeper penetration in existing geographies and partner networks, expanding complementary products for the same partner base, entering new IT industry segments (e.g., semiconductors, AI, networking) and leveraging SAP-based ERP for upselling, cross-selling, and better ASP.

**Industry Outlook**

India's PC market stands at 14–15 Mn units annually, up from 9–10 Mn pre-COVID.

Government digitization programs, semiconductor ecosystem growth, and the booming startup ecosystem are expected to fuel long-term IT demand.

Industry is projected to grow at a high single-digit CAGR over the next 5–10 years.

**Semiconductors & New Businesses**

The company distributes semiconductor lines of Intel, AMD, NVIDIA, Micron, Western Digital and others.

Strategy includes supporting Make in India manufacturing, setting up field application engineers, and working on design registrations and proof of concepts.

Executed one of India's largest AI mission GPU-based data center projects in FY24-25 Q1, with more projects underway.

**Other Highlights**

Singapore branch caters to dollar-based billing and global supply chain needs.

Local OEMs buy smaller quantities via distributors instead of direct OEM sourcing, due to fragmented demand and need for consolidated supply.

The company has built relationships spanning 10–14 years with major brands.

Its wide distribution network with 700 offices, consistent 20% CAGR growth, and ability to maintain higher ASPs than brand averages underpin long-term alliances.

Average gross margin is around 5%, EBITDA margin ranges between 2.5% to 3%, and PAT margin remains between 1.5% to 2%.

Working capital cycle is typically 50 to 55 days, supported by credit lines from brands (30–60 days) and inventory holding (45–55 days depending on product category).

**Rategain Travel Technologies Ltd**

**Outlook:** The company is positioned for continued growth in a normalized travel industry where its technology solutions for revenue optimization and marketing are increasingly valuable. A key near-term focus is a strategic buildout in high-growth regions like APAC and the Middle East, funded by a significant investment in sales and go-to-market capabilities. While this may temporarily moderate margins, the strong deal momentum and low customer concentration provide a solid foundation for revenue expansion. Long-term, management's priority is achieving double-digit organic growth by deepening relationships with its existing large client base through cross-selling and up-selling its diverse portfolio, including AI-powered innovations. The company also maintains a disciplined strategy for mergers and acquisitions to augment growth, supported by a strong cash position. Overall, RateGain is well-equipped to leverage its market leadership and product-led model to drive growth while maintaining healthy profitability.

**Growth Drivers and Guidance**

RateGain's primary growth strategy centers on organic expansion through cross-selling and up-selling to its existing large customer base, where its current share of wallet is relatively small. The current fiscal year, FY25, is designated as a "buildout year," involving a one-time investment of ~\$5 million to ramp up sales and go-to-market capabilities, particularly in the US, Europe, APAC, and the Middle East. This investment is expected to peak by the third quarter. Short-term guidance for FY25 targets EBITDA margins of 16-17%, reflecting the planned investments. Long-term, management prioritizes driving growth, aiming to return to double-digit organic growth rates, potentially around 20%, and is comfortable maintaining margins in the 18-20% band in the near term, with further expansion to 23-25% being a secondary goal over a 3-5 year horizon.

**Revenue and Revenue Mix**

The revenue mix is dominated by the MarTech segment, which contributes 52-53% of total revenues and is expected to grow at a slightly faster pace than the other segments. Geographically, the company is heavily focused on Western markets, with 85-86% of revenue originating from the US and Europe. However, the APAC and Middle East regions are identified as fast-growing areas where the company is increasing its investment. Client concentration remains low, with only about 28% of revenue coming from the top 10 customers.

**Margins and Profitability**

The company has achieved significant margin expansion, with the EBITDA margin improving from approximately 8% to 21.5%. This enhancement is attributed to the operating leverage inherent in its primarily SaaS-based business model, where costs have not risen proportionally with revenue growth, coupled with a strong focus on operational excellence and cost management. Gross margins are defined after accounting for costs of goods sold, which include data hosting, proxy costs, and ad media network expenses. The DaaS and Distribution segments exhibit slightly better gross margins due to their product-led nature, while the MarTech segment's gross margins are somewhat lower but still healthy.

**Deal Momentum and Order Book**

A key positive indicator for future revenue is the significant uptick in new contract wins recorded in the first quarter of the current fiscal year, following a period of slower activity. This renewed deal momentum is expected to be sustained and amplified by the increased investments in the sales and GTM teams, serving as a lead indicator for robust future revenue growth.

**APAC and Middle East Focus**

The APAC and Middle East regions are highlighted as high-growth geographies for RateGain. The company is actively investing to deepen its presence in these markets as part of its strategic buildout for FY25, recognizing their potential for contributing to future revenue streams.

**Product Innovation and AI/RevAI**

RateGain maintains a deep commitment to product innovation, particularly in AI, to create competitive differentiators. This includes the recent launch of the industry's first model context protocol integration for its booking engine, aimed at leveraging AI agents to improve conversion rates on direct booking websites. The overarching initiative, referred to as RevAI, focuses on deploying AI-powered products to enhance customer solutions across its segments.

**Business Segments: DaaS, MarTech, and Distribution**

The company operates through three core segments. The Data as a Service segment, the original business founded in 2004, provides competitive pricing insights and has grown at a CAGR of 33% over the last three years. Its USP is the highly accurate (99%+) and reliable data acquisition, overcoming technical barriers like CAPTCHAs. For airlines like Indigo, this means receiving competitor pricing data for specific routes. The MarTech segment, the largest by revenue, uses a multi-channel, largely automated approach to digital marketing, leveraging travel intent data from the Adara acquisition to target audiences effectively and improve return on ad spend. The Distribution segment provides a critical connectivity platform for hotels to manage rates and inventory with OTAs and GDSs. A key innovation here is a new direct booking engine for hotel websites, designed to reduce OTA reliance by offering a seamless booking experience and charging a small commission, with features like a voice agent module being added to boost conversions.

**Adara Integration and M&A Strategy**

The acquisition of Adara has been instrumental, particularly for the MarTech segment, by providing valuable travel intent data that enhances targeting capabilities. RateGain is an acquisitive company, having completed four acquisitions in six years, and plans to continue this strategy to expand its capabilities within travel and hospitality. The company maintains an active M&A pipeline but emphasizes discipline, willing to walk away from deals with governance issues, financial concerns, or excessive valuations. While it previously targeted acquisitions with \$20-25 million in revenue, it now has the appetite for larger transactions, supported by a strong cash position from a QIP, though no specific acquisition timeline is provided due to the inherent uncertainties of the process.

**Industry Demand and Market Size**

The travel technology industry has normalized from the high growth rates driven by post-pandemic "revenge travel," with growth now expected in the mid-single digits. In this environment, RateGain's services become more critical as travel companies focus on digitization, tech stack consolidation, and improving efficiency to "do more with less." The underlying demand for solutions that aid in guest acquisition, retention, and revenue optimization remains strong, providing a substantial raw market size for the company's offerings.

**Retention Metrics**

RateGain demonstrates strong customer retention, with a Gross Revenue Retention rate of around 90%, which is considered very healthy in the SaaS industry. The Net Revenue Retention rate is a key focus area, with strategies in place to increase it to the 105-110% range initially, and ultimately to a long-term goal of 110-115%. This will be achieved by deepening relationships with existing clients through dedicated account management and cross-selling the expansive product portfolio, including Adara's capabilities, to large enterprise customers.

**Working Capital, Debt, and Capex**

The sources indicate that RateGain maintains a healthy financial position with strong cash flows, though specific details on current debt levels or the working capital cycle are not provided. The company's cash generation is sufficient to support its growth initiatives and M&A strategy. There is no specific mention of significant capital expenditure requirements, consistent with its asset-light, SaaS-based business model. The primary investments are directed towards sales team expansion and market buildout rather than heavy infrastructure capex. The company's cost savings are realized through operational leverage and efficient cost management, contributing directly to margin improvement.



**Rathi Steel & Power Ltd.**

Rathi Steel & Power's focused on increasing asset utilization, capitalizing on its strong brand in the retail sector, and shifting focus towards higher-value stainless steel products. Following the recommencement of its TMT mill operations, the company is targeting a 20% revenue CAGR over the next two to three years. This growth is expected to be driven by significantly higher capacity utilization and a strategic push into stainless steel rebars and 550D TMT bars.

**Operational Highlights****Capacity Utilization**

The Steel Melting Shop is currently operating at **50-55%** of its 90,000 tons per annum capacity.

The two rolling mills, each with a capacity of 1 lakh tons, are operating at an average of **25%** utilization.

The company has recommenced operations at its previously idle TMT mill division to unlock the value of the asset and leverage strong brand recall in the construction and retail sectors.

**Product Approvals & Range**

The company has secured BIS licenses for a full range of stainless steel rebars from **8mm to 32mm**.

It also holds BIS licenses for TMT bars from **8mm to 25mm**.

**Distribution Network**

The company has a well-established retail network of over **500 outlets**, which it plans to use as a powerful platform to launch stainless steel rebars directly to consumers.

The company is the only one in India to use **direct charging of hot billets**. This process reduces fuel consumption, lowering yield losses, and providing a significant cost advantage.

**Segment Breakup**

Stainless Steel Wire Rods accounts to **~60%**, followed by TMT Bars **~40%** & stainless steel rebars as a major growth opportunity, targeting both government-backed infrastructure projects and the retail space.

The company aims to be among the **first movers** to offer stainless steel rebars in the retail (B2C) market.

The competitive landscape is favorable, with only **six to seven players** in India holding BIS licenses for the full range of stainless-steel rebar sizes.

**TMT Bars**

The company is entering the **550D TMT bar** market, a higher-quality product segment mainly offered by primary producers with less competition from secondary players. Management sees this as a massive opportunity to improve margins.

Within the TMT segment, the revenue split is projected to be **60% B2B** and **40% retail**.

**Industry Update**

Softening of steel prices has a **neutral impact** on the business, as price fluctuations are typically passed through to raw material costs.

The "Rathi" brand is very well-known in Northern India, at one point capturing over 50% of the market share. The restart of the TMT division is intended to capitalise on this brand legacy.

A significant opportunity exists due to the government's emphasis on using stainless steel in coastal and infrastructure projects.

**Capex & Expansion Plans**

The company's priority is to increase the capacity of the steel melting shop to match the **2 lakh ton** per annum capacity of its rolling mills.

Plans to set up value-added downstream facilities for products like bright bars, wire drawing, or fasteners are still in the preliminary **drawing board stage**, and no capex has been finalized.

**Guidance**

Management guided for a **20% CAGR** in revenue over the next two to three years.

**Capacity Utilization**

Increase utilization from the current **~50-55%** to **80%** in the near term, specifically within the next **two to three quarters**.

**Rolling Mills** utilization expected to increase from the current 25% to **60-70%** in the coming years, which will be a direct result of increased output from the melting shop.

**Ratnaveer Precision Engineering Ltd**

**Guidance and Future Outlook:** Ratnaveer is confident of sustaining strong growth momentum, supported by capacity expansions, acquisitions, and increasing domestic demand. Management guided for consolidated margins of 14% over the next two years and highlighted that acquisitions will bring both global customers and technology into India, enhancing scale and profitability. With INR 9.2 bn order book, strong domestic demand, and a clear fundraising plan, the company is well positioned for accelerated growth and margin expansion in the medium term.

**About the company:** Ratnaveer Precision Engineering Ltd provided a detailed update on its business strategy, growth drivers, and acquisition plans. Management highlighted its strong base in washers, sheets, tubes, and fasteners with capacity utilization at 80–85% across five manufacturing facilities. The company shared plans to acquire a France-based precision engineering business with marquee global clients in automotive and aviation, enabling technology transfer and margin expansion as production is shifted to India. Fundraising initiatives through promoter infusion and QIP will support this expansion. A robust order book, low dependence on exports due to strong domestic demand, and margin improvement initiatives remain key themes of the call.

**Acquisition Strategy and International Expansion**

Advanced discussions with France-based companies Alpentech and STM, serving global majors like Airbus, Eurocopter, Volkswagen, Renault, Ford, and Mitsubishi

Combined topline of INR 80 bn over the last three years with gross margin of 66%, EBITDA 5% and PAT 3%

Acquisition size estimated at INR 2500 mn, with INR 800 mn upfront outflow for 51% stake and remaining 49% acquired over 5 years via earn-out model

Strong order book of INR 30 bn already in hand with contracts to be partly shifted to India for higher margins.

**Business Mix and Revenue Streams**

Washers contribute around 80% of revenues, including gold washers and clips

Segmental mix: 58% from sheet metal, 15% from tubes, balance from fasteners

Export share varies year to year depending on domestic demand; FY25 saw stronger domestic sales due to robust demand for washers and fasteners.

**Capacity Utilization and Manufacturing Footprint**

Five plants operating at 80–85% utilization

INR 470 mn capex recently completed, with additional 50% capacity to be commissioned in FY26

Brownfield and greenfield expansions being pursued to support acquisitions and domestic demand.

**Financial Position and Fundraising**

Promoter infusion of INR 1250 mn alongside planned QIP of INR 2110 mn, totaling INR 3500 mn fundraise

QIP documentation and roadshows completed; expected to close in 3–4 weeks

Funds to support acquisition, capacity expansion, and strengthen balance sheet.

**Order Book and Customer Network**

Current order book of INR 9.2 bn across diverse product categories and industries

Strong global customer base through distribution channels serving automotive, railways, marine, aviation, and defence

Payment terms largely advance-based with 45–60 days cycle ensuring strong cash flows.

**Margins and Profitability Outlook**

Domestic business margins stronger than exports in FY25, leading to focus on local demand

French acquisition to boost consolidated EBITDA margins to 14% over next 2 years from current 9–10%. CCL line already delivering 22% EBITDA and 11% PAT margins

Potential to lift group-level margins further as production is transferred from France to India.

**Raymond Lifestyle Ltd**

The company remains upbeat on medium-term prospects, expecting strong demand recovery driven by improving macros (lower inflation, rate cuts, and GST reduction), revival in wedding wear, and continued premiumization. The company targets a sustainable 15–16% EBITDA margin trajectory with focus on profitable store expansion, export-led growth. The company appears structurally stronger post-demerger, with a clear focus on profitable retail growth, brand rejuvenation, and operational leverage.

**Business Performance & Demand Trends**

The company witnessed strong momentum from the previous year onwards, with the wedding season revival driving retail and fabric demand.

Retail sales have been resilient, and momentum continued into Q2FY26 despite seasonally weaker months.

Management highlighted macro tailwinds: GST cut on sub-INR 2,500 apparel, income-tax reduction, and lower interest rates—all boosting discretionary consumption.

Improved consumer confidence and wallet expansion expected to fuel premium apparel demand.

Garmenting business remains subdued due to global uncertainty, but management expects recovery once the US trade deal and EU/UK FTAs are finalized.

**Margin Trajectory & Profitability Outlook**

Management is confident of maintaining a secular margin expansion trend driven by mix improvement and operational efficiency.

Textile segment showing strong pullback, aiding overall margins; apparel margins to benefit from stabilization of newly opened stores.

Garmenting margins to normalize over the next 1–2 quarters as export visibility improves post FTAs.

Historically achieved ~16% margins; expect 15–16% sustainable EBITDA margin over medium to long term.

Additional ~INR 100 Cr cash release expected from the removal of inverted GST duty structure, improving working capital.

**Store Network & Expansion Plans**

Raymond Lifestyle has doubled its store base over the last two years on distribution side; focus now on improving store profitability and rationalizing weaker locations.

Short-term pause (6–12 months) in new openings to allow stabilization before the next growth phase.

Long-term headroom remains high — management sees potential to double store count again as penetration in top 11 cities remains below peers.

Future rollout to be calibrated and profitability-focused, leveraging strong brand recall and franchise interest.

**Brand Strategy & Product Portfolio**

The company continues to reposition the portfolio toward younger and more casual consumers.

Park Avenue and Raymond Ready-to-Wear (RTW) are becoming increasingly casual and premium, competing with global labels on design and quality.

ColorPlus caters to crossover and semi-casual wear; Parx entry-level pricing has been brought down to INR 1,200–1,300 per shirt or trouser, with a target to reach an INR 1,000 entry price point, and T-shirts to INR 600–700, to attract younger consumers while still maintaining a premium positioning.

Ethnic wear (“Ethnix by Raymond”) growing in double digits; brand awareness improving.

Focus on differentiated design, quality, and strong franchisee support — expected to lift Ethnix into the top 2–3 national players over time.

No immediate plans for inorganic acquisitions; management believes portfolio already covers all major segments (formal, casual, ethnic, innerwear, and sleepwear).

**Digital, Omnichannel & Customer Experience**

Online transition underway — moving from inventory-led clearance to marketplace-led model (target 60–70% marketplace share).

All new stores are Omnichannel-enabled, providing integrated shopping across online/offline touchpoints.

Make-to-Measure (MTM) segment identified as a major opportunity; delivery time reduced from 23 days to ~12 days with an express 5-day option.

Plan to cut standard MTM delivery to 5 days for better competitiveness; improved pricing and technology integration expected to expand reach.

Strong focus on digitization to enhance repeat purchases — customer measurements stored for seamless future orders.

**Raymond Ltd**

In the aerospace business, it expects revenues of ~INR 375–400 crore this year and sees huge opportunities with global players like Rolls Royce, Pratt & Whitney, Airbus, Boeing, and Safran. The company plans to move up the value chain by supplying not only components but also sub-assemblies, supported by annual CAPEX of ~INR 100 crore in aerospace and INR 30–40 crore in auto components. Auto engineering is also set to grow 2.5x with manufacturing consolidation in Andhra Pradesh and cross-selling synergies.

**Aerospace and Defence**

Aerospace will remain the dominant part of the business, with defence being a smaller but gradually growing vertical due to regulatory and investor concerns.

Currently supplies components to Airbus, Boeing, and Comet, and has received RFQs from all 7 units of Safran.

The company is expanding from supplying components to also providing sub-assemblies, which will push it further up the value chain.

Wallet share per LEAP engine is currently less than 1% of the engine value, though within individual components it ranges between 35% and 65%.

The aerospace business is targeting ~INR 400 crore in revenue for FY26, with the US contributing 25% of the business. However, Trump tariffs are impacting growth visibility.

The global aerospace component market is ~\$200 billion, while India contributes only 1.5%.

China's aerospace component industry is estimated to be 4–5x larger than India's.

**Auto & Engineering Business**

The company holds the largest global market share in engineering tools, historically selling tools priced at INR 150–200, but now upgraded to sell tools up to INR 2,000 per unit.

The auto component segment is undergoing supply chain challenges due to Chinese EV dumping, but normalization is expected, bringing strong growth opportunities.

There is a cross-selling potential as Raymond and JK Mining group had only one customer overlap, enabling access to a wider OEM base.

The company plans to consolidate auto component manufacturing in Andhra Pradesh, which will bring operating efficiencies and allow the business to grow.

**Expansion & CAPEX**

Secured land from the Andhra Pradesh government, with optionality to acquire more in future.

Expects to spend ~INR 100 crore annually on aerospace CAPEX and INR 30–40 crore annually on auto CAPEX.

The Andhra government has already provided an incentive package covering ~40% of investments, and the company is negotiating for more.

**Other Highlights**

The engineering business has ~INR 900 crore debt, of which its share is INR 600 crore, but with INR 1,000+ crore cash on the balance sheet, Raymond is net cash positive by ~INR 400 crore.

Growth will come in multiples, not percentages, with execution capability being the only limiting factor.

The company is actively considering inorganic acquisitions to move up the value chain—focusing on businesses that can generate 1.5–2x revenue from only 1/7th or 1/8th of company's current product basket.

Leadership hiring is underway, including senior executives from aerospace backgrounds, to build "execution muscle" over the next 6–12 months.

India's push for indigenous programs like Tejas (HAL), C-295, and AMCA offers long-term opportunities for the company in aerospace and defense components.

Raymond Realty Ltd

**Outlook:** FY26 will be a transformational year as Raymond Realty scales its asset-light model with INR 100,000 mn GDV launches expected to drive sustainable 20%+ revenue growth for next three years. The company's net debt-free status and proven Thane asset monetization (INR 63,500 mn sold, INR 27,000 mn collection pending) provide strong foundation for disciplined expansion across Bandra East, Mahim, and Wadala projects. Strong execution track record delivering all projects ahead of RERA deadlines combined with premium pricing discipline (avoiding aggressive discounting) positions Raymond for margin sustainability at 20%+ EBITDA levels while maintaining pre-sales targets of INR 30,000 mn (FY26) and INR 36,000 mn (FY27).

**Company Background:** Demerged from Raymond Group's textile business and listed on July 1, 2025, Raymond Realty brings 160+ years of brand heritage to Mumbai's competitive real estate market. The company operates with INR 40,000 mn total portfolio GDV through asset-light Joint Development Agreement model, focusing exclusively on mid-segment residential projects in Mumbai Metropolitan Region and Pune markets. Three distinct product brands - 10X (two-bedroom units), Address by GS (3-5 bedrooms), and Invictus by GS (premium large apartments) - provide clear market positioning.

**Business Model & Strategy: Asset-Light Approach** through JDA model minimizes capital intensity while enabling rapid project scaling across prime locations near employment hubs including BKC, Bandra East, Mahim, Wadala, and Sion. Mid-Segment Focus avoids luxury and affordable housing volatility, targeting stable demand segments with consistent pricing power. Geographic Concentration in MMR and Pune markets with no current expansion plans to NCR, enabling management focus and operational efficiency.

**Financial Performance: Strong Metrics** with FY25 revenue of INR 23,000+ mn achieving 23% EBITDA margins (exceeding 20% guidance), while Q1 FY26 delivered INR 3,920 mn revenue at exceptional 41% EBITDA margins reflecting favorable project mix. Revenue Recognition follows construction completion method with collections maintaining healthy ratios. Balance Sheet Strength with net debt-free status providing organic growth funding without immediate capital requirements.

**Project Pipeline & Execution: Thane Land Parcel** (100 acres) represents major value driver with INR 90,000 mn total GDV potential, INR 63,500 mn already sold, and consistent INR 18,000-20,000 mn annual sales run rate. **FY26 Launches** include Bandra East (launched), two Thane projects (Q3, ~INR 7,000 mn combined GDV), and Mahim/Cyan projects (Q4/early FY27). Execution Excellence demonstrated through delivery 8-10 months ahead of RERA deadlines with rigorous contractor selection and in-house supervisory teams.

**Growth Strategy: Disciplined Scaling** targeting minimum 20% annual revenue and bottom-line growth over next three years backed by INR 100,000 mn GDV launches in FY26. Pricing Discipline maintaining competitive but sustainable pricing (0.5% discount to nearest competitors) while avoiding aggressive discounting trends in market. Operational Leverage through asset-light model enabling rapid capital recycling and portfolio expansion without proportional infrastructure investment.

**Risk Management:** Market Risk Mitigation through mid-segment focus where demand remains stable versus luxury/affordable segment volatility. Execution Risk Control via competitive contractor bidding, quality focus, and proven delivery timelines. Regulatory Risk addressed through Supreme Court environmental clearance resolution enabling smooth project approvals and launches.

**RBM Infracon Ltd**

**Outlook:** Revenue is expected to be in the range of INR 650–700 crore in FY26, with stronger execution expected in H2FY26 as seasonality eases. Over the next 3 years, the company is targeting revenues of INR 2,000–2,500 crore, supported by expansion into newer areas such as ports, railways, cement, and green energy (solar and hydrogen). International opportunities in the Middle East are also being explored. It has an order book of ~INR 4,700 crore, which includes a long-term 15-year ONGC production enhancement contract worth ~INR 3,500 crore with a pipeline of bids worth ~ INR 1,500 crore.

**Business Overview:** RBM Infracon is an EPC and services company specializing in mechanical, rotary, and static equipment services. It operates across industries; oil & gas, fertilizers, petrochemicals, cement, power plants, and infrastructure. Strong client base includes Reliance, L&T, Nayara Energy, Yara Fertilizers, Adani, and ONGC.

**Financial Performance**

FY25 was a landmark year with 148% YoY revenue growth. Healthy profitability reported.

FY26 revenue guidance revised to INR 650–700 crore, compared to earlier expectation of INR 700–800 crore.

Revenue skewed towards H2 due to execution seasonality; INR 200–250 crore expected in H1, and ~INR 450 crore+ in H2

**Order Book & Pipeline**

Current confirmed order book stands at ~INR 4,700 crore. ONGC production enhancement contract (~INR 3,500 crore value, 15 years) forms a major part of this.

Bidding pipeline ~INR 1,500 crore across ports, railways, thermal power, and other infra projects. Order inflow was slower in H1FY26 due to delays in Reliance/Nayara shutdowns, but management expects new LOIs by Oct–Dec 2025

**Key Projects**

**ONGC Production Enhancement Contract** - 15-year duration (extendable to 20 years); Covers ~120 wells, with 15 workovers already completed in 7–8 months. The company gets 60% share, ONGC 30% (after baseline). Value of contract is INR 3,500 crore.

**Epitome Industries EPC Project** - Project size ~INR 950 crore. Order scope expanded from 30 KLPD to 45 KLPD, increasing project size and timeline. Revenue booking expected at INR 250 crore in FY26 (delayed due to equipment delivery).

Exploring entry into cement EPC via preheating services (already working with Dalmia Cement and Digvijay Cement)

**Other Highlights**

Green Energy - Subsidiary RBM Green Energy Pvt. Ltd. exploring solar and hydrogen opportunities. Tied up with technology partners for green hydrogen EPC projects (2.5–5 MW plants). Already engaged with Reliance and Adani in solar projects; opportunities coming up in Khandwa.

Actively bidding in Ports & Railways infra segments.

Targeting EPC and maintenance contracts in Dubai, Abu Dhabi, and Saudi Arabia through partnerships with large GCC EPC players.

**Regaal Resources Ltd**

**Outlook-** Expects revenues to rise from the current INR 900–1,000 crore range to about INR 1,500–1,800 crore after the expansion, driven by entry into higher-value derivative starches and white-label FMCG products. Margins, though slightly impacted in Q1FY26 due to high maize prices, are expected to improve with better procurement efficiency, strong farmer linkages, and a higher share of value-added products. Government incentives in Bihar provide an additional boost by making projects almost interest-free

**Company Overview:** Incorporated in 2018, the company operates in the agro-processing industry focusing on corn wet milling. Its main product is starch, with co-products including gluten, germ, and fiber. The business is primarily B2B focused, with less than 1% of revenue coming from its B2C brand “Glaze.” It also undertakes white-label manufacturing for large FMCG companies.

**Capacity & Expansion**

The current operating capacity is 825 tons/day. An expansion project is underway to increase capacity to 1,650 tons per day by Q4FY26.

Owns 54 acres of contiguous land in Kishanganj, Bihar, of which 30 acres are currently in use. The company operates a 7.1 MW dual-feed power plant (coal and rice husk) which is being expanded to 14.8 MW.

Raw material storage capacity of 65,000 MT and finished goods storage of 5,000 MT.

**Financial Performance**

Revenue increased to INR 915 crore in FY25 from INR 487 in FY23, at a CAGR of ~37% over 3 years. In Q1FY26, revenue stood at INR 246 crore, 26.5% YoY growth.

EBITDA margin improved from 8.3% in FY23 to 12.3% in FY25. EBITDA margin in Q1FY26 stood at 9.9%, impacted by higher maize costs.

PAT margin increased from 3.4% in FY23 to 5.2% in FY25. PAT in Q1FY26 was INR 9 crore, flat compared to Q1FY25.

ROE improved to 20.2% in FY25 but stood at 14.8% in Q1FY26. Debt stood at INR 454 crore in Q1FY26 vs INR 531 crore earlier.

**Customer Base & Markets**

The company sells through 3 channels: distributors and dealers in western and northern India, direct sales to large customers in eastern India, and export agents for Southeast Asian markets. Key direct customers include Emami and Anmol Biscuits. Exports contribute ~7% to 10% of total sales, with the majority of revenue being domestic. The company is expanding its white-label portfolio to include icing sugar, custard powder, baking powder, and corn flour.

**Future Growth Plans**

INR 438 crore for ongoing and planned capital expenditure, of which INR 180 crore has already been spent. The expansion will include setting up facilities for derivative starch products and value-added modified starches.

The company aims to scale its white-label FMCG partnerships and expand sales deeper into South India and export markets.

After expansion, the company expects topline revenues of INR 1,500 to INR 1,800 crore. Profit margins are expected to improve as the share of higher value-added products increases.

**Other Highlights**

The company's only raw material is maize, which is procured directly from farmers. Procurement volumes increased from 4,000 MT in the early years to 1,59,000 MT in FY25.

The company procures 100% of its annual maize requirement during the Rabi season (April–July) to ensure stable costs.

It runs a farmer engagement program called “Regaal Kisan Mitra” with initiatives including farmer education, roadshows, plant visits, branding activities, and reward schemes such as cars, bikes, and tractors.

The strong procurement model has allowed it to achieve COGS that are 5% to 7% lower than peers.

The company benefits from the Bihar State Industrial Policy which provides capital subsidies. The policy offers up to INR 20 crore per project as an interest subvention for 5 years.



Remus Pharmaceutical Ltd

**Outlook:** Remus Pharmaceuticals is a compelling growth story in the pharma sector, with a differentiated model focusing on niche molecules and emerging markets. Its light-asset approach, strong IP, and B2C pivot position it for high-margin growth, particularly in Latin America and new markets like Africa. However, the low consolidated margins (7-8%) due to the US subsidiary and reliance on CMOs warrant caution.

**Market Entry and Growth Journey**

Remus began its journey in 2015 by targeting Central and Latin America, starting with Guatemala, an untapped market with unique opportunities due to government tenders and private sector demand. Despite challenges like language barriers and safety concerns, the founders leveraged persistence and extensive travel to build relationships with distributors, pharmacies, and doctors.

**Market Penetration:** Built a network with 90% of pharma players, distributors, and pharmacy chains in Latin America over 8-10 years.

**B2C Shift:** Leveraging established relationships to focus on direct-to-consumer sales, which offer higher margins (4% of revenue last year, 8% in H1 this year, targeting 12-15% by FY26 end).

**Expansion Plans:** New markets like Kenya (2 dozen products by H1 next year), Algeria, and Myanmar. No plans for regulated markets like the US, as that's handled by Senores.

**Financial Performance and Growth Outlook**

**B2B Growth:** Expected 20-25% revenue growth from INR 750 Mn base, driven by steady demand in emerging markets.

**B2C Growth:** Targeting 12-15% of revenue by FY26 end (from 8% in H1), with higher margins boosting profitability.

**Margin Dynamics:** Standalone margins at 33% reflect core operations' strength. Consolidated margins (7-8%) dragged by US subsidiary's high-volume, low-margin RLD business.

**Consolidated Margin Outlook:** Expected to improve as B2C contribution grows.

**Relationship with Senores Pharma**

Senores, a sister company under the same promoters, operates in regulated markets (primarily the US) with its own manufacturing plants and ANDAs. Remus, however, focuses on emerging markets and branding, with no manufacturing assets. The synergy is limited: Remus sources 8-10% of its products from Senores's US plant, but the companies have distinct strategies.

**RIR Power Electronics Ltd**

**Outlook:** RIR Power Electronics stands positioned at the inflection point of India's semiconductor transformation, with its comprehensive Silicon Carbide expansion strategy aligned with national priorities. The company's dual-track approach of immediate revenue generation through contract manufacturing while establishing domestic fabrication capabilities positions it to capitalize on India's import substitution drive. With government support under ISM 2.0 and strong defense sector relationships, RIR is well-positioned to benefit from the projected 15-16% CAGR growth in India's SiC market over the next decade.

**Strategic Silicon Carbide Expansion**

RIR Power Electronics is establishing India's first Silicon Carbide semiconductor manufacturing facility in Bhubaneswar, Odisha, representing a INR 6,180 Mn investment over two phases. The company has received 50% fiscal support from the Odisha state government for this initiative, demonstrating strong governmental backing for the project. The facility will focus on 6-inch wafer production exclusively, positioning RIR in the high-value segment of the SiC market.

The company has already commenced commercial operations by leveraging its proprietary intellectual property through outsourced manufacturing partnerships with Taiwanese foundries. This strategic approach allows RIR to generate immediate revenue while building its own fabrication capabilities. The phased rollout includes assembly and packaging capabilities by January 2026, with full FAB operations expected by December 2026.

**Revenue and Market Positioning**

Management projects the Odisha facility to generate INR 11-12 Bn in annual revenue at approximately 80% capacity utilization, achievable within 4-5 years of commercial operation. The company expects EBITDA margins of 27-28% for the SiC business once the plant reaches optimal utilization levels. This margin profile reflects the high-value nature of SiC products and RIR's technological differentiation in the medium to high-voltage segment.

RIR's strategic focus lies in the 3.3KV to 20KV voltage range, serving infrastructure applications including railways, defense, renewable energy, and grid applications. This positioning differentiates the company from competitors focusing on lower voltage consumer applications, where Chinese manufacturers maintain cost advantages.

**Defense and Government Relationships**

The company maintains strong relationships with critical defense and infrastructure customers, evidenced by its recent supply of 10,000 silicon carbide diodes to the Indian Navy for electromagnetic applications. RIR has successfully developed 125 mil devices for electromagnetic rail gun applications and secured commissions from DRDO for electromagnetic launch systems for Indian Railways. The company has also supplied high-voltage devices (3,600V and 4,300V) for diesel and electric locomotives and provided components to Nuclear Power Corporation of India.

These defense relationships provide RIR with a stable customer base and validate its technological capabilities in mission-critical applications. The company continues to engage with DRDO and Indian Railways for potential large-scale supply contracts beyond the current testing phase.

**India Semiconductor Mission 2.0 Participation**

RIR is actively participating in ISM 2.0 with a separate INR 8000 Mn capex proposal focusing on silicon-based high-power IGBTs for railway applications and specialized high-power silicon carbide modules for grid applications. Management expects to receive 75% government subsidies for this initiative (50% central government, 25% state government). The proposal submission is expected within a month of the conference date. This dual-track approach under ISM demonstrates RIR's comprehensive strategy to capture both silicon and silicon carbide market opportunities while maximizing government support for capacity expansion.

**Technology and Competitive Advantages**

RIR leverages technology from Sycamore Inc. through approved related party transactions, providing access to proven silicon carbide technologies. The company's 50-year industry experience in power semiconductors provides critical manufacturing expertise that competitors, particularly in Asia, lack for medium and high-voltage applications. RIR's vertical integration capabilities enable system-level solutions, making customer adoption easier compared to component-only suppliers.

The company's technological strength is evidenced by its ability to supply 22,000 volt silicon carbide diodes to the US Army and its successful qualification by the Indian Navy for defense applications. RIR maintains manufacturing facilities across multiple locations including Mumbai, Halol (Gujarat), and utilizes global talent pools, particularly from the US.

**Leadership and Organizational Development**

Management is in the process of appointing a new CEO, with 2-3 candidates currently under evaluation. The shortlisted candidates will visit both the Halol and Odisha facilities as part of the final selection process. This leadership transition comes as the company scales its operations significantly with the SiC expansion.

The company continues to operate under the leadership of founder Dr. Harshad Mehta, who provides continuity during this growth phase while the organization prepares for expanded operations across multiple technology platforms.

**Financial Performance Context**

The company maintains net margins of 10-12% for existing operations, with expectations for improvement as new capacity additions contribute to revenue growth.

The current order book spans approximately 300 OEM customers across 300 different products, indicating strong market diversification. The company's export revenue represents 20% of total revenue, with domestic markets contributing 80%.

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**RITES Ltd**

**Outlook:** FY26 represents a pivotal execution year as RITES shifts from strategy formulation to aggressive revenue realization. The company's highest-ever order book of INR 8,900 mn provides strong visibility, supported by maintaining strike rate of more than one order per day. Export momentum is accelerating after four years, with Mozambique locomotive deliveries commencing Q2FY26 and Bangladesh projects gaining traction. Management guidance of minimum double-digit revenue growth with EBITDA margins of 20%+ and PAT margins of 15-16% reflects operational confidence. Order book expansion target of INR 10,000 mn within 2-3 quarters demonstrates management's bullish market assessment across 13 business verticals.

**Company Background:** Established as India's premier railway consultancy and engineering firm with five decades of operational excellence, RITES underwent significant strategic reengineering following policy changes that eliminated nomination-based orders. The company transformed from domestic-focused nomination business to competitive bidding across domestic and international markets, achieving milestone of "one order per day" in FY24 and "one export order per quarter" after four-year gap.

**Business Segments:** **Domestic Consultancy** spans 13 verticals including railway engineering, metro systems, urban infrastructure, highways, airports, and industrial projects with government and PSU clients. **Export Business** covers locomotive manufacturing and supply, coaching stock production, and infrastructure consultancy across Africa, Southeast Asia, Middle East, and Latin America. **Manufacturing Division** produces locomotives through partnerships with Rail Coach Factory Kapurthala for international clients including Mozambique (10 locomotives, INR 300 mn) and Bangladesh (coaching stock for 7 types, EIB-funded).

Year focused on business re-engineering and competitive strategy development, establishing systems for both domestic competitive bidding and international market penetration. Current year emphasizes execution acceleration with compressed delivery timelines to maximize revenue realization. AI-enabled solutions including VISTAR (Visual Inspection System Through AI for Rails) demonstrate technology integration for enhanced service delivery.

**Financial Performance:** Order book quality significantly improved with current balance of INR 8,800 mn in Q1FY26, expecting to reach INR 10,000 mn within 2-3 quarters. Export order book stands at INR 1,400 mn with active execution underway. Revenue guidance maintained at minimum 20-25% growth with margin targets of 20%+ EBITDA and 15-16% PAT on annual basis despite Q1 achieving higher margins.

**Growth Strategy:** **Geographic Expansion** into Latin America (Guyana success) and Middle East (UAE office established, Jordan orders flowing) alongside traditional Africa and Southeast Asia markets. **Digital Transformation** through AI/ML adoption across all 13 verticals, with center of excellence "Abikalp" planned for technology integration. **Green Initiative** positioning all DPRs as "Green DPRs" with sustainability elements regardless of client requirements, creating differentiated positioning.

**Competitive Advantages:** Five decades of cross-sectoral infrastructure experience across all major infrastructure verticals provides unique positioning. Strike rate of 1.2-1.3 orders per calendar day sustained over five trailing quarters demonstrates market competitiveness. Government eligibility across multiple infrastructure sectors with deep PSU relationships complemented by growing private sector engagement.

**Risk Factors:** Export project execution dependent on political stability (Bangladesh situation managed effectively). Competitive intensity in infrastructure consulting remains high. Working capital management requires careful monitoring given project-based nature and government client payment cycles.

Route Mobile Ltd

**Guidance and Future Outlook:** The near term is expected to see only marginal improvements, with no sharp rebound likely over the next few quarters. However, looking further out, FY27 is identified as the inflection point where synergies, new deal wins, and portfolio diversification are expected to deliver a more meaningful growth revival. Seasonality further supports this view, as Route Mobile typically derives 55–57% of its business in the second half of any fiscal year due to festive activity and financial year-end related banking transactions. This strengthens confidence that the structural upcycle will become visible from the second half of FY27 onwards.

**Dual Business Engines – International Leadership, Domestic Catch-up:** Route Mobile operates with two distinct growth engines. On the international side, it enjoys clear leadership in A2P traffic flowing into India, with hyperscalers like Amazon, Google, and Meta driving volumes. This segment remains its strongest moat with significant market share. On the domestic front, despite being a relatively late entrant (2015–16 onwards), the company has steadily scaled its presence. Today, it commands an estimated 15–20% market share, largely anchored by marquee Indian banks and large enterprises, underscoring the progress made in a relatively short span of time.

**LatAm Growth Trigger – Platinum Deal:** A key growth catalyst in the near term is the recently signed Platinum deal in Latin America. Management confirmed that the traffic flow under this agreement is expected to go live by October 2025. This provides visibility for incremental international volumes, further strengthening the company's global diversification and reinforcing its leadership in cross-border enterprise messaging.

**Pricing Environment – SMS Stable, WhatsApp Still Volatile:** The pricing landscape has normalized significantly. SMS pricing outside India remains largely stable, with very limited volatility. Within India, the sharp corrections witnessed between 2019 and 2020 are now behind, and pricing has been stable for nearly two years, creating a sustainable base for both domestic and international traffic. In contrast, WhatsApp remains experimental in its pricing strategy, often revising categories, incentives, and message-level charges. While this volatility continues, it also represents an evolving opportunity set for players like Route Mobile.

**Telesign–Route Mobile Synergies – Margin Mix Matters:** Synergies with Telesign are starting to play out in two distinct ways. The first is low-margin transactional work, where Route Mobile delivers SMS traffic for Telesign into markets like India under predefined pricing agreements. While this ensures steady volumes, profitability is capped. The more strategic opportunity lies in cross-selling Route Mobile's higher-margin portfolio—solutions such as WhatsApp, chatbots, and email—through Telesign's enterprise relationships. This mix shift towards non-SMS products is where the margin expansion potential truly lies, and early signs of traction are visible.

**Royal Orchid Hotels Ltd****Company Overview and Operating Performance**

Royal Orchid Hotels operates approximately 120 hotels across 45 cities in India, listed since 2006, and follows an asset-light model focused on management contracts and revenue-sharing arrangements.

Recent performance shows a 6% revenue growth and a robust 15% profit increase, reflecting healthy operational momentum.

F&B contributes around 30% to operational revenue, though margins in this segment are lower compared to rooms; the company emphasizes balancing revenue streams without over-relying on lower-margin areas.

**Growth Strategy and Expansion Plans**

The company aims to expand to 350 hotels with 22,000 rooms over the next five years, primarily through asset-light approaches: 80% via management contracts and 20% on revenue-share models to minimize capex and mitigate downturn risks.

Capex is limited to ~INR 25 crores for minor additions, with additional INR 7-8 crores per hotel for revenue-share properties; flexi-lease structures ensure no fixed rents, paying owners a percentage of revenue (typically varying by deal).

New properties, such as in Goa and Gurugram, are expected to contribute soon, with some opening in phases; incremental 2,000 rooms to be added to the portfolio over time.

Focus on active selling and property development in key markets, with revenue from new hotels like Mumbai Iconia fully booked under leased models.

**Financial Guidance and Margin Outlook**

Management targets significant improvements in EBITDA and profit margins over the next five years, building on recent healthy trends.

No major capex plans beyond selective additions; other income expected to remain stable amid growth focus.

Revenue-share models designed to book full revenue while paying variable lease rents, enhancing flexibility and protecting against market volatility.

**Industry Outlook and Risks**

Positive view on industry growth, with GST impacts under evaluation; company positioned for recovery through asset-light strategy.

Risks mitigated via flexi-leases, avoiding ownership to limit losses in downturns.

**SA Technologies**

**Outlook:** SA Technologies enters FY26 with robust tailwinds from the ongoing digitalization and GCC expansion cycle, particularly benefiting from H1B visa cost inflation and global talent shifts. The company expects to deliver over 30% YoY revenue growth, led by rising GCC business share and operating synergies from the Mindful Technologies merger. Proprietary AI-enabled platforms, expansion into Tier 2/3 cities, and targeted investments in upskilling reinforce medium-term profitability and scalability.

**Business Performance and Financials**

FY25 revenue doubled in two years to INR 1 bn; FY26 guidance at INR 1.35 bn revenue, with EBITDA of INR 200 mn (up from INR 10–13 cr base).

Margin uplift expected from increased GCC mix (60% of total revenues targeted in FY26), with consulting/services stabilizing at 40%.

North American and European exposure deepening post-Mindful merger, expanding client base and regulatory expertise.

**Strategic Positioning**

Two-pillar model: AI-Led Tech Consulting (cloud, automation, SAP/Microsoft/Salesforce) and Managed GCC Solutions (build-operate-transfer, platform management).

Market differentiation via unified, single-pane AI management platform, already deployed in multiple GCC setups with more in beta/integration.

Leading partnerships with real estate providers, cloud giants, and enterprise clients ensure holistic delivery and operational flexibility.

**Operating Model and Differentiators**

800+ skilled professionals across India/US/Europe, leveraging in-house and client upskilling programs with Google, Salesforce, and tech partners.

Unified platform automates talent management, infrastructure, finance, operations, and service tickets, enabling 30%+ productivity gains for clients.

Flexible engagement: build, operate, transfer; platform-only; or full-service provisioning, tailored to client needs and regulatory context.

**Capital and Balance Sheet**

Recent subsidiary launches in leasing and North America expand capital flexibility for client onboarding and asset management.

Clean corporate governance with healthy auditor feedback and transparent shareholder engagement; post-merger promoter open market buys to restore investor trust.

**Market Dynamics and Growth Drivers**

GCC market expected to cross \$100 bn by 2030, with India favored due to policy, tax, and talent incentives.

H1B inflation set to accelerate offshore/GCC demand, with tier 2/3 cities seeing strongest job and infra growth.

Continued industry consolidation (e.g., Accenture investments, Hexaware, platform M&As) highlight theme relevance and competitive moat.

**SJ Logistics (India) Ltd.****Company Overview**

SJ Logistics Ltd. was founded in 1999 by Mr. Rajan Shah (Group Promoter & Whole-time Director). The company started as a freight forwarding service provider, bridging exporters/importers with shipping lines. Over the years, it has transformed into a comprehensive logistics solutions provider, with business verticals spanning freight forwarding, project cargo management, yarn commodities, and NVOCC services.

The company has built a strong reputation in niche cargo handling (steel, yarn, tires, agro-commodities, polyfill, and textiles), with expertise in complex routes such as South America (landlocked Bolivia shipments routed via Chile). Its ability to handle documentation, customs, and last-mile delivery in difficult terrains differentiates it from typical forwarders.

In 2013, SJ Logistics established a Singapore subsidiary to serve international trading houses, particularly in yarn, further strengthening global operations. Today, SJ Logistics has a well-diversified customer base, global linkages, and an increasing focus on scaling high-margin verticals.

**Business Verticals****Freight Forwarding (Legacy Core)**

Full-service logistics from supplier to consignee, covering ocean freight, documentation, and customs.

Contributes steady volumes but operates on **low EBITDA margins (10–12%)**.

Maintains strong repeat business, particularly in agro and textile cargo.

**Yarn Commodities (Relationship Driven)**

Long-standing relationships with leading Indian manufacturers and Singapore-based trading houses.

Repeat business accounts for ~35–40% of this vertical.

Provides a stable revenue base but operates in a cyclical end-market.

**Project Cargo (High Margin Engine)**

Focus vertical since 2015; includes end-to-end handling of infrastructure and government projects.

Examples: Complex shipments of steel, machinery, and project-related commodities to South America and Africa.

Now contributes **>50% of turnover** with **20–25% EBITDA margins**, driving blended profitability.

Differentiator: Ability to handle **landlocked destinations** with multi-modal logistics (e.g., Bolivia).

**NVOCC (Non-Vessel Operating Common Carrier)**

Emerging growth vertical; operates on an **asset-light model** with leased containers and slot purchases.

Current focus on routes to **Libya, Russia, Egypt, Jebel Ali, and Jeddah**.

Expected to contribute **15–20% EBITDA margins** and become a key earnings lever in FY26–27.

**Geographic Diversification**

**South America:** 35–40% of volumes; strong presence in Bolivia and Brazil.

**Africa:** 25–30%, including East and West African routes.

**Europe:** 10–15%, primarily for project cargo shipments.

**North America:** ~5%, largely textile and yarn exports.

**Gulf & Other Regions:** 5–10%, including new NVOCC trade lanes.

Approximately **90% of shipments are India-origin exports**, while ~10% are cross-trade movements. This geographical spread reduces dependence on any single region or commodity.

**Guidance:** Management expects **~25% topline growth in FY26**, with PAT margin improvement from 11% to ~13%. Upside potential exists if NVOCC scales faster.

**Strategic Insights**

**Revenue Recognition:** Conservative accounting; revenue booked only on billed freight and allied charges.

**Credit Discipline:** No clean credit extended. Terms range **30–120 days**, backed by repeat shipments. For new customers, payment is secured before cargo release. This ensures **low bad debt risk**.

**Customer Profile:** In yarn, top 5 customers account for ~35–40% of revenues; in project cargo, concentration is higher (~60–70%) but with long-term repeat contracts.



**Commodity Diversification:** Beyond yarn, portfolio includes tires, agro, steel, polyfills, and garments. This mitigates volatility from individual commodity cycles.

**Competitive Advantage:** Specialized expertise in **landlocked project cargo**, repeat yarn relationships, and increasing backward integration through NVOCC expansion.

#### Key Highlights

**NVOCC Focus:** Key incremental growth driver; expansion through leased containers keeps the model **asset-light**. Management is targeting meaningful scale-up in FY26–27.

**Project Cargo Profitability:** Margins remain structurally higher due to complex documentation, customs clearances, and last-mile delivery challenges in difficult geographies.

**Policy Tailwinds:** Government push to reduce India's logistics cost from 13% of GDP to single digits, export promotion schemes, and long-term plans for indigenous shipbuilding are expected to aid industry growth.

**Textile Cyclicity:** Risks from yarn slowdown mitigated by **multi-country sourcing** (India, Vietnam, Indonesia, Thailand).

**Capital Allocation:** Preference for asset-light growth via leased containers (NVOCC) rather than heavy capex.

#### Key Risks

**Customer Concentration in Project Cargo:** While margins are high, dependence on a few large contracts increases sensitivity to project delays or cancellations.

**Geopolitical Exposure:** Presence in South America, Africa, and Middle East makes the company vulnerable to regional disruptions.

**Competitive Intensity:** Freight forwarding remains fragmented, with pricing pressure from global players.

**Cyclical Commodities:** Yarn demand fluctuations could impact volumes, though diversification helps cushion volatility.

#### Outlook

The company has successfully transitioned from a traditional freight forwarder into a multi-vertical logistics platform with global reach. The structural shift toward high-margin project cargo and NVOCC has improved profitability, while disciplined credit practices provide balance sheet comfort.

With 25% growth guidance for FY26 and rising share of project cargo and NVOCC, the company is on track for both topline and margin expansion. Though customer concentration in project cargo and geopolitical exposures remain watchpoints, the company's diversified cargo base, long-standing relationships, and asset-light model offer resilience.

Overall, company appears well positioned to capture India's rising role in global trade while delivering sustainable, profitable growth over the medium term.

**SJS Enterprise Ltd**

**Outlook:** SJS Enterprises Ltd is well-positioned to capitalize on the premiumization trend in automotive and consumer appliances, supported by its strong design-to-delivery model and high-margin aesthetic product portfolio. With new capacities from Decoplast, advanced IML solutions from Walter Pack India, and marquee export orders (Stellantis, Whirlpool), the company is set for robust growth. Sustainable margins (>26% EBITDA) and rising exports (target 14–15% by FY28) provide visibility for long-term profitability and market leadership in premium aesthetic components.

**Company Overview**

SJS Enterprises is a manufacturer of premium aesthetic products that enhance visual appeal in automotive and consumer appliance segments.

Focuses on high-value-added products and designs, serving as a design-to-delivery house with in-house styling studio and co-development with OEMs.

Headquarters in Bangalore; Plants: two in Pune, one in Manesar for Maruti Suzuki; employs 2,300 people.

Strong financial performance: EBITDA margin >26% consistently; FY25 ROCE at 25.7%, ROE at 17.2%.

**Products and Portfolio**

Wide range includes decals stickers for motorcycles/scooters, appliques and dials (printed parts for instrument clusters), overlays (human-machine interfaces for appliances like washing machines).

Logos in various technologies: 3D Lux, aluminum badges, In-Mold Decoration.

Unique products: In-mold labeled/decorative parts for car dashboards used by Maruti Suzuki, Tata Motors, Volkswagen, Mahindra, optical plastics (covers for two-wheeler instrument clusters) and optical cover glass for car dashboards.

Emphasizes premium aesthetics to drive emotional buying decisions, aligning with premiumization trends like larger displays, sunroofs, and advanced finishes.

**Acquisitions and Expansions**

Acquired Exotech (chrome plating and plastic painting) pre-IPO in 2021 and grown sales 3x in 4 years, EBITDA from 12% to 17-18%.

Greenfield plant for SJS Decoplast is nearing completion (~INR 1,000 Mn capex) and includes chrome plating and painting lines which will be operational in a few months.

Acquired Walter Pack India (IML subsidiary of global leader Walter Pack Spain) in 2023 and provides cutting-edge products integrating ambient lighting and HMI for premium OEMs.

Delays in Decoplast plant due to new customer requirements for painting line specs; no impact on sales as outsourcing supports current growth.

MOU with BOE for displays: Feasibility study for Indian market, potential for cover glass, backlight units, and assembled displays and could lead to technical assistance or JV based on investment needs.

**Export Strategy**

Exports are currently 6.5-7% of the topline and target 14-15% by FY28.

Started supplies to Stellantis (INR 3,000 Mn order over 8 years across Latin America, North America, Europe) and Whirlpool US (INR 500 Mn for overlays, single source) in current quarter; full ramp-up in FY27.

**Customer and Market Traction**

Strong ramp-up with Hero MotoCorp (world's largest two-wheeler maker) is on track for significant share of their INR 2,250-2,500 Mn decal/logo procurement and full normalization next year.

Cross-selling opportunities across portfolio to new customers like Hero.

Trends driving growth: Premiumization in cars (larger/bigger vehicles, displays, sunroofs), two-wheelers, and appliances (glass doors in refrigerators); integration of ambient lighting, touch functionality, and advanced finishes (wood grain, carbon fiber, diamond cut panels).

High content in IML parts with ambient lighting in models like Tata Harrier/Safari, Maruti Vitara, Mahindra XUV700.

Market share: ~15-20% of customer wallet in India, 100% in categories like IML and form dials; fragmented market with competition in decals/chrome plating.

**Financial and Operational Insights**

Focus on high-value aesthetic products ensures robust returns and EBITDA at 26.4% in FY25.

WPI segment: Legacy dependence on few OEMs, diversifying portfolio and new programs to start in ~1 year (8–12-month lead time for complex tooling).

Cover glass/displays revenue is expected in FY27-28 and strong traction even without these.

Chrome plating: No shift away despite environmental concerns; modern plants (ZLD, trivalent/hexavalent options) address issues and increasing demand globally/India.

Competition barriers: High aesthetic inspection standards (200% manual checks), complex color/variant management, labor training; low risk of new entrants due to quality risks and OEM reluctance.

**Guidance:** Continued growth trajectory and premiumization theme evergreen, driving demand for better-looking, functional products.

**SacheeromeLtd**

Sacheerome Ltd is well-positioned to capitalise on robust demand across fragrances and flavours, supported by near-full capacity utilisation, advanced R&D capabilities, and strong customer partnerships. With a new automated plant (capacity increase to 27.6 mn kg) scheduled for FY26, management expects sustained revenue growth, margin expansion, and enhanced operating leverage.

**Company Overview**

**Business Model:** B2B supplier of fragrances (non-edible) and flavours (edible) to personal care, home care, fabric care, fine fragrances, men's grooming, hygiene, wellness, beverages, bakery, dairy, confectionery, seasonings, and oral care segments

**Heritage:** Third-generation entrepreneur-led, 30+ years in the industry, headquartered in New Delhi with state-of-the-art manufacturing and R&D facilities

**Strategic Expansion:** New greenfield plant on Yamuna Expressway, Uttar Pradesh, funded via IPO proceeds and internal accruals, expected operational by Q4FY26

**Business Segments & Capabilities**

**Fragrances:** Aroma chemicals, essential oils, extracts. Applications include air fresheners, detergents, cosmetics, sanitizers, disinfectants, and personal wash

**Flavours:** Natural, nature-identical, and artificial in liquid and powder formats. Applications in juices, carbonated and non-carbonated beverages, tea, coffee, bakery, confectionery, dairy, seasonings, and health-nutrition

**R&D & Quality:** 54 R&D specialists; automated weighing and blending; stringent global safety and quality certifications; sensory testing chambers and customer co-creation workshops

**Operational Highlights**

Current Capacity Utilisation: 97.4% of 7.6 mn kg (FY25) achieved through process optimisation, concentrated formulations, and supply chain efficiency

New Capacity: Expansion to 27.6 mn kg total capacity; aims to alleviate bottlenecks and support future growth without incremental facility constraints

Automation & Technology: European-sourced robotic dispensers, XL storage vessels, digital manufacturing software, and automated quality control to enhance consistency and lower unit costs

**Financial Performance**

Revenue Growth: FY23: INR 5.0 bn; FY24: INR 6.2 bn; FY25: INR 7.8 bn (approx.)

Profitability: EBITDA margin improved from 21% (FY23) to 25% (FY25) driven by scale, pricing power, and product mix enhancement

Balance Sheet & Cash Flow: Healthy cash generation and strong ROCE; debt-free with internal accruals funding expansion

**Industry Outlook**

Global Fragrance & Flavour Market: USD 33 bn in 2024, projected USD 44.6 bn by 2033 at a 3.5% CAGR

India F&F Market: INR 59 bn in FY24, expected to reach INR 119 bn by FY33 at a 7.7% CAGR, underpinned by rising per-capita consumption, premiumisation, and natural/clean-label trends

Tailwinds: Growth in personal grooming, hygiene awareness, plant-based ingredients, sustainability initiatives, and beverage innovations

Capacity Utilisation: Near-maximum current plant utilisation necessitated new facility; management confident in existing-capacity optimisation until new plant ramps.

Revenue Potential: While exact figures were deferred, management emphasises consistent growth trajectory; new capacity designed for 3-5 years of volume growth before next phase

Asset Turns: Historical asset turnover near 1.5x; management will share detailed projections offline, emphasising bespoke product margins vary by end-use

Raw Materials: Mix of domestic sourcing (essential oils from Kashmir, mint from Tarai) and imports to ensure quality and cost efficiency; robust procurement network mitigates volatility

Export Strategy: Focus on Middle East, GCC, and other high-growth emerging markets; limited direct exposure to Europe/USA, but scalable global credentials post-IPO

**Future Guidance & Outlook**

Management redefines a commitment to:

Achieve full utilisation of new plant by end-FY27, targeting 70%+ capacity ramp within 12 months of commissioning

Maintain EBITDA margins above 25%, with further improvement through higher-value product launches and operational leverage

Expand market share domestically and in priority export markets, leveraging sensory labs and customer co-creation to introduce differentiated offerings

Continue strategic investments in R&D (addition of specialized researchers), marketing, and digital manufacturing to sustain competitive edge

Overall, Sacheerome Ltd is set for sustained volume and margin expansion, underpinned by robust capacity growth, strong management execution, and favorable industry dynamics.

**Safe Enterprises Retail Fixtures Limited****Capacity & Capex**

**Interim Capacity:** Capacity constraints (previously 90% utilization) were resolved by leasing two new Navi Mumbai factories and adding 65,000 sq ft to the Pune subsidiary.

Current utilization is down to 40%, providing a 2.5x growth potential immediately. This interim setup supports a turnover of INR 200 crore and upwards.

**Long-Term Goal:** The major IPO-funded facility (late 2026 commissioning) is designed for consolidation and potentially scaling up to INR 1,000 crore turnover capacity.

**Financials & Margins**

**Margin Sustainability:** Current "excellent" margins (EBITDA approximately 35%) are expected to be sustainable or potentially improve due to enhanced economies of scale when operations move into the new consolidated facility.

**Visibility:** Firm Purchase Order visibility extends for a maximum of 3 months, though key clients provide *soft* store pipeline plans for 12 months.

**Growth Drivers**

Management anticipates better growth than the previous year.

Growth is supported by increased consumer spending and rising consumption power in Tier 2, Tier 3, and Tier 4 cities.

Growth is driven by a combination of new client acquisition and deepening relationships (more brands, more stores) with existing clients.

**Product Differentiation and Moat**

**Insync Technology:** SERFL differentiates through proprietary "Insync shop fittings" (since 2010), which integrates UL-certified modular components where electrical power runs through fixture uprights (for LEDs, RFID, screens) to create a "phygital experience".

The company possesses an ecosystem of over 3,000 pre-engineered, proprietary components, which minimizes Turnaround Time, allowing store builds in as little as 15 to 20 days for recurring clients.

**Repeat Business:** Store refresh cycles typically occur every 3 to 4 years, contributing to stable repeat sales (around 10% of revenue currently).

**Client Strategy**

The top five clients account for upwards of 85% of current turnover.

Management aims to reduce this concentration to less than 70% within two to three years.

The company is targeting SMB retailers through its channel partner network (currently 2–5% of revenue) and seeking to have its core engineering components globally specified by major international brands.

**Sahaj Solar Ltd**

**Outlook:** The company is well positioned for robust growth, driven by a significant expansion in module manufacturing capacity to 750 MW and a diversified revenue mix that is increasingly balanced across solar pumps, C&I EPC, and distribution segments. Revenue is expected to grow 40% YoY in FY26E, supported by a solid INR 3.6bn order book and high margin sustainability. The key strategic pillars including backward integration into high-margin solar cell manufacturing, product innovation like anti-soiling coatings, and expansion into working-capital-light segments such as Bulk Milk Cooler solarization are expected to enhance profitability and reduce cyclical risks.

**Revenue**

Revenue is expected to grow 40% YoY in FY26E.

**Margins**

Segment-wise, retail margins are the highest at 14–18%, followed by solar pumps at nearly 15%, and distribution at 9–11%. The planned vertical integration into solar cell manufacturing (1 GW capacity) is projected to deliver an EBITDA margin of 25–30%.

**Revenue Mix and Business Segments**

Historically, solar pumps contributed 90% of total revenue. While absolute revenue from this segment is expected to grow, its share in the overall revenue mix is projected to decline. By the end of the current financial year, solar pumps are expected to account for 30–35% of revenue, with the residential and Commercial & Industrial (C&I) segment contributing 15–20%, and the remainder coming from distribution. The C&I EPC business is scaling rapidly and is expected to grow five to six times compared to the previous year, contributing a double-digit percentage to total revenue. Other off-grid systems, including BSF orders, are also anticipated to reach double-digit revenue contribution. By FY27, solar water pumps are expected to stabilize at 60–65% of total revenue.

**Capacity, Modules, TOPCon, and Utilization**

The company is expanding its solar panel manufacturing capacity from 100 MW to 750 MW during this financial year, with all new capacity based on TOPCon technology. The module size capability extends to 700 W or above, with BIS approval underway for modules up to 635 W. About 60–65% of module production is used in-house for the company's projects, ensuring supply security and margin capture. The remaining 35–40% is sold externally. A second phase of expansion adding 400 MW is planned by March 2026, bringing total capacity to approximately 1.2 GW.

**Capex, Debt, and Finance Cost**

The capital expenditure for the current module capacity expansion to 750 MW is INR 500mn, with 75% funded through a bank term loan. A similar capex is anticipated for the next phase of expansion. Although the company is currently net debt-free, it is raising debt for these investments. The interest rate on new term loans is expected to average 8.5–9.5%. While current finance costs are around INR 4 crore annually, the additional interest burden from the new term loan is projected to be INR 27-28mn per year starting next financial year.

**Order Book, PM KUSUM, and Volume**

As of July, the order book stands at INR 3.6bn, entirely comprising solar water pumping projects under supply, installation, and commissioning contracts, all expected to be executed within the current financial year. The company is an active participant in government schemes such as PM KUSUM and has developed its own solar pump controllers for related tenders. It is currently executing projects involving around 1,350 pumps under the Kusum C tender. The company maintains a disciplined bidding approach, avoiding unsustainable price points that compromise profitability or long-term serviceability.

**Backward Integration, Subsidiaries, and R&D**

Key in-house manufactured components for solar pumps include solar panels, mounting structures, and pump controllers, which together constitute 70–75% of the product cost. The pump controller is produced by a subsidiary. The company does not manufacture pumps and has no plans to enter this area. A major backward integration initiative is the planned 4 GW solar cell manufacturing facility, with the first 1 GW phase expected around FY27–28. In R&D, the company is partnering with a research firm to introduce nanotechnology-based anti-soil coating on modules, which reduces dust accumulation by 50% and boosts power generation by 3–4%.

**New Product Pipeline: Bulk Milk Coolers (BMC)**

A new product pipeline involves solar and battery solutions for Bulk Milk Coolers, which are used in villages for milk collection and cooling. The concept has been approved by the National Dairy Development Board. With over one lakh BMC installations in India, the company aims to achieve 2% market penetration in the existing base over three years. It is also developing a new cooler product range in partnership with manufacturers. The solar component value per installation ranges from INR 5 lakh to INR 35 lakh. This business is expected to be working capital friendly due to its supply-based nature.

**Working Capital and Receivables**

Project-based execution, especially in solar pumping, involves extended cycles including design, installation, commissioning, and maintenance. The new BMC solarization business is expected to improve the working capital cycle due to its supply-focused model, which requires less upfront capital than execution-heavy projects.

**International Expansion**

The company has operated in Africa for six years, focusing on Eastern Africa (Uganda, Kenya, Rwanda) and Southern Africa (Malawi, Zambia). It adopts a selective approach, engaging only in politically stable markets. Projects are secured with payment guarantees from World Bank-backed insurers. Recent achievements include a 5 MW EPC contract in Zambia, with execution starting next calendar year. Africa is viewed as a secondary market, with India remaining the primary focus.

**Industry and Growth Drivers**

The solar module manufacturing industry in India faces overcapacity, with nameplate capacity of 75–80 GW against demand of 40–45 GW. The company believes its mixed business model—combining EPC, solar pumping, and module manufacturing—provides resilience compared to pure-play manufacturers. Growth is driven by four pillars: capacity expansion, vertical integration, product innovation, and diversified market penetration across solar pumps, retail, C&I, and distribution. Internal consumption of modules (60–65%) helps secure margins and supply timing, making expansion viable despite industry overcapacity.

Sahana Systems Ltd

Management reiterated that Sahana is a deep-tech systems integrator & product company focused on electronic warfare (EW) / information warfare, government system-integration, fintech and selected enterprise verticals. Traction is visible in defence (anti-drone, L70 upgrades), government system integration and a few large enterprise accounts (US/EU customers). Management says many large tenders are in the pipeline, and several L1 / shortlisted positions exist. Near-term revenue expected to reach ~INR 2.3–2.5 Bn, further reaching ~INR 5–6 Bn in FY27E. Margins are expected to remain stable despite higher R&D capex.

#### Financial highlights

Management guides to achieve revenue of INR 2.3-2.5 Bn for FY26E. In mid-term, targets INR 5-6 Bn in FY27E and INR 10-12 Bn FY28E, driven by large tenders, product resale and scale in system-integration with a large order pipeline.

Margins are expected to remain in the current band and trend higher with repeat sales/scale.

Receivables were cited ~INR 890 Mn for FY26E. Driven by milestone/quarterly billing patterns for large government and support contracts, it typically has software milestone cycles equal to 60-90 days.

#### Operational highlights

Electronic warfare, anti-drone / RF jamming, RF detectors, OSINT/media monitoring, AI/ML/IoT integrated solutions, and system integration for government projects.

Anti-drone / EW systems are deployed in multiple sensitive locations; management named 28 AD (L70 gun upgrade), Northern Command (28 AD, Srinagar) as customers.

They also cited deployments to Gujarat Police and Bhuj during increased security.

Samwad, a media-monitoring program, is used by the Ministry of Information & Broadcasting to generate perception/sentiment reports across 26 languages, with translation and summarization features.

#### Customers & geographies

Majority of revenue is coming from the Indian gov, at ~95% comes from the Indian gov and the remaining from US / European customers and overseas pipeline.

RF components are researched in-house and assembled at an Ahmedabad facility. Management plans to build a larger Ahmedabad assembly line/factory to reduce dependency on external partners.

#### Segment/product breakout

Government system integration, a large project example, includes agriculture digitisation across 6 states, INR 3.27 Bn total, where Sahana handles the tech/delivery part.

Product engineering & SaaS products for US & Europe customers; produces recurring software revenues.

Government/system accounts for a significant revenue mix; management wants to diversify with fintech, healthcare and defense tech over next 2 years.

#### Industry/market Update

EW market sizing is close to ~USD 200+ Bn, growing at ~14% CAGR, they positioning Sahana to capture a niche via product + system integration capabilities.

Demand rising sovereign focus on counter-drone, border security upgrades and govt digitization programs. Large government tenders and PEs in defence provide multi-year visibility if awarded.

#### Capex/expansion

The company plans to ramp up the Ahmedabad assembly/larger-scale line soon to reduce dependence on external foundries.

Capex will be funded from internal cash and accruals.

#### Other Updates

The company expects a large tender from IPSS govt ~INR 32 Bn, Sahana is one of 16 shortlisted for demonstration with 200+ participants initially.

The company stated ~8 patents filed / in pipeline and multiple research publications; they are investing in hardware + software R&D.



**Saregama India Ltd**

**Guidance and Future Outlook:** In the long run, Saregama's prospects are bright, driven by its ownership of valuable IP, aggressive content acquisition strategy, and the growing global and domestic demand for digital content. As consumer adoption of paid subscriptions accelerates, especially with increasing smartphone penetration and regional language consumption, the company expects to benefit significantly. In the near term, management emphasizes a focus on balancing content investments with maintaining healthy margins, positioning itself to capitalize on industry shifts over the next 3-5 years.

**About the company:** Saregama is a venerable company that forms part of the RP Sanjeev Goenka Group, with a history spanning over 100 years. It is India's oldest and one of the most credible music labels, holding a dominant place in the industry with leadership across multiple languages—around 1,230 in total. Its core strengths lie in owning valuable IP, which positions it uniquely as a content-driven company rather than a platform. Historically, Saregama enjoyed a monopoly-like status, maintaining a strong market share of approximately 25-30% in new music. The company primarily focuses on content ownership over platform proliferation, emphasizing quality IP, robust corporate governance, and building a diversified vertical portfolio. Its business verticals include music licensing, live events, artist management, retail products (like Karma), and expanding into video content and web series.

**Content :** Involves a significant investment around INR 300-350 crore annually in acquiring new content across regional and Hindi languages, aiming to sustain its market share in the music industry. With over 175,000 catalog songs, the company holds a rich archive of heritage content alongside fresh releases. Its growth prognosis is based on a major industry shift from free ad-supported models to paid subscription formats. As digital consumption increasingly favors ad-free subscription services, especially among the youth, the industry is expected to nearly double in size—reaching around INR 3,000-3,500 crore over time. The company also aims to expand into video formats, web series, and live artist events, building on its strong artist relationships and content reach.

Investments in content about INR 300 crore+ annually—aiming for a plateau around INR 330-350 crore. This high level of investment impacts the short-term profitability, with content charges increasing significantly and profits lagging revenue growth temporarily. The company projects that after a few quarters, the growth of content charges will stabilize as its portfolio matures. Revenue growth is expected to exceed 20-25% annually, driven by increasing subscription adoption, content licensing, and global market expansion. The company's management also highlights that the total industry spend on new music ranges between INR 1,000-1,200 crore, with Saregama holding a significant about 25-30% market share in new content and around 20% in revenue terms.

**Digital & Consumer Trends:** The ongoing shift from free to paid content is a central theme influencing the industry's growth. Major streaming services like Spotify and JioSaavn are actively promoting conversion from free to paid subscription models, though current penetration remains in single digits. It's estimated that a 10 cr consumers might transition to paid at an average of INR 100/month, translating to an additional INR 6,000 crore annually for the industry. Consumer willingness to pay is driven mainly by the desire for an ad-free, higher-quality experience, which is increasingly accepted, especially among younger populations. The rise of YouTube, streaming platforms, and social media channels supports this long-term trend. Paid subscriptions currently yield two to three times higher revenue than ad-based streaming, providing a strong basis for future growth.

**Growth Initiatives:** Saregama continues to actively pursue acquisitions, particularly regional catalogues in languages like Punjabi and Telugu, to strengthen its regional presence and tap into diaspora markets. It also collaborates closely with top artists for licensing and live performances, thus expanding revenue streams and artist profiles. The company's strategy involves both organic growth through content investments and inorganic growth via acquisitions. Artist partnerships include licensing deals, live concert management, and revenue sharing, which benefit both artists and the company.

Additionally, Saregama's regional and international focus aims to diversify and strengthen its market position, benefitting from high diaspora engagement and regional music trends.

**Industry:** The major industry transition from free to paid streaming platforms impacts immediate revenue, especially when some platforms exit or reduce free offerings. Content costs are high, and the impact of peak content charges may temporarily pressure profitability. Consumer behavior remains a key factor; willingness to pay varies across different demographics and regions, and the pace of conversion to subscription models is uncertain. The company must manage these factors carefully to ensure sustained growth and profitability.



Sasken Technologies Ltd

**Outlook & Confidence:** Looking ahead, Sasken is confident of sustaining momentum with strong traction from hyperscalers, semiconductor players, and automotive OEMs. The 60x4x3 strategy is progressing well, supported by low attrition, a healthy order book, and diversified growth levers. With AI-driven productivity gains and an expanded set of offerings, management expects margins to improve structurally within the next 6–8 quarters. Overall, Sasken appears well positioned to deliver consistent growth while strengthening profitability over the medium term.

**About Company:** The company is a product engineering services company with a core focus on embedded systems and digital services. The firm serves semiconductors, consumer electronics, network engineering, automotive, industrial, and satellite communications verticals. It works primarily with Fortune 500 clients, including hyperscalers, and has positioned itself as a “chip-to-cognition” company.

**India:** Headquarters in Bangalore; presence in Pune, Chennai, Hyderabad, Ahmedabad, and Kolkata.

**International:** Engineering hubs in the US, Finland, China, and newly expanding into Japan. Sales & marketing offices spread across Europe.

**Headcount:** ~2,196 employees post-acquisition.

**Strategic Vision – “60x4x3”:** Sasken Technologies has laid out a clear long-term vision under its “60x4x3” strategy. The goal is to scale 60 customers to a \$4 mn annual revenue run rate each within a three-year timeframe. Already, the company has seen 7–8 customers cross this threshold, with around 16 more tracking above the \$1 mn mark. This initiative ensures broad-based growth by reducing dependence on a handful of clients, thus mitigating concentration risk while building sustainable and diversified revenue streams.

**Recent Acquisitions & Expansion:** The company has pursued targeted acquisitions to strengthen its capabilities. The acquisition of Borgs, an ODM company, brought in critical Qualcomm licenses across mobile, IoT, and automotive, along with Google GMS certification. This enables Sasken to design end-to-end products and leverage the China and Vietnam supply chain to ship at scale. Additionally, the acquisition of a Silicon Design Company has bolstered its expertise in analog design and full chip solutions, with AI adoption in verification and validation improving efficiency. Sasken has also built strong foundry partnerships with GlobalFoundries and is pursuing collaborations with TSMC to deepen its semiconductor footprint.

**Financial Performance (Q1 FY26):** In Q1 FY26, Sasken reported revenues of \$32 mn, marking a 28% YoY increase and 6–7% sequential growth when excluding acquisitions. EBIT margin stood at 2%, slightly lower than 2.4% in the previous quarter, as ongoing investments weighed on profitability. Profit after tax came in at INR 10 cr, translating to a margin of about 3.7%. The company now serves 79 active customers, though concentration remains high with the top five clients contributing 52% of revenues and the top ten accounting for 68%.

**Margins:** Margins remain subdued due to increased investments in talent, AI, and geographic expansion. However, management has provided clear EBIT margin guidance across segments. Services are expected to stabilize at 14–15% margins at a \$28 mn quarterly run-rate, while the ODM business is guided to 8–10% margins at an annualized run-rate of \$80–90 mn. Over the longer term, Sasken aspires to achieve a blended EBIT margin in the 12–16% range. Notably, attrition is at ~7%, the lowest in six quarters, which supports execution and profitability improvement.

**Business Diversification:** The company is diversifying aggressively to secure multiple growth levers. Its ODM business involves full ownership of hardware and software design, including manufacturing and shipment, with revenues derived from both design fees (NRE) and per-unit shipments. In Japan, Sasken is building a local subsidiary led by Japanese leadership to ensure cultural alignment, aiming for the geography to contribute 8–10% of revenues in 3–4 years. In China, the focus is on ODM supply chain management and supporting hyperscaler clients. Meanwhile, the company is investing in AI to enhance internal productivity, deploy AI agents as virtual engineering team members, and accelerate silicon verification and validation.

**Key Partnerships:** Partnerships continue to be an important pillar of Sasken’s growth. The company has tied up with VicOne in Japan to address automotive cybersecurity, with revenues expected to flow in the next few quarters. Its long-standing engagements with hyperscalers go beyond research pilots, extending into core product lines, thereby deepening relationships and ensuring long-term stability. An example of Sasken’s delivery capabilities is an end-to-end IoT farm analytics system developed for a Canadian client supplying Walmart, showcasing its ability to create solutions from concept to execution.

**Historical Challenges:** Sasken’s growth in the past was derailed by overdependence on large clients such as Nokia and Intel, which led to revenue losses of \$20–45 mn when these customers exited product lines. Learning from this, the company has shifted from a conservative model of engaging only in projects with upfront profit clarity to a more diversified and scalable approach. Past management churn has been attributed to performance-led restructuring, but the current leadership team appears more stable, with a stronger emphasis on execution and strategic consistency.

Sat Kartar Shopping Ltd

**Outlook:** FY26 represents a pivotal year as Sat Kartar scales its digital-first D2C model while initiating manufacturing through subsidiary Joni Life Sciences. The company's aggressive 40-50% revenue growth with 50% PAT growth (margins improving from 6% to 9%) is supported by category leadership in sexual wellness and expansion into international markets. Three-year vision of INR 500 mn revenue by FY28 with 80-90% organic growth demonstrates management confidence in Ayurvedic market acceptance post-COVID. Strategic focus on AI-driven data analytics and planned entry into therapeutic services within 12+ months creates sustainable competitive moats in the growing alternative medicine space.

**Company Background:** Listed in January 2025, Sat Kartar operates as a digital-first Ayurvedic healthcare products company with strong online presence. The company has established itself in the growing alternative medicine market, benefiting from increased customer acceptance post-COVID and government support for Ayurveda through Ayush Ministry initiatives.

**Business Segments:** **Sexual Wellness** dominates with 45-50% revenue contribution as highest growth category, primarily through Lib Mustang brand with multiple SKUs. **Diabetes** segment (10-12% revenue) provides best customer retention at 35% due to chronic nature requiring lifelong treatment. **Addiction** and **Piles/Ortho** each contribute 10-12% with varying retention characteristics. Blended customer retention of 22% reflects curative nature of most products.

**Distribution Strategy:** 97-98% sales through own platforms with minimal marketplace presence (2-3% Amazon/Flipkart). Strong focus on live commerce leveraging video content for deep market penetration where customers can listen and see rather than read. High advertising intensity at 40-42% of revenue with customer acquisition cost of INR 900-1,000 and average ticket size of INR 3,200.

**Manufacturing Integration:** Joni Life Sciences subsidiary commencing production with capacity for 25% of total sales, maintaining asset-light philosophy while gaining quality control and margin enhancement. Manufacturing facility includes R&D capabilities to improve product quality and transfer knowledge to other vendors.

**Growth Strategy:** Three-year vision targeting INR 500 mn revenue by FY28 with 80-90% organic growth. **International expansion** through subsidiaries in UAE and US markets. **Product diversification** into nutraceuticals through Veda Bay brand targeting daily-use products for improved customer retention. **Service expansion** planned within 12+ months into therapeutic services, clinics, and hospitals.

**Financial Performance:** Revenue guidance of 40-50% growth with PAT margins improving from 6% to 9% representing 50% bottom-line growth. Geographic revenue distribution shows TV advertising strength in South India, Meta advertising in South, and Google advertising in North. Acquisition strategy active with recent Plant-O-Med acquisition showing positive results.

**Market Position:** Strong brand recognition in target categories with premium pricing enabling 95% gross margins due to INR 3,200 average ticket size versus industry standard INR 1,100-1,500. Digital-first approach provides scalability advantages and direct customer relationships without traditional distribution dependencies.

**Sathlokhar Synergys E&C Global Ltd**

**Sathlokhar Synergys E&C Global Ltd** is entering a significant scaling phase, supported by a strong order book, robust bidding activity, and strategic capacity expansion. Management emphasizes its proven track record with international clients and a business model focused on comprehensive turnkey EPC solutions as the foundation for sustainable growth.

**Financial Outlook and Revenue Guidance**

For FY26, the company targets revenue in the range of 1,000 to 1,050 crores, with net profit expected to exceed 110 crores, reflecting sustainable net margins of around 10–11%. Management anticipates maintaining or improving these margins over time. Looking ahead, the company projects mid-term revenue of approximately 1,700 crores in FY26/27 and long-term revenue exceeding 2,400 crores by FY27/28.

The company's business is inherently weighted toward the second half of the financial year, with the first half contributing roughly 20–25% of annual revenue. The majority of execution and billing occurs in the latter half, particularly the last quarter (January to March), which is expected to account for about 55% of annual revenue. This seasonality reflects the project timeline, where initial approvals and fabrication precede ground-level execution concentrated in Q4.

**Order Book and Pipeline Visibility**

The company currently has an order book exceeding 1,200 crores, with management confident that approximately 1,050 crores will be executed and billed by March 31, 2026. The company also anticipates additional revenue of over 100 crores from ongoing projects as pending tender packages are released.

The company has actively bid for projects totaling around 12,867 crores across multiple states, with an expected conversion rate of 12–15%, which could generate over 1,000 crores in future revenue. Management intends to regularly update the exchange on new contracts, expecting to secure the required orders for the next financial year within the next six to nine months.

**Operational and Client Strategy**

The company plans to scale each vertical individually, aiming for a minimum turnover of 300 crores from each. The company is also establishing a new state-of-the-art PEBB manufacturing plant, adding 2,000 metric tons per month in capacity, expected to be operational by July or August. Over the next decade, management envisions five to six PEBB locations across India, with each factory targeting annual revenue of approximately 350 crores.

A cornerstone of the company's strategy is long-term client retention, dubbed the "Three or Three" vision, aiming to onboard roughly 300 clients by FY27/28. This approach is expected to ensure that 60–70% of future order books over the next decade come from existing clients. Many ongoing projects, including those with Winfast and Reliance Campola, represent Phase 1 executions, with subsequent phases expected to contribute approximately 70% of annual turnover. The company anticipates being the preferred contractor for Reliance's planned 60 new factories over the next decade, building on its successful execution of four prior manufacturing buildings.

**Capital Structure and Working Capital**

The company plans to raise 114 crores via preferential allotment and warrants, primarily for working capital to support the existing order book. Management expects receipt of these funds next month and is confident that the combination of preferential funds and internal accruals will enable achievement of the projected four-digit revenue and three-digit net profit targets.

**Management and Succession Planning**

Sathlokhar is building a professionally managed structure with active succession planning. The next generation is being groomed to assume leadership roles, with Lokesh Krishna, pursuing civil engineering, expected to lead the business in the future, and Ashita, pursuing architecture, focusing on design aspects.

## Seamec Ltd

**Outlook:** The company is poised for steady revenue growth and an improving margin profile as newer, more efficient vessels like Anant and Augusta are deployed, gradually reducing reliance on older assets. With a strong balance sheet, manageable debt, and limited new competition on the horizon, Seamec is well-positioned to capitalize on strong industry fundamentals. Its core IMR business provides resilience against oil price volatility, ensuring stable earnings. The focus remains on executing its fleet renewal and strategically deploying vessels internationally to capture higher day rates, supporting sustainable profitability in the coming years.

**Revenue and margins:** Seamec Limited operates in the marine services sector, focusing on Inspection, Maintenance, and Repair (IMR) and sub-sea construction. IMR contracts yield higher margins, while sub-sea construction or Engineering, Procurement, and Construction (EPC) contracts, such as those handled by vessels like SEAMEC 3 and SEAMEC Princess, operate on lower margins of approximately 10% to 12%. The company's management targets a sustainable overall EBITDA margin of 35% or higher, with expectations of improvement in the current and next financial year due to a more favorable business mix. Revenue growth is guided at 10% for the current year and 10% to 12% for the following year. The business is subject to seasonality, with some vessels idle during the monsoon, making annual performance a more relevant metric than quarterly results.

**Revenue Mix and Fleet Contribution:** The three oldest vessels (SEAMEC 2, SEAMEC 3, and SEAMEC Princess) contributed about 45% of revenue as of March 2025. This proportion is anticipated to decline to 25% to 30% once the newly acquired vessels Anant and Nusantara, along with Swordfish are fully operational. A recent contract addition of \$3.14mn for SEAMEC Princess will be executed over the coming quarters.

**Vessels and Fleet Utilization:** The company's fleet consists of eight vessels: six diving support vessels (DSVs), one accommodation barge, and one Offshore Supply Vessel (OSV). The recently added vessel, Nusantara, has been renamed Augusta. Contracts are primarily categorized into IMR jobs, which operate on a day-rate basis, and sub-sea construction jobs, which are typically lump-sum EPC contracts. The lump-sum nature of contracts for vessels like CMAC Princess makes it difficult to attribute a specific day rate or individual revenue contribution, as revenue is recognized over the contract's execution period.

**Nusantara and Anant Acquisitions:** Seamec has strategically acquired two key vessels. The first, Nusantara (now Augusta), was acquired for \$23 million and is expected to deliver a Return on Capital (ROC) of approximately 17% or better. It has a remaining useful life of 10 years but will be depreciated on a straight-line basis over 5 years. The second vessel, Anant, has an expected acquisition cost of \$70 million and a projected ROC of 17%. As a new vessel, Anant requires no dry-docking for nearly five years. Its useful life is 23 years, with depreciation scheduled over 18 years.

**Charter Rates and Contract Renewal:** IMR contracts typically have durations of 3 to 5 years. The market for these vessels is currently tight, and the company has historically secured better pricing upon renewal, a trend sustained over the past five to seven years. However, charter rates in the Indian market remain low compared to international levels. For instance, the internationally deployed Swordfish commands a day rate of approximately \$80,000, while vessels like Paladin, Anant, and Nusantara operating in India earn around \$35,000 per day. The company prioritizes deploying vessels outside India after contract expirations to capture higher rates.

**Fleet Renewal and Seasonality:** The company is actively executing a fleet revamping plan. Three older vessels (SEAMEC 2, SEAMEC 3, and SEAMEC Princess), each over 30 years old, are planned for gradual phasing out to minimize disruption. These vessels are currently maintained as per statutory guidelines. Regarding maintenance, the vessel Paladin is scheduled for dry-docking around January 2026, with approximately two vessels planned for dry-dock in FY27. The business is seasonal, with lower utilization during the monsoon period.

**Capex, Debt, and Working Capital:** The total acquisition cost for Nusantara and Anant is approximately \$93 million. This Capex is being funded through a combination of debt and internal resources. The company maintains a strong financial position with nearly zero net debt, supported by a treasury of about INR 3.33bn and INR 1.4bn in cash. The debt financing for the acquisitions follows a 50/50 debt-to-equity split. Specifically, INR 1.5bn of debt was taken for Nusantara, and a INR 3bn loan is proposed for Anant, resulting in total new debt of about INR 4.5bn in FY26E. The borrowing cost is favorable at below 8%. Management considers this debt healthy for growth and expects it to be repaid from business cash flows within two to three years. Previously considered equity infusion from the parent company, HAL, may not be necessary due to sufficient internal accruals and liquid investments.

**Growth Drivers and Industry Dynamics:** Seamec is the dominant player in India and owns one of the largest global fleets in its segment. The market for diving support vessels is tight, with strong rates expected to persist. Significant barriers to entry exist, as building a new vessel is highly capital intensive (up to \$150 million) and time-consuming (3-4 years), limiting new supply for the next four to five years. The company's core IMR work involves long-term strategic contracts for maintaining existing oil field assets. This business is largely insulated from short-to-medium term fluctuations in crude oil prices; even if prices fall below \$60 per barrel, growth and margins are not expected to be significantly impacted as essential maintenance activities continue.

**Management Fees:** An audit of related party transactions was conducted by Grant Thornton. The draft report is expected soon and will be presented to the board and shared with the stock exchanges before the next board meeting.

**Senco Gold Ltd****Muted Q2, Strong H2 Recovery Expected**

Management reiterated confidence in delivering 18-20% full-year growth despite muted Q2 (due to elevated gold prices). Growth is expected to accelerate from Q3, led by festive demand, diamond jewelry traction, and continued store expansion in core markets. Margins remain stable, supported by higher Gold Metal Loan (GML) utilization and efficient inventory management.

**Sales & Growth Outlook**

Q2 muted: Lower single-digit growth expected, reflecting deferment of demand due to abnormally high gold prices.

Q3 recovery: ~20% growth expected during festive season, aided by GST-related settlement and pent-up demand.

H1 trajectory: With Q1 at +28% and Q2 muted, H1 growth to average near 20%.

FY guidance: Management maintains 18-20% topline growth target for FY26.

**Margins & Financial Discipline**

EBITDA margin: Guided at 6.8-7.2% for FY26; potential to reach 7.3-7.4% at peak.

Gross margin: Stable across quarters; percentage trend intact, though absolute gross profit to reflect lower Q2 sales.

GML leverage:

Targeting 60%+ GML share by Q2 (vs 52-53% in Q1).

Medium-term ambition: 70-75% utilization

Benefit: Lower borrowing cost (3-3.5% vs 9-9.5% on WC loans).

Inventory management: ~INR3,500 cr as of June (+INR150-200 cr QoQ) to stock up for festive demand. BI tool enables frequent shuffling across stores to optimize turnover.

**Product Mix & Strategic Initiatives****Diamond jewelry:**

Strong demand resilience; 35% volume growth in recent quarters.

Focused on INR50k-75k and sub-INR1.5 lakh ticket sizes to broaden customer base.

Stud ratio expected at 12-12.2% in FY26 (vs 13% medium-term target).

**9K jewelry:**

Strategic push to cater to tighter budgets amid high gold prices. Partnership with Sky Gold for faster rollout.

**Lab-grown diamonds (LGD):**

Negligible current impact; sales <INR20 cr this year

FY27 target: INR50 cr, serving as an incremental growth driver.

Mix implication: Greater share of diamond and 9K jewelry supports volume growth, while stable GM profile preserves margins.

**Expansion Strategy & Regional Focus**

Core focus: Eastern states (Bengal, Bihar, Odisha) remain primary growth engine due to higher margins and strong brand recall.

Selective expansion:

North (Delhi NCR, UP, MP, Maharashtra) prioritized for next leg of growth. Delhi NCR seen as “another star market” with relatively less competition.

South: Strategy remains cautious due to competitive intensity.

Planned new stores: 4-5 owned stores (1 Bengal, 1 Maharashtra, 1 MP, 2 UP).

**Break-even:**

East stores: ~1 year.

North/other: 1.5-2 years to reach opex + interest break-even.

**Outlook & Risks****Positives:**

Resilient demand despite gold volatility; strong festive/Q3 recovery expected.

Stable margin guidance with upside from GML optimization.

Strategic product mix shift (diamond, 9K jewelry) ensures volume-led growth.

Geographic diversification beyond East mitigates concentration risk.

**Risks:**

Sustained high gold prices may elongate demand recovery.

Execution risk in scaling 9K jewelry and LGD rollout.

Longer break-even cycle for stores outside East could pressure near-term returns.

**Bottom Line:**

Despite near-term Q2 weakness, the company remains on track to achieve 18-20% growth in FY26 with 6.8-7.2% EBITDA margins. The twin levers of product mix (diamond, 9K) and regional expansion (East + North) underpin the growth story, while higher GML utilization provides a structural margin cushion.

**SG Finserve Ltd**

**Outlook:** Targeting an AUM of INR 4,000 crores by FY26 and for FY27, INR 6,000 crores, with PAT expected to cross INR 250 crores and ROE to exceed 15%. Over the longer term, it has set a goal of INR 12,000 crores AUM by 2030. Funds flow directly to anchor companies rather than dealers, combined with their technology-driven operations and strong relationships with 44 major anchor partners including Tata Motors and Mahindra, positions them well for sustained growth.

**Business Overview**

The company operates as an NBFC focusing on MSMEs, primarily dealers and distributors of large brands like Tata Steel, Tata Motors, Ashok Leyland, Mahindra & Mahindra, JSW, and Jindal Steel.

It has signed 44 anchor MOUs covering INR 6,500 crores of financing potential.

Loans are short-term in nature, typically ranging between 30–90 days, with funds disbursed directly to anchors ensuring end-use control.

In the last 35 months, it has disbursed INR 50,000+ crores, financing over 4 lakh invoices and serving 600+ MSMEs.

The company has a 70-member team with a balanced regional portfolio ~30% South, ~30% West, and ~35% North & East combined.

**Technology & Credit Quality**

20–70% API integrations. Its in-house credit rating model adjusts parameters sector-wise.

All documentation is 100% digital, and invoices flow seamlessly between anchor, company, and banks. Maintained excellent asset quality in 34 months, no dealer account went bad, except one write-off case.

**Financial Performance**

In Q1FY26, interest income stood at INR 65 Crore and PAT at INR 25 crores.

Current ROE is >10% on a net worth of ~INR 1,050 crores.

Yield on book is 12.5%, cost of borrowing is 8.15–8.25%, leading to a NIM of ~4%.

ESOP expenses were INR 2+ crores in Q1FY26, expected to total ~INR 10 crores for FY26, but will reduce to only INR 1–1.5 crores from FY27 onwards.

**Capital & Growth Plans**

The first equity round in Sep 2022 raised INR 750 crores (INR 350 crores from APL Apollo promoters Rahul & Rohan, and INR 400 crores from investors).

A second round in Oct 2024 raised INR 450 crores via warrants, of which INR 112 crores has been received, and the balance INR 338 crores will be received in Apr 2026.

Target for FY26: INR 4,000 crores AUM with equity of INR 1,100 crores.

Target for FY27: INR 6,000 crores AUM with equity of INR 1,500 crores and debt of INR 4,500 crores (D/E 3x).

Expected FY27 PBT is INR 350 crores and PAT INR 250+ crores, delivering 15%+ ROE.

Longer-term target of INR 12,000 crores AUM by 2030.

**Market overview**

Supply chain finance is seen as an “unlimited market” because of the ongoing transition from cash credit/OD facilities to channel finance.

Large anchors already have significant credit limits; Tata Motors (INR 12,000–13,000 crores), Tata Steel ~INR 15,000 crores, Mahindra & Mahindra INR 10,000+ crores), and Havells ~INR 4,000 crores.

Private sector banks lend at 9.5% to 10%, while SG Finserv lends at ~1 to 1.5% higher, but differentiates through faster turnaround (48-hour sanction vs banks' sluggish process).

Utilization levels of company's sanctioned limits are strong, with 75 to 80% utilization rates.

**Business Mix & Anchors**

2 anchors (APL Apollo and Cambria) have gone live on the 24x7 invoice financing platform.

~1,000 dealer groups are linked to Apollo, contributing less than 40% of exposure in UP.

Existing anchors and dealers are expected to provide 15 to 20% growth annually, with another 30 to 40% growth potential from deeper penetration into existing anchors.

New anchors and dealers are projected to contribute ~30% to growth.

**Other Highlights**

The company is investing in a GST-based AI monitoring tool with 8–9 triggers to track dealer performance; the development cost was INR 25–30 lakhs.

The company has started financing sub-dealers, having signed 4 MOUs with a portfolio of INR 20–25 crores.

RBI-mandated standard asset provision is 0.4%, resulting in an impairment provision of ~INR 2.3 crores.

Tech spends are consistent ~INR 20 to 25 lakhs per month, covering both platforms and team expenses.

The company has signed MOUs worth INR 6,200 to 6,500 crores with anchors.

Average borrowing cost has come down from 8.5% earlier to ~8.15 to 8.2% currently, benefitting from rate cuts.

The company is conscious of yield pressures, estimating ~10 to 15 bps decline, but offsetting it through cheaper funds and better negotiations with banks.

Parent company leverage allows borrowing up to INR 4,500 crores until FY27, but the company is transitioning towards raising loans without guarantees to stand independently.

The C/I ratio is improving, with OPEX currently at 70 bps and expected to reduce to ~50 bps by FY27.



**Shalibhadra Finance Limited**

**Outlook:** Shalibhadra Finance exhibits resilience amid challenging macro conditions, delivering strong profitability growth of 35% YoY in Q1 FY26. The company maintains its strategic focus on rural-led expansion with a robust capital position supporting growth without external equity dilution. Management targets aggressive AUM expansion to INR 2,750 mn by FY27 while diversifying product offerings and expanding geographical footprint. The declining interest rate environment provides favorable tailwinds for margin expansion, though margin compression was witnessed in Q1 FY26 due to competitive pressures. Asset quality remains stable despite sectoral headwinds, reflecting prudent underwriting standards and strong collection infrastructure.

**Margin Dynamics and Funding Profile**

The company experienced temporary margin compression during the quarter, with Net Interest Margins declining to 18.7% in Q1 FY26 from 20.4% in Q1 FY25, attributed to falling interest rates and competitive pressures. However, management expects stabilization going forward as the interest rate environment settles. Yields on advances decreased to 20.8% from 25.1% in the previous year quarter, while cost of funds improved to 10.8% from 11.9%, resulting in spreads compression to 9.9% from 13.2%.

The funding profile remains conservative with low leverage at debt-to-equity ratio of 0.22x, providing substantial headroom for growth. Average cost of borrowing stood at 10.8% for Q1 FY26, with the company strengthening relationships with nationalized banks to further optimize funding costs. The company maintains comfortable liquidity position with INR 47 mn in cash, cash equivalents and undrawn bank lines.

**Operational Infrastructure and Market Position**

The company operates through a network of 53 branches across 40 districts in four states - Gujarat, Maharashtra, Madhya Pradesh and Rajasthan - serving over 107,773 active customers with 183 employees. The distribution strategy emphasizes owned branches rather than franchise or DSA models, ensuring direct control and consistent service delivery. Each branch maintains partnerships with dealers, brokers and service stations within a 50 km radius for business generation.

Shalibhadra demonstrates strong customer loyalty with 40% repeat customer base, testament to service excellence and trust earned over two decades of operations. The company benefits from low employee attrition with average tenure of 10 years, contributing to stable operations and local market relationships. Branches established in the past three years have yet to achieve saturation, providing organic growth opportunities.

**Product Portfolio and Market Focus**

The company offers diversified small-ticket asset financing products focused on two-wheeler and three/four-wheeler segments with average ticket sizes ranging from INR 15,000 to INR 150,000. New two-wheeler loans carry tenures of 6-30 months with ticket sizes of INR 30,000-90,000, while used two-wheeler loans target farmers and self-employed individuals with ticket sizes of INR 15,000-75,000. Used three/four-wheeler loans serve both personal and commercial use with larger ticket sizes up to INR 150,000.

The rural-focused strategy addresses underbanked geographies where traditional banks face operational challenges, creating competitive moats through last-mile accessibility and local relationships. The company's informal credit rating system acknowledges rural financial realities beyond CIBIL scores, enabling service to previously excluded customer segments.

**Technology and Digital Transformation**

Management highlighted significant investments in digital infrastructure to enhance scalability and operational efficiency. The implementation of Loan Origination System (LOS) and Learning Management System (LMS) streamlines customer onboarding, training processes and performance tracking. The company has integrated multiple APIs including credit bureau checks and fraud detection systems to enhance risk management capabilities.



Digital transformation initiatives include seamless end-to-end onboarding encompassing registration, verification, approval and disbursement without paperwork. The company partners with multiple payment gateways to expand digital payment accessibility and ensure 100% cashless disbursements. These technological enhancements support the company's expansion plans while improving customer experience and operational efficiency.

#### **Strategic Roadmap and Expansion Plans**

Management outlined an aggressive three-year roadmap targeting AUM expansion to INR 2,750 mn by FY27 from current INR 1,825 mn, representing 51% growth over the period. The branch expansion strategy aims to surpass 100 branches by FY27 compared to current 53 branches, with immediate plans to reach 70 branches by March 2025. Geographic expansion includes entry into Karnataka and Goa while deepening presence in existing states.

Product diversification initiatives include introducing Used Tractor Loans, Salaried Personal Loans and Affordable Housing Loans to increase the share of higher-yielding products and enhance Return on Assets. The company plans to optimize funding costs by increasing the proportion of borrowings from nationalized banks within the overall borrowing portfolio.

#### **Risk Management and Corporate Governance**

The company maintains conservative risk management practices with small loan sizes, funding up to 75% of vehicle costs, and strong hypothecation policies. Customized credit norms developed through two decades of rural finance experience enable effective risk assessment of borrowers with limited formal credit history. The company's focus on retail loans creates a granular book with average ticket size of approximately INR 30,000, reducing concentration risk.

Shalibhadra received rating renewal of BBB- (Stable) from ICRA, reflecting stable credit profile and adequate risk management frameworks. The company has maintained profitability throughout its operational history while paying dividends since inception. Corporate governance is strengthened by experienced management with promoter holding of 55.5% ensuring alignment with shareholder interests.

**Shanmuga Hospitals Ltd****Outlook**

The hospital aims for steady growth by boosting occupancy from 50% to 80% and increasing average revenue per bed from INR 17,000 to ₹30,000 over the next 3 years, driven by new tech like robotic surgery and more cash-paying patients. Revenue could reach INR 1,000 Mn from the current setup in 3-4 years. They plan to add 50 beds in Salem within 1-2 years using internal cash, stabilize operations, and then expand to nearby areas in Tamil Nadu after 4-5 years.

**Company Overview**

Shanmuga Hospitals is a multi-specialty hospital founded in 1981 in Salem in Tamil Nadu by Dr. P. Selvam as a small setup to provide timely, affordable, and preventive care. It started in a remote area where patients had to travel 200-300 km to Chennai or Bangalore for advanced treatment.

**Operates 3 units:** Main Shanmuga Hospital (flagship multi-specialty), Shanmuga Diagnostics (NABL-accredited for pathology tests), and Shanmuga Clinic (peripheral OPD for easier access).

Specialties include oncology, general surgery, cardiology, neurology, orthopedics, gastroenterology, pediatrics, rehab, psychiatry, speech therapy, and emergency care—all under one roof.

**Business Model Deep Dive****Core Hospital Services:**

Full-service model in Salem, focusing on affordability and accessibility. Patients from any background get quality care without financial worry, thanks to insurance ties.

**Tech investments:** Da Vinci robotic surgery (FDA-approved, only in region—reduces pain/recovery by 90% vs. laparoscopic), two linear accelerators (uninterrupted radiotherapy), IVUS cath lab (real-time vessel imaging for better angioplasty), plasma sterilizers (zero infections for years—only in Salem), automated biochemistry lab (fast tests).

**Patient flow:** From diagnosis to surgery to rehab—all integrated. Runs DNB programs in emergency medicine, general surgery, and radiotherapy to attract young doctors and ensure 24/7 quality care.

Occupancy and efficiency: 50% now, aim 80%. Low average stay shows quick turnover.

**Medicine Sales:** 28% of revenue, sold in-house to support hospital ops. Margins are equal to local competitors.

**Growth Outlook & Strategic Vision**

Short-term (1-3 years): Increase occupancy to 80% and ARPB to INR 30,000 by focusing on robotic surgery, attracting more cash/private insurance patients, and adding departments like neuro and nephro. Add 50 beds by reorganizing current space and shifting OPD nearby complete in 1-2 years. Launch renal/liver transplants, Shanmuga Health App (for records, appointments, tele consults), and Nephro Care Center.

Medium-term (4-5 years): Stabilize Salem ops, then expand to nearby Tamil Nadu areas (Brownfield/Greenfield ok). Target revenue INR 1,000 Mn from current hospital.

**Shanti Spintex Ltd**

**Outlook:** Shanti Spintex Ltd is focused on transforming into a fully integrated denim fabric manufacturer, with substantial forward integration and sustainability-driven initiatives underway. FY26 and FY27 are expected to see margin recovery, operational efficiencies, and muted debt levels as the finishing and upcoming dyeing units come on stream. Management is targeting seamless integration, higher profitability, and a five-year roadmap to reach INR 1,500–1,800 mn in revenue, underpinned by expansion in weaving and green power.

**Business Overview & Integration:** Company began denim manufacturing in 2016, currently operates 96 Air Jet machines, with annual capacity of 19.2 mn meters of fabric. Recent acquisition of Tista Spintex has enabled in-house forward integration of finishing; company is planning to start its own dyeing unit, achieving a full end-to-end denim value chain. Dyeing unit capex planned at INR 50–60 mn, with expected commissioning by November–December 2026; all regulatory and land permissions acquired.

**Financial Performance & Margins**

FY25 turnover reached INR 710 mn, net profit INR 10.2 mn.

Aggressive topline focus led to margin compression: gross margin fell from 9.6% in FY24 to 5.5% in FY25, as price concessions helped reduce debtor cycles to 35 days and mitigate collection risks.

Margins expected to improve in FY26–FY27 as integration benefits from finishing and dyeing units materialize; PAT guided at INR 14–15 mn for FY26, INR 18–19 mn for FY27, and INR 30 mn PAT targeted by FY28. ROE and ROCE stood at 11% and 13% for FY25; management aims to lift ROCE to 18–20% over the medium term, aided by debt reduction and profit expansion.

**Capacity & Capex**

No major weaving expansion planned for next two years, focus remains on improving profit margins via backward and forward integration.

Capex for the dyeing unit to be partly funded by debt (up to INR 35 mn) and internal accruals; debt levels to remain muted thereafter.

Renewable energy initiatives deliver 55 lakh units of green power, meeting nearly two-thirds of total consumption; further green energy expansion planned post dyeing unit commissioning.

**Product Mix, Value Addition & Innovation**

Company manufactures value-added dobby products up to 78 inches width, targeting premium segments via unique SKUs and recycled yarn variants.

Use of recycled polyester and cotton yarns supports sustainability and cost competitiveness; demand for recycled variants is rising steadily.

Ongoing R&D pipelines include diversified fabrics, premium SKUs, and enhanced width, with plans to sustain product leadership in the domestic market.

**Sales Channels & Market Position**

100% revenue currently concentrated in Gujarat, served via dedicated dealer networks: expansion underway in Delhi, Mumbai, Bangalore, and Kolkata to reduce geographic concentration risk.

Domestic market remains the key focus, mitigating risks from global denim demand cycles and macro policy changes. Channel discipline and dealer-driven sales model have supported healthy volumes and payment cycles.

**Guidance & Five-Year Vision**

Margin guidance of 7–8% EBITDA by FY28, with integrated operations and power cost reductions expected to lift PAT to INR 30 mn.

Long-term growth targets center on doubling revenue and increasing scale with planned weaving expansion, enhanced product mix, and pan-India market reach.

Management remains committed to operational discipline, innovation, and sustainability, positioning Shanti Spintex as a key player in the domestic denim fabric industry.

**Sheela Foam Ltd**

**Outlook:** The company targets Kurlon's margin of 13–14% in India by FY27, supported by synergy benefits and further cost savings. It expects 12–15% annual revenue growth in India, while international operations will remain stable with modest 5–10% growth and lower relevance as India becomes 85–90% of the business in 5 years. The company is also expanding distribution, adding 1,000 new stores this year, and focusing on premiumization with mattresses priced up to INR 125,000, while continuing to serve mid and lower segments. The outlook remains positive with a strong growth runway in India's largely unorganized bedding market.

**Company Overview:**

India's largest foam and mattress manufacturer, operating under the flagship brand Sleepwell, and now also owns Kurlon. The company has expanded internationally with facilities in Australia and Spain. It holds a 30% share in the branded organized mattress market in India, which itself makes up ~15% of the total bedding market.

**Guidance**

Anticipates 12–15% annual revenue growth in India over the next few years.

Global operations are expected to grow at 10–12% in Spain and 5–7% in Australia, with long-term EBITDA margins stabilizing at 10–11%.

International revenue contribution has reduced from 35% 3 years ago to 25% now, and India is expected to form 85–90% of total business in 5 years.

**Acquisitions & Investments**

Acquired Kurlon Ltd., improving its EBITDA margins from 4–5% earlier to 10–11% now.

The company has acquired a 45% stake in Furlenco, a furniture rental company present in 28 cities, where turnover increased from INR 150 crore at acquisition to INR 350 crore run-rate currently.

Also runs an IT division called Staquo, with revenue of INR 50–60 crore, targeted to reach INR 75 crore this year.

**Financial Performance & Margins**

Consolidated India operations currently operate at ~11% EBITDA margin. The company has realized INR 190 crore of synergy savings from the Kurlon integration and expects another INR 60 crore to come through. Targeting 13–14% EBITDA margins in India by FY27.

ROCE is currently ~7% at consolidated level due to high goodwill from acquisitions, but the India standalone business delivers ~25% ROCE. Management expects consolidated ROCE to improve to 15–18% in 3–5 years.

**Distribution & Retail Network**

Operates 4,000–5,000 EBOs and 12,000+ touchpoints across India.

The company opened 700 stores in FY25 and plans to add 1,000 more in FY26.

Store formats vary in size — 300 sq. ft., 500 sq. ft., and 1,000 sq. ft., depending on the market. The company also has 26 company-owned, company-operated stores.

**Product Strategy & Consumer Focus**

The company caters to all segments; entry-level mattresses at INR 3,000, Mainstream “belly” segment at INR 8,000–18,000 and Premium products up to INR 125,000.

Online sales grew by 70% in FY25 and are expected to grow by 40–50% in FY26.

The company does not offer 100-day return trials, citing strong brand trust, but may provide limited return schemes in select cases.

Premiumization remains a key focus area, with increasing sales in high-value mattresses.

**Other Highlights**

INR 450 crore cash post Kurlon acquisition, which is now being used to reduce gross debt by INR 450–500 crore.

Additionally, INR 100–150 crore will be raised from monetization of surplus assets of Kurlon and Sleepwell.

Operations are expected to generate INR 150 crore cash annually, enabling debt repayment in the next 2–3 years.

No major acquisitions are planned and focus is on organic growth opportunities.

Furlenco turned EBITDA positive within 6 months of acquisition and is now scaling rapidly.

Staco IT division is gaining traction with SMEs, MSMEs, and government agencies due to the push for indigenized IT solutions.

~70% of orders in India are delivered within 24 hours, enabled by the company's network of plants across the country.

**Shera Energy Ltd Concall KTAs**

Shera Energy is planning on significant capex in both backward and forward integration projects. The cornerstone of this strategy is the new copper cathode plant in Zambia, which is set to commence operations in Oct-25 and is expected to be a major margin driver. Domestically, the company is expanding into higher-value products like solar cables and ribbons. Management expects strong growth guidance, projecting a doubling of the company's size in the next two years, driven by these new capacities.

**Guidance**

Management aims to grow profits by **30-40%** in the FY26, surpassing the INR 220 Mn profit of the previous year.

**Margin Expansion** is expected to be in the range of **7.0% to 7.5%**. For **FY27E**, margins are projected to improve significantly, touching **10% or higher**.

**New Ventures**

**Copper Cathodes in Zambia** is expected to generate high margins of **15-20%** and **electrical cables** is targeting margins of **~10%**, **solar ribbons** are also expected to be in the range of **7-10%**.

Management expects the company's size to grow **two to three times** in the next two years.

Growth in FY27E and FY28E is expected to be substantially higher than the current 30-40% run-rate.

**Capex & Expansion Plans**

**Company is looking for Zambia Project with backward integration** to produce copper cathodes, thereby securing the supply chain.

The project is on track, with commercial operations set to begin in the **first week of Oct-25**. The first commercial sales are expected by **mid-Nov-25**.

**Company plans to invest ~INR 220 mn** and has already been invested in the first phase.

**Capacity**

The initial capacity will be **1,200 MTPA**. Management is already planning a rapid expansion to **6,000 MTPA** shortly after the initial phase stabilizes.

The company has already secured **66,000 metric tons of copper ores** for processing.

**Capex**

Total capex for the current FY26, across Indian subsidiaries is **~550-630 Mn**.

For **Rajputana Industries**, the company planned a capex of **INR 300-350 Mn** to produce electrical cables and conductors.

In **Shera Metal**, a capex of **INR 250-280 Mn** is being done to produce super-finer wires and to set up a manufacturing line for **solar ribbons**.

**Solar Cables** operations have already commenced, with the first consignment shipped to Africa. The current capacity stands at **10 km per day**.

**Operational Highlights**

The company is currently operating at a high utilization level of **80-85%** across the group.

The receivables cycle is stable at **~40-45 days**, with **inventory** currently at **30-40 days**, slightly elevated due to the addition of new product lines, but expected to normalize.

Short-term borrowings are expected to increase by another **INR 300-400 Mn** in FY26E to fund the working capital requirements for the new Zambian operations.

**Other Update**

The primary focus remains the strong Indian domestic market. Exports are currently limited, with a strategic focus on developing the **African market** for new products like solar cables.

**Shriram Properties Ltd**

**Outlook:** Shriram Properties is positioned at an inflection point with robust fundamentals and accelerating growth trajectory. The company's ambitious Mission 1234 strategy targeting 2x sales, 3x revenue, and 4x profit by FY28 appears achievable given the strong execution track record and INR 1,400 mn unrecognized revenue pipeline. With 85% of launched inventory already sold and growing momentum in the mid-market segment that commands 58% of India's residential absorption, SPL is well-positioned to capitalize on favorable market dynamics while maintaining disciplined capital allocation through asset-light development models.

**Revenue Recognition Pipeline**

A significant catalyst for near-term growth is the INR 14,000 mn unrecognized revenue, with management expecting approximately INR 10,000 mn to be recognized in FY26. This includes INR 2,500 mn deferred revenue from Pristine Estate and Park 63 projects, partially recognized in Q1 FY26. The revenue recognition is primarily dependent on completion certificates and customer registrations, with management expressing confidence in timeline execution.

**Strategic Growth Framework**

Management outlined Mission 1234 for FY28, targeting INR 50,000 mn in sales (2x growth), INR 25,000-30,000 mn in revenue (3x growth), and INR 2,500-2,800 mn in PBT (4x growth from FY25's INR 770 mn). These targets are underpinned by a development pipeline of 36 mn sq ft with over 20 mn sq ft under evaluation.

The projected revenue growth stems from projects already launched and partially sold rather than future acquisitions. Management expects cumulative sales of INR 70,000-75,000 mn over the past three years to flow through P&L over the next three years. With 12-13 mn sq ft already sold at cumulative value exceeding INR 70,000 mn, the revenue recognition potential supports the ambitious targets.

The transition toward asset-light models through increased Development Management (DM) fee income and reduced Joint Venture exposure should drive margin expansion. Currently, own projects and JDA combined represent 75% of the portfolio, with this mix expected to increase further.

**Business Model Evolution**

The DM model has emerged as a key growth driver, representing 13% of current project mix. Under this model, SPL charges 12-18% fees depending on scope, providing end-to-end services including planning, approvals, sales, construction, and handover while maintaining complete brand control. Landowners remain passive partners, and SPL underwrites business plans to ensure project discipline.

Current portfolio composition shows 48% own projects, 27% JDA, 12% JV, and 13% DM. Management indicated this 75% share (own + JDA) in balance sheet projects may increase, reflecting the strategic shift toward capital-efficient growth models. The DM model offers high scalability with minimal capital requirements while leveraging the Shriram brand equity. Since RERA implementation, SPL has delivered 24 projects spanning 12 mn sq ft, with 90% completed ahead of schedule. This execution track record provides competitive advantage in securing new DM mandates and maintaining customer confidence.

**Geographic Expansion & Market Strategy**

The maiden Pune project launched successfully with 150 units sold quickly despite seasonal slowdown. Management has signed 3-4 new term sheets with landowners, combining outright purchases and JDA structures. Construction will commence post-Diwali, with long-term ambition to replicate Bangalore-scale operations in Pune within 2-3 years.

SPL maintains strong positions in Bangalore, Chennai, and Kolkata while expanding Pune presence. The company benefits from mid-market segment strength, which contributed 58% of India's residential absorption in Q1 FY26. Management sees no demand pressure in Bangalore, with recent launches nearly sold out and collections on track.

SPL remains committed to mid-market and mid-premium segments, avoiding luxury or affordable housing segments. This focused approach aligns with market dynamics where mid-segment housing demand remains robust despite broader market challenges.

**Operational Metrics & Guidance**

FY26 sales guidance targets 5.0-5.5 mn sq ft valued at INR 30,000 mn, representing significant acceleration from 4.0-4.5 mn sq ft in prior years. Q1 FY26 achieved 0.8 mn sq ft, with management expecting stronger performance in H2 FY26 aligned with seasonal patterns.

FY26 launch pipeline comprises 6 mn sq ft valued at INR 48,870 mn. Management outlined specific project schedules: two projects in Kolkata (Q3), two in Chennai (Q3), two in Kolkata (Q4), and two in Bangalore (Q4), demonstrating robust pipeline conversion.

Current monthly collections average INR 1,300-1,400 mn, supporting annual collection guidance of INR 18,000 mn for FY26. Strong project completion momentum and new launch contributions should sustain healthy cash generation.

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**Corporate Governance Developments**

The ongoing Shriram Group exit involves transfer of remaining 12% stake to founder Mr. Murali, who currently holds 15% (increased from 9%). This inter-promoter transfer at the holding company level is expected to complete before FY26 end, with no impact on operations or brand rights.

Management confirmed permanent retention of "Shriram Properties" brand name, with Shriram Group having no objections to continued usage. This provides continuity for customer relationships and market positioning.

**Risk Factors**

Key risks include market absorption challenges, pipeline conversion delays, and macro-economic factors. However, with 85% of launched inventory already sold and strong execution capabilities, management believes upside potential outweighs challenges.

The Kolkata land parcel settlement has been approved by the cabinet with formal order expected before Diwali. This resolution will unlock significant value from the development potential of approximately 21.45 mn sq ft.

**Debt Management**

Projected gross debt levels of INR 6,000-6,500 mn by FY28 remain manageable given expected cash flow generation and asset quality. The company's A- positive credit rating from CRISIL and improving financial metrics support continued access to capital markets.

The management conference reinforced Shriram Properties' position as a disciplined, execution-focused developer with clear strategic direction and robust financial foundation to achieve ambitious growth targets while maintaining prudent risk management.



**Shubhshree Biofuels Energy Ltd**

**Outlook:** Targeting to maintain similar growth (70-80%) with better margins. It plans to scale up its presence to 10 states with 15–20 new plants each year, supported by government subsidies, priority sector lending, and increasing industry adoption of biomass boilers. In the next 2–3 months, it plans to set up an R&D plant for torrefied pellets, which can replace up to 30% of coal in power plants compared to 10% for current products, potentially increasing realisations from INR 7–8/kg to INR 12–13/kg. Overall, the company expects to continue high growth, expand capacity from the current 450 TPD towards 1,500 TPD, and strengthen its position as a leading biomass fuel supplier in India.

**Business Overview**

The company follows a “farm-to-factory” model, collecting agricultural residue directly from farmers and converting it into densified biomass fuels like briquettes and pellets.

The business serves 2 main segments: industrial customers (50% share) such as PepsiCo, Coca-Cola, Amul, ITC, and pharma companies, and power plants (50% share) where government mandates biomass co-firing. The company has a client base of over 1,500 served customers and currently maintains a list of ~430 active customers.

**Operations & Capacity**

Annual production is 1,60,000 tons of biomass fuel. Current installed production capacity stands at 450 TPD, and the company plans to expand to 1,500 TPD in the near term.

The company operates across 10–11 states with manufacturing units, farmer networks, and supply chains and targeting to set up 15–20 new plants/year, each with a capacity of ~100 TPD at a cost of INR 1.5–3 crore/plant (excluding land and infrastructure).

**Growth & Financials**

The company has been growing consistently at 70–80% annually, and aspirational target is to achieve 100% YoY growth by expanding infrastructure and manpower. Revenue model is shifting from briquettes (currently 70%) to pellets (30%) due to rising demand for pellets in India.

ASP of biomass fuel is ~INR 7.5–8 per kg, with input costs ranging from INR 1.5–8 per kg depending on raw material. Processing cost is about INR 2 per kg, which includes capex and opex.

**Industry or market overview**

India has a surplus of 234 MMT of agricultural residue annually, of which 228 MMT can potentially be converted into biomass fuel.

The biomass pellet market is projected to grow from USD 5.2 Mn to USD 1.2 Bn in the coming years. The Government of India has mandated 7% biomass co-firing (up from 5%) in thermal power plants, creating a strong demand base.

The company benefits from central and state subsidies, including INR 21 lakh/MT capacity subsidy from MNRE, plus state-level support (30–40%), electricity duty exemptions, and interest subsidies under the Agri-Infra Fund. The sector has been given priority sector lending status by the RBI, easing financing.

**Other Highlights**

Plants are highly automated with minimal manpower dependence, using auto feeders, dryers, shredders, and mechanized loading systems.

The company is developing torrefied pellets, which can replace up to 30% of coal in power plants compared to 10% for normal pellets.

An R&D plant for torrefaction is expected to be ready in 2–3 months, potentially raising calorific value from 3,500 GCV to 5,000 GCV, increasing product price from INR 7–8 per kg to INR 12–13/ kg.

**Silkflex Polymers India Ltd**

**Outlook:** FY26 marks Silkflex's transition from trading to manufacturing with newly commissioned facility expected to drive growth acceleration from current 20-25% to 30-40%, targeting 40-50% in 2-3 years. Manufacturing capabilities combined with established market presence across seven branches provide foundation for margin expansion from 15% to 18-19% EBITDA by FY27. Strategic partnership with Malaysian principal for R&D and potential expansion into surface and metal coatings creates multiple growth vectors while maintaining asset-light philosophy through optimal capacity utilization.

**Company Background:** Founded in 2013 by Chairman Tushar Sanghvi following 30+ years of textile industry experience, Silkflex began as pan-India agent for Malaysian Silkflex Polymers. The company expanded from textile chemicals into water-based wood coatings in 2019, establishing seven branches across key industrial hubs including Tirupur, Ludhiana, Mumbai, Jodhpur, Kolkata, and Kochi.

**Business Segments:** Textile Chemicals represents core business serving garment sector with strong relationships including global brands Puma and H&M. Products focus on water-based formulations providing excellent hand feel, high stretchability, and superior washing fastness. Wood Coatings offers water-based alternatives to solvent-based products, targeting furniture export hub in Jodhpur with 1,500-2,000 exporters. Green Guard certification enables premium positioning.

**Manufacturing Transformation:** New facility at Saudly near Vadodara commissioned in 2025 with capacity of 500 tons binder and 300 tons table glue monthly, targeting INR 40-50 mn revenue at full utilization. Total capex of INR 50 mn funded through bank loan (INR 30 mn), IPO proceeds (INR 10 mn), and internal accruals (INR 10 mn). Plant designed for future expansion with 70,000 sq ft area.

**Financial Performance:** Current trading business growing at 20-25% expected to accelerate post-manufacturing. EBITDA margins of 15% targeted to reach 18-19% by FY27 driven by manufacturing economics and operational leverage. Revenue guidance of 40-50% growth over 2-3 years supported by manufacturing ramp-up and market expansion.

**Growth Strategy:** Product innovation through R&D partnership with Malaysian principal developing water-reduction products addressing textile industry pollution concerns. Plans for expansion into surface coating and metal coating based on ongoing trials. Sustainability credentials including Eco Passport with ZDHC approval for textile products providing competitive advantages with international clients.

**Market Position:** Strong presence across textile hubs with technical support infrastructure and laboratory facilities. Established relationships with major customers including Basant in Jodhpur furniture market. Pan-India distribution through seven branches enables comprehensive market coverage and customer support.

**Competitive Advantages:** Water-based formulations provide environmental benefits and superior product characteristics. Long-standing relationship with Malaysian principal ensures technology transfer and product development support. Established brand presence through exhibition participation and seminar programs builds market credibility.

## SIS Ltd

**Outlook:** SIS Limited presents a compelling growth trajectory as India's largest security services provider, demonstrating robust operational momentum with a solid 13.4% year-on-year revenue growth in Q1 FY26 to INR 3.55 Bn. The company's strategic acquisition of AP Security, expected to add 20% to its security services topline, positions it for accelerated expansion while maintaining disciplined capital allocation. Management guidance indicates expectations of 12-13% consolidated growth driven by organic expansion of 10-11% across all business segments, supplemented by inorganic opportunities. The company's diversified revenue streams across India Security (41%), International Security (42%), and Facility Management (17%) provide balanced exposure to different growth drivers and market cycles.

**Strategic Acquisition: AP Security Integration**

SIS announced the acquisition of 51% stake in AP Security for INR 734 Mn, representing an 8x EBITDA multiple after due diligence adjustments. The target company generates approximately INR 1.12 Bn annual revenue with INR 400-420 Mn EBITDA, employing over 37,500 personnel across 1,000+ clients. This acquisition will add roughly 20% to SIS's security services business topline and is expected to be accretive on both EBITDA and PAT fronts. The remaining 49% will be acquired over 3-4 years based on performance targets, with existing management retained throughout the integration period.

Post-acquisition, SIS's combined security business will achieve approximately INR 600 Mn monthly revenue run rate, making it nearly twice the size of its nearest competitor. AP Security brings complementary strengths in BFSI sector (34% of its portfolio) where SIS has been historically weaker, along with presence in retail and other segments. The company operates as a pan-India entity with concentrated operations in North India (60%), providing geographic diversification benefits.

Consolidation is expected to commence from October 2025, providing full-year impact in FY26. Management plans to operate AP Security independently for at least three years while gradually integrating backend operations to achieve SG&A synergies. The acquisition is funded through internal accruals, maintaining net debt-to-EBITDA ratio below 1.0x.

**International Operations Performance and Challenges**

SIS operates across Australia, New Zealand, and Singapore, with Australia being the key market where the company holds market-leading position with over 20% market share. The international business comprises MSS Security (ranked #3 in Australia), Southern Cross Protection (SXP), Platform 4 Group in New Zealand (among largest), and Henderson Security Solutions in Singapore (top 3 player).

The international business faced temporary headwinds in Q1 FY26 due to SXP restructuring costs, impacting consolidated EBITDA by approximately INR 70 Mn. Singapore operations remain a drag on overall profitability due to legacy issues from Henderson acquisition, operating at breakeven levels after significant repair work. New Zealand operations maintain stability with no material issues.

MSS Security secured large long-term contracts including Defense Australia, Sydney Metro, and Canberra Airport, providing stable recurring revenue streams. International operations typically generate \$40-50 Mn in recurring revenue annually, with FY25 achieving \$150 Mn in permanent revenue. Management expects margins to normalize at 4.1-4.5% range once restructuring costs subside.

**Facility Management Business Expansion**

Facility Management achieved highest-ever quarterly revenues of INR 594 Mn with 12.1% year-on-year growth. The segment secured new contract wins exceeding INR 25 Mn monthly revenue from BFSI, healthcare, manufacturing, and real estate sectors. The business operates across 90 branches with 85,407 employees, representing the largest FM business in India.

FM margins improved from below 4.0% to above 5.0%, targeting 5.5% in the near term and aspirational levels of 6.0% at higher scale. The improvement reflects completion of repair work and better operational efficiency after margin pressures during COVID-19 period. Management expects FM to eventually operate at higher margins than security services given its service-intensive nature.

**Cash Logistics IPO and Value Unlocking**

SIS Cash Services received SEBI approval in July 2025 for IPO comprising fresh issue of INR 1.00 Bn and offer-for-sale by existing shareholders. The company has a one-year window until July 2026 to complete the IPO process, actively working with investment bankers. SIS will divest partial stake through the IPO, making it the first business services entity to have multiple listed platforms under common ownership.

SIS Cash Services operates under SIS Prosecur trademark, ranking as second-largest player in cash logistics industry by revenue with 17-18% market share. The business grew revenue at 27% CAGR and profit at 225% CAGR during FY22-FY24. Services include cash-in-transit, retail cash management, ATM replenishment, and innovative solutions growing 98% year-on-year.

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**Regulatory Environment and Labor Code Impact**

Management highlighted significant compliance arbitrage issues affecting 80% of the unorganized security market, where smaller players exploit regulatory gaps through shortcuts in labor compliance. Multiple regulatory departments (ESI, PF, minimum wages, bonus act) create complexity that organized players struggle with while unorganized competitors benefit from non-compliance.

The implementation of new labor codes will converge multiple acts into single unified compliance framework with one UID number and single department oversight. This regulatory change is expected to eliminate compliance arbitrage and make smaller unorganized players' business models unviable. SIS, being fully compliant, anticipates significant market share gains once new codes are implemented.

Management expects the new regulatory environment will accelerate shift from unorganized to organized sector, benefiting established players like SIS. The company is well-positioned to capitalize on market consolidation given its compliance record and scale advantages.

**Acquisition Pipeline and Growth Strategy**

SIS actively evaluates multiple acquisition opportunities in both security and facility management sectors. The security market offers consolidation opportunities among promoter-owned companies of similar scale (INR 12-15 Bn revenue). Facility management presents active M&A environment as private equity portfolios mature and seek exits.

**Working Capital Management**

The business operates with 60-65 days DSO structure inherent to the industry, requiring working capital financing. Net debt reduced to INR 540 Mn in Q1 FY26 from INR 1.02 Bn year-on-year, with strong cash conversion efficiency at 105.7% OCF/EBITDA ratio. Total debt comprises INR 630 Mn short-term and INR 820 Mn long-term facilities.

**Technology Integration and Innovation Strategy**

SIS maintains venture allocation from balance sheet for strategic investments in complementary technology startups. The company takes 6-9% single-digit stakes as second or third check investor at previous round valuations. Recent investment includes INR 60 Mn in fintech platform Adhikosh focusing on blue-collar worker lending.

Annual lease liability payments of approximately INR 180 Mn primarily cover equipment rental for V-protect business cameras and facility management cleaning/pest control equipment. Capital expenditure breakdown includes 31% plant and machinery, 30% vehicles, 20% building rights, and 15% computer/office equipment.

**Simplex Castings Ltd**

**Outlook:** Simplex Castings Limited, a century-old engineering solutions provider with foundry operations since 1971, is well-positioned to capitalize on India's infrastructure growth momentum and steel sector expansion. The company targets a revenue of INR 30 billion over the next three years through diversified exposure across steel, railways, defense, machine tools and exports. With strong capabilities in heavy castings (1-55 tons), fabrication (up to 80 tons), and comprehensive machining services, management expects sustained order flow driven by government initiatives in steel capacity expansion, railway modernization, and defense localization. The strategic focus on expanding railway business to 20-40% of revenue mix, coupled with potential acquisitions worth INR 5-6 billion, should drive margin improvement and revenue growth.

**Market Positioning and Growth Drivers**

The steel sector remains Simplex's primary growth engine, benefiting from government mandates requiring public sector companies to source exclusively from Indian suppliers. Major steel producers including SAIL (INR 4,000 billion investment), JSW, Tata Steel, and AM/NS India (INR 2,500 billion commitment) have announced substantial capital expenditure programs over the next 3-4 years. India's steel capacity expansion target from current 185 million tons to 300 million tons by 2050 provides a long-term structural tailwind for equipment suppliers. Management noted strong order visibility with customers paying within 30 days compared to historical 30-45 day cycles, indicating robust industry health.

Railway segment presents the most significant growth opportunity, with management targeting expansion from current levels to 20-40% of revenue through organic growth and strategic acquisitions. The locomotive bogey market offers substantial potential, with India manufacturing 700-750 electric locomotives annually, each requiring two bogeys priced at INR 1.4-1.5 million. The company has secured locomotive bogey orders in fabricated design, marking their re-entry into this high-value segment after previous experience with GE and EMD in the US market. RDSO Class A foundry qualification provides competitive advantage in railway infrastructure projects.

The machine tools sector represents an emerging opportunity, currently contributing approximately 20% of foundry production. Industry revival driven by unfavorable import costs due to exchange rate movements has created domestic demand from previously import-dependent manufacturers. Defense sector exposure spans multiple decades, from tank chassis in the 1960s to current naval ship castings for frigates and warships. American Bureau of Shipping and Indian Register of Shipping qualifications enable participation in shipbuilding projects, with ongoing work on specialized defense equipment including Dhanush howitzer components.

**Financial Performance and Guidance**

Management provided conservative guidance for INR 30 billion revenue target over next three years, excluding potential acquisition benefits. Current capacity utilization estimated at 60-70%, with 30-40% additional capacity available through optimized production planning and selective outsourcing of lower-value work to nearby smaller suppliers. The company's jobbing business model creates variability in capacity utilization, with product mix significantly impacting throughput - from low-value structural items enabling 4 tons per man per month to high-value equipment requiring 8-month manufacturing cycles.

Blended realizations approximate INR 150-170 per kilogram across foundry and fabrication operations, though management noted significant variation based on product complexity and value addition. Railway products are expected to deliver steady 10-15% margins, providing stability compared to steel plant equipment that can achieve 20-25% margins but with higher volatility. Working capital cycle improvement from focused collection efforts and healthy customer payment behavior supports cash flow generation.

**Strategic Initiatives and Capital Allocation**

Management is evaluating two acquisition proposals worth INR 5-6 billion, targeting railway sector capabilities to accelerate market entry. The acquisition strategy focuses on reducing development timelines for railway qualification, which typically requires 2.5 years from development order to approved supplier status. Strategic acquisitions could provide immediate access to high-growth railway segments including Vande Bharat high-speed trains and infrastructure projects. One acquisition is expected to be finalized within 6-8 months.

Export opportunities present significant medium-term upside, particularly in Russian markets where pre-war order books exceeded INR 2-2.5 billion. Management expects gradual recovery as geopolitical tensions ease, supported by Russia's preference for Indian suppliers over Chinese alternatives. The company has appointed dedicated representation and plans participation in Moscow metallurgical exhibitions. Historical export experience dating to 1973 across five continents provides foundation for market re-entry. Polish customer orders worth INR 2.2-2.3 billion recently completed demonstrate continued European market access.

The hydrogen-based DRI pilot plant project, funded 70% by government grants totaling INR 16 billion, positions Simplex at the forefront of steel industry decarbonization initiatives. While not expected to generate significant near-term revenues, this investment provides valuable intellectual property and technology leadership for future commercial applications. Management views this as essential for maintaining technology pioneer status in steel industry evolution.

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**Operational Excellence and Industry Position**

Comprehensive quality infrastructure includes RDSO railway qualification, ABS and IRS shipping certifications, and petroleum sector approvals. Long-standing customer relationships with major steel producers, power companies, and defense establishments provide stability and recurring business opportunities. The company's reputation for handling complex, critical applications has created high switching costs and customer loyalty.

Simplex has established global leadership in specialized products, particularly coke oven doors where management claims world's largest manufacturer status. Their pellet plant and sinter car expertise extends across five continents, creating brand recognition in international markets. Machine tool casting capabilities have gained global acceptance for precision and quality standards.

The company operates debt-free with all infrastructure fully paid, providing financial flexibility for growth investments. Heavy lifting capability up to 70 tons in foundry operations and 35 tons in machine shops, combined with extensive CNC machining centers, positions them for complex, high-value projects. EPC capabilities spanning complete plant installations from blast furnaces to rolling mills offer comprehensive solutions to customers.

**SKP Bearing Ltd**

**Outlook:** The company is expanding both its Indian and overseas operations to meet strong customer demand. In India, it is running at ~full utilization and 2x its roller capacity from 100 tons/month to 200 tons/month, while also expanding its ball plant from 50 tons/month to 200 tons/month with most of the customers already identified. Production in the ball segment is expected to ramp up from ~250 tons in FY25 to ~1,200 tons in FY26 as approvals and validations are completed. The recent French acquisition is currently loss-making due to high employee costs and slower customer onboarding, but the company aims to break even by FY26 and sees long-term revenue potential of around EUR 20 million with sustainable margins of 5–10%.

**Manufacturing Plants and Capacity**

The company operates 3 plants - R&D and machine building, Head office with rooftop solar, and Chrome steel ball facility (commissioned in March 2025). Indian operations are running at ~90%+ utilization, considered full in engineering terms.

Expansion plans: Capacity to increase from 100 tons/month to 200 tons/month in phases. Ball division expanded from ~50 tons/month to 200 tons/month (2,400 tons annually), with target utilization in progress. ~250 tons produced in balls (~50% utilization of 500-ton old capacity) in FY25. FY26 target is 1,200 tons production from the expanded facility.

**Financials and Margins**

The company focuses on efficiency and raw material cost control, often proposing materials to customers to sustain margins.

France subsidiary is currently loss-making; focus on breakeven in FY26. Expected bottom-line margin potential of 5–10%, depending on volumes and customer mix. Peak revenue potential estimated at EUR 20 Mn (~INR 180–200 Cr) if old customers are fully onboarded.

FY25 reported revenue: ~INR 17 Cr (~EUR 2 Mn) vs. EUR 16 Mn in 2010 (before acquisition). Employee count reduced from 52 to 32 to control costs; high wage burden remains.

**Capex**

Roller expansion: INR 8–10 Cr (ongoing).

Ball plant: INR 15–20 Cr already invested for expansion to 200 tons/month capacity.

**Customer Base & Onboarding**

Customer onboarding process is long and varies. Large clients may take years (one client took 10 years, onboarded only after France acquisition). Smaller customers have shorter onboarding cycles. Current bearing industry exposure is ~5% of revenues, with diversification across automotive, pharma, industrial, aerospace, and EVs.

**Renewable Energy Investments**

The company has been investing in windmills and solar plants since 2006, mainly for captive consumption.

Participates in the KUSUM scheme with new solar projects. Renewable energy contributes to lowering electricity dependence and supports sustainability. While PPAs are favorable, incremental expansion is not a core focus (done mainly for captive needs).

**Other Highlights**

Rolling elements are critical, non-commodity products with high switching barriers, ensuring long-term stickiness of customers. Indian operations are expected to maintain high utilization with expansions catering to committed customers.

France subsidiary turnaround targeted by FY26, though near-term profitability remains challenging. Long-term demand outlook remains strong across industries like automotive, EVs, aerospace, pharma, and industrials.



**Smarten Power Systems Ltd**

**Outlook:** The company is poised for significant growth driven by two major capacity expansions: the doubling of its electronics manufacturing output and the strategic acquisition of a battery production unit. This vertical integration is expected to secure supply, reduce costs, and boost overall margins, with a target of increasing the EBITDA margin to around 10%. Revenue growth is projected to be strong, with guidance of 20-30% for FY25. The company's strategy of aggressive geographical expansion within India and into new international markets, combined with its technological edge in solar products and a favorable industry shift towards solar energy, provides a solid foundation for achieving its long-term revenue target of INR 4bn. With all debt repaid post-IPO and manageable working capital needs, Smarten is in a financially healthy position to execute its growth plans effectively.

**Revenue and Revenue Mix**

The company's revenue is split with approximately 60-65% derived from domestic sales and about 35% from exports. The domestic market is strongest in the North region, particularly Haryana and parts of Uttar Pradesh. The export footprint spans over 25 countries, with key markets in Nepal, Nigeria, and the Middle East, with an annual target to add at least one new country to its export portfolio.

**Margins and Cost Savings**

The current EBITDA margin stands at approximately 8.5%, which is slightly below the competitor average of 9-10%. A significant margin improvement is projected following the acquisition of the battery manufacturing unit. By bringing battery production in-house, the company expects to realize cost savings that will increase the battery segment's margin by 3-5%. This is projected to lift the overall company EBITDA margin by 1 to 1.5% over the next two to three years, setting a target margin of around 10%.

**Guidance and Growth Drivers**

The company is focused to grow 20-30% for FY26E. The doubling of manufacturing capacity creates a potential for annual revenue to reach INR 4bn, with a management target to achieve this by FY27-FY28. Even without new geographical expansion, revenue from existing strongholds is projected to reach around INR 2.5bn by FY27E. Key growth drivers include the utilization of doubled manufacturing capacity, aggressive geographical expansion domestically and internationally, capitalizing on the growing solar industry, and leveraging their competitive edge of superior technology and lower product failure rates.

**Capacity Expansion**

Two major CAPEX projects are underway. First, the company is migrating its electronics manufacturing from a 22,000-23,000 sq. ft. rented facility to a new owned facility of 40,000-45,000 sq. ft. This move, scheduled for completion before March 31st of the current financial year, will introduce automated infrastructure and double daily production capacity from 600 to 1,200 units. Second, the company is acquiring a battery manufacturing unit with a capacity of 8,000 batteries per month, with an official takeover deadline set for September 30th.

**Market Share**

Smarten holds a robust market position in its core regions. It is the Number One player in Haryana for technologically advanced products like solar off-grid inverters. For more commoditized products without strong technological differentiation, the company ranks within the top five in its key markets.

**Product Portfolio**

The product portfolio encompasses over 300 items. The range includes standard UPS and Solar PCUs (Power Conditioning Units). The single-phase range runs from 700 VA to 10 KVA for PWM-based systems and from 1100 VA up to 20 KVA for the more advanced MPPT-based systems. A key innovation was the introduction of solar charge controllers with an LCD display showing solar power generation, providing a competitive advantage over standard LED displays. Recently, within the last 8-9 months, the company has entered the hybrid and on-grid inverter segments to align with government initiatives like the PM Surya Yojana.

**Distribution Model**

The company operates on a B2B distribution model with a three-layer network: Manufacturer to Distributor, Distributor to Retailer, and Retailer to End Consumer. While dominant in Haryana and parts of UP, the company has an introductory presence across the rest of India. Recent expansions into West Bengal, Bihar, and the North East over the last 4-5 months are projected to generate 15-20% of new business.

**Batteries and Solar Panels**

Batteries are a critical component, and previously the company faced supply chain issues with an OEM supplier who could only deliver 40-70% of required volume during peak season. The acquisition of a battery manufacturing unit, funded by the recent IPO, is designed to solve this. The unit has a capacity of 8,000 batteries per month, which will be dedicated entirely to in-house consumption, ensuring supply and improving margins. Solar panels remain a key traded item and, post-battery acquisition, will be the main outsourced component, accounting for about 10-15% of total sales volume. Spare parts are not mentioned as a significant separate revenue stream.

**Working Capital and Debt**

Following its IPO, the company repaid all existing debt, which was previously below INR 150mn. The company now manages its working capital needs below 10 CR, with seasonal requirements potentially under INR 50mn, resulting in minimal interest costs and a strong financial position.

**Industry Demand and Market Size**

The industry demand is evolving from traditional power backup for areas with frequent cuts towards a broader solar ecosystem focused on power generation and storage. This shift allows consumers to produce their own electricity and feed excess back to the grid, making the products relevant globally. A significant regulatory tailwind is the reduction of GST on conventional batteries from 28% to 18%, making the end product cheaper and potentially stimulating demand. The batteries discussed are conventional types, distinct from Lithium-Ion technology used in large-scale systems.

**Raw Materials**

The primary focus on the supply side is the strategic shift from outsourcing batteries to in-house manufacturing, which will change the nature of raw material requirements for that segment. Solar panels are confirmed to remain an outsourced (traded) component.

**SMC Global Securities Limited (SMCGS)**

SMCGS expects business momentum to normalize by Q3 FY26, recovering from regulatory headwinds in Q4 FY25. Management guides for good PAT growth in Q1 and Q2 despite industry challenges, with a sharper rebound expected from Q3 as market conditions stabilize. Strategic priorities are anchored on four pillars-Broking, NBFC, Insurance, and Wealth Management-with Broking remaining the flagship driver and Wealth Management emerging as a critical growth lever.

**Financial and Growth Targets**

Management has laid out clear medium-term growth aspirations across business lines. In NBFC, the company aims to scale its AUM to INR 2,000 crore within the next two years. In Wealth Management, the focus is on aggressively growing assets, with Mutual Fund AUM targeted at INR 10,000 crore and total AUM expected to reach nearly INR 20,000 crore over the next couple of years. The bottom line in wealth management is expected to grow in tandem with AUM, with margin expansion of 100–200 basis points as the segment scales. On the broking side, the company is targeting the addition of 100,000 demat accounts by the end of FY26, building on its existing base of around 300,000 accounts.

**Broking and Digital Strategy**

Broking will continue to be the “hero” segment for SMCGS. The company is adopting a phygital approach, combining its extensive physical presence via branches and sub-brokers with digital expansion. Exclusive three-in-one account partnerships with Punjab National Bank, AU Small Finance Bank, and Indian Overseas Bank are expected to drive strong client acquisition. A major initiative in digital broking is the rollout of an algorithmic trading platform, embedded within the mobile app, which will allow customers to deploy funds into baskets of strategies developed in-house. The discount broking arm, StocksCart, has been positioned as a tech-heavy, subscription-based platform aimed at attracting active traders. Management emphasized that every new account is being designed to generate revenue, supported by heavy marketing investments to strengthen brand visibility.

**Wealth Management**

Wealth management is being developed into the company’s next growth pillar. The strategy is to cross-sell wealth products to the existing broking client base, with all wealth offerings being integrated into the broking mobile app. The company has set ambitious targets to double AUM within the next two to three years, with an expected improvement in yield and profitability. Management anticipates a 100–200 basis point uplift in margins from scale benefits, while maintaining a focus on bottom-line growth alongside AUM expansion.

**NBFC and Insurance**

The NBFC business remains a priority, with the medium-term objective of building an AUM book of INR 2,000 crore. This expansion will be supported by selective credit growth and diversification. In insurance, SMCGS intends to broaden its focus beyond its current reliance on MISPs tied to Honda and Kia dealerships, with an increasing emphasis on life and corporate insurance. This diversification should provide more stability to the insurance business and support cross-sell synergies with other segments.

**Corporate Strategy and Long-Term Outlook**

In the near term, the company has no plans to enter the Asset Management Company (AMC) business. However, as the core verticals scale and establish independent identities, management may consider corporate restructuring or separate listings to unlock value. The stated long-term commitment is to grow sustainably, strengthen investor trust, and create a multi-pillar financial services franchise that balances growth and profitability.

**Outlook**

SMCGS is positioned to deliver a meaningful rebound from Q3 FY26 as operating conditions normalize. Broking is expected to benefit from tech-led expansion, while Wealth Management is on track to double AUM within 2–3 years, providing an additional growth driver with improving margin profile. NBFC scaling and insurance diversification further reinforce the company’s multi-engine growth model. With incremental operating leverage and improving profitability, earnings compounding potential remains visible once the near-term regulatory overhang fades.

**Solarium Green Energy Ltd**

**Outlook:** Solarium is well-positioned for robust growth, driven by its strategic pivot to a focused EPC model and its leadership in the vast, unorganized residential rooftop solar segment. The company's strong order pipeline, particularly in large-scale government projects, and its targeted backward integration into module manufacturing are key catalysts. This integration is expected to significantly enhance margins starting in FY26. Supported by favorable government policies and a massive addressable market, Solarium's scalable hub-and-spoke model and efficient execution provide a competitive edge. While managing a mixed working capital cycle remains a focus, the company's strategic initiatives point towards a promising growth trajectory over the next 3-5 years.

**Business Model Shift and Focus**

Solarium Green Energy Ltd, founded in 2018, initially operated as a poly-crystalline solar module manufacturer with a 100 MW capacity. However, post-2021, the company underwent a significant strategic pivot. Facing intense competition from larger players scaling up to gigawatt-level production, and as a bootstrapped entity, Solarium chose not to invest in upgrading its older manufacturing technology. Instead, the company decisively shifted its entire focus towards the Engineering, Procurement, and Construction (EPC) business. This transition occurred between 2023 and 2025 and has proven highly successful, with the EPC business growing approximately fivefold from around INR 400mn in FY23 to its current scale.

**Revenue**

The residential segment is a core focus, contributing 37% of total revenue, or 86 crores, in FY25. The government business, which currently comprises about 70% rooftop projects on government buildings, is expected to grow and potentially shift the mix towards larger ground-mount projects in the medium term. The C&I segment, while active, is not yet a major revenue contributor. The residential segment will maintain a 35-40% share of overall revenue in FY26 and FY27.

**Revenue Run-Rate and Growth Drivers**

The company ended FY25 with a strong monthly revenue run-rate of INR 100mn specifically in the residential segment. The primary growth driver has been the explosive expansion of the EPC business, which grew 5x over the last two years. While another 5x increase is challenging from a higher base, management expects robust growth to continue for the next 3-5 years. The residential business itself doubled from INR 400mn to INR 850mn between FY24 and FY25 and is targeted to double again every 1.5 to 2 years. Significant government support, including a push for sustainability and a recent 5% reduction in GST for composite solar plant supply, acts as a major tailwind. The market potential is vast, with a government-estimated solar potential of 3,000 GW against only about 100 GW currently installed.

**Order Book and Deal Momentum**

Solarium entered FY26 with a solid order book of INR 1.2bn. Additionally, it started the year as the Lowest Bidder (L1) for orders worth about INR 2.5bn a portion has since been converted, leaving the current L1 pipeline at around INR 1.8bn. The company has aggressively begun bidding for much larger ground-mount projects, ranging from 20 MW (INR 1bn) to 150 MW (INR 7-8bn), with bids already submitted for about INR 13bn worth of projects. Order inflows are expected within a couple of months. Management is targeting an order book of at least INR 5bn by the end of FY26. In the residential segment, which operates on a continuous retail model, the company typically has 14-15 crores of orders under execution at any time.

**Residential Rooftop Solar and Channel Strategy**

The residential rooftop solar market in India is highly unorganized, with over 96% of installations handled by local players. Solarium is among the top two organized pan-India players in this segment. Its key competitive advantage, or USP, against unorganized competition is a hub-and-spoke operational model centered in Gujarat, which enables fast execution times of less than 30 days compared to the 70-90 days typical for local installers. The company provides an end-to-end service, managing over 50 steps for a standard installation, including facilitating loans through NBFC/PSU bank tie-ups and handling the entire subsidy application process via the national portal. This focus on reliability, quality, and customer service is crucial for a high-value product with a 25-year lifespan.

**Margins and Cost Structure**

Margin improvement is a key strategic goal, primarily driven by backward integration. The company's new 1 GW module manufacturing line, expected to be operational by December/January of FY26, is projected to operate at an independent EBITDA margin of 10-12%. Since modules constitute 50-55% of a solar plant's material cost, using captive modules is expected to directly boost the EPC business's overall margin by the margin generated at the module level on that cost component.

**Capex and Backward Integration**

Capex initiatives include the in-house manufacturing of Module Mounting Structures (MMS), with an initial manual setup costing under INR 50 lakhs and plans for an automated line (INR 20mn investment) as volumes grow. The major capex project is the 1 GW module manufacturing line, requiring an investment of ~INR 700mn which will be financed with a 75:25 debt-to-equity ratio. Manufacturing inverters is a medium to long-term objective.

**Raw Materials, DCR, and ALMM**

Solarium's strategy is to build an end-to-end, full-stack model to control its supply chain. Solar modules are sourced from the domestic market, which has a capacity of about 110 GW. The key raw material for modules, cells, is currently imported, though the Indian government is incentivizing domestic cell manufacturing. Other components like net meters are also domestically manufactured. While not explicitly mentioned, the company's shift to domestic module procurement aligns with the government's broader objectives under schemes like the Approved List of Models and Manufacturers (ALMM), though Domestic Content Requirement (DCR) is not directly referenced.

**Working Capital, Receivables, and Debt**

The working capital cycle is segment-dependent. The residential rooftop business has an efficient cycle of less than 30 days for inventory and receivables combined. In contrast, the government tender business has a longer revenue recovery period of 75 to 100 days. High debtor days in FY25 were attributed to a seasonally strong Q4, which contributed about 40% of annual sales. Looking forward, with the expected revenue mix, approximately 60% of the business will have a 90-day working capital cycle, while 40% will be around 30 days. The primary debt is related to the module manufacturing capex.

**Geographic Expansion**

Solarium is currently present in over five cities and is deepening its presence within those states using its hub-and-spoke model. The company has demonstrated expertise in executing projects in challenging terrains, including Ladakh, the Northeast, Baba Atomic Center, and various Air Force Stations. It is also involved in R&D and EPC for specialized applications like space heating technology for the army, transferred from DRDO.

**Subsidies and Industry Dynamics**

A critical enabler in the residential segment is the company's ability to manage subsidies for customers. By handling the entire application and realization process on the national portal, Solarium removes a significant barrier for consumers. The industry is characterized by strong government support, immense growth potential, and a fragmented competitive landscape in the rooftop segment, which presents a substantial opportunity for organized, scalable players like Solarium.

**South West Pinnacle Exploration Ltd.**

South West Pinnacle Exploration Ltd shared its performance and strategic roadmap, highlighting continued traction in coal, iron ore and critical mineral exploration. The company underscored strong execution in drilling services, progress in underground coal gasification and CBM projects, and its positioning as a beneficiary of India's resource security drive. Management reiterated that growth will be driven by higher utilisation of rigs, diversification into new energy-linked services, and robust tender visibility across PSU and private clients.

**Core Business Strength**

One of the leading integrated exploration and drilling service providers in India.

Operates ~120 rigs across coal, iron ore, CBM, and mineral exploration.

Order book visibility remains strong from Coal India, ONGC, MECL, and state entities.

Services span geophysical logging, seismic surveys, CBM development, mine planning, and consultancy.

**Order Book & Tender Pipeline**

Current order book at ~INR 5.0–5.2 bn, executable over 2–3 years.

Active participation in tenders worth INR 7–8 bn, mainly from Coal India, ONGC, and CMPDI.

Large opportunities expected in uranium, rare earths, and strategic minerals under government's critical mineral mission.

**Revenue Mix & Growth Drivers**

FY24 revenues primarily from coal and iron ore exploration (~70%), with balance from CBM and consultancy.

FY25E revenues expected at INR 3.0–3.5 bn.

Growth drivers:

- o Higher rig utilisation (currently ~70%, targeted 85–90%).

- o New CBM contracts from ONGC and private operators.

- o Entry into underground coal gasification projects.

**Margins & Profitability**

EBITDA margins in drilling contracts stable at 18–20%.

Consultancy and CBM services carry higher margins (25–30%).

Mix improvement expected to lift blended EBITDA closer to 22–23% in coming years.

Management conscious of maintaining lean cost structure despite rig additions.

**Expansion & Capex**

Planned capex of INR 600–700 mn over FY25–26 for adding new rigs and upgrading equipment.

Focus on deep drilling rigs for CBM and mineral exploration.

Considering joint ventures for international projects in Middle East and Africa.

Also investing in digital tools for seismic data processing and geological modelling.

**Strategic Focus Areas**

Leveraging government's thrust on critical minerals (lithium, cobalt, rare earths).

Expanding into new energy spaces like underground coal gasification and geothermal exploration.

Building partnerships with global technology players for specialised rigs and advanced services.

Continuing to scale consultancy arm to enhance recurring high-margin revenue.

**Financial Position & Strength**

Net debt levels remain modest, providing headroom for planned capex.

Working capital cycle steady at ~120–150 days, supported by PSU contracts.

Consistent cash flow generation from long-term contracts.

Dividend track record maintained; management committed to shareholder returns alongside growth capex.

**Future Outlook & Guidance**

Management expects FY25 revenues to reach INR 3.0–3.5 bn, with EBITDA margins sustaining above 20%. Over the next three years, SWPE aims to nearly double revenues through higher rig utilisation, capex-backed expansion, and new business verticals in CBM, coal gasification, and critical minerals. With India pushing for self-reliance in resources and new energy, SWPE is well positioned to play a pivotal role, combining execution capability with a diversified services portfolio.

**SPML Infra Limited**

Strategic Pivot into BESS, Margin-Focused EPC Execution

SPML Infra (SPML) is repositioning its business model with a strategic entry into Battery Energy Storage Systems (BESS), while maintaining a selective, high-margin approach in its traditional Water and Power EPC segments. The company's forward guidance highlights an ambitious revenue mix transformation and aggressive capacity build-out in BESS manufacturing, positioning it for multi-year growth.

**Strategic Outlook & Revenue Mix Transformation**

**Current mix: 90% Water / 10% Power, vs. earlier 75% Power / 25% Water.**

**Target mix: 50% Water / 50% Power by FY29–30, driven by scaling BESS manufacturing.**

**Market Opportunities (5–10 years):**

**Water Sector: ~INR25 lakh crore visibility, supported by Jal Jeevan Mission, Amrut, irrigation, river linking, Namami Gange.**

**BESS: INR25–30 lakh crore opportunity. By 2047, India's power requirement is projected at 1,840 GW (~\$4.4T market).**

**2. BESS Expansion Roadmap****Manufacturing Build-Out:**

Pune facility under development.

Phase 1: 2.5 GWh by Q1 FY27, capex ~INR125 Cr.

Phase 2: Expand to 5 GWh by FY28, additional INR175 Cr.

Future Potential: Expand to 10 GWh depending on demand.

**Revenue Potential:**

5 GWh capacity = ~INR4,000–5,000 Cr topline opportunity.

Based on thumb rule: 1 MW = INR1 Cr revenue.

**Margin Targets by Integration Level:**

EPC only → ~10–11%

EPC + battery pack → ~15%

EPC + pack + container → ~17%

**Execution Advantage:**

BESS project cycle: 4–9 months (order-to-cash) vs. 2–3 years for water EPC.

Faster cash conversion enhances liquidity and reduces working capital strain.

**Water EPC: Selectivity & Execution Discipline**

Focus on funded, margin-accretive projects.

**FY26 Targets:**

1 BESS order post Pune commissioning (Q4 FY26).

~INR2,000 Cr incremental Water orders.

~INR5,000 Cr total Water order book build-up.

~INR600 Cr currently at L1, likely conversion by Sep–Oct.

**Execution Outlook:**

Rain-hit Q1/Q2 to be offset by strong billing in H2.

Long-term Water revenue target: INR5,000 Cr annually within 3–3.5 years.

Margin target: 12–15%.

**Liquidity & Claims Resolution**

NRCL Settlement: INR700 Cr liability, payable over 8 years; offset expected via arbitration awards (~INR639 Cr + interest).

Claims Pool: ~INR4,500 Cr outstanding. Based on ~40% recovery, ~INR1,500 Cr inflows expected over 5–7 years.

Resolution of legacy claims/liabilities to structurally improve liquidity and de-leverage balance sheet.

**Outlook**

SPML is at an inflection point, pivoting into a high-growth BESS segment while preserving a margin-focused EPC core. With a 50/50 Water-Power revenue mix targeted by FY30, faster BESS cash cycles, and upside from claims recovery, SPML is positioning for scale, profitability, and balance sheet repair over the medium term.



**Sportking India Ltd**

**Outlook:** Sportking India is undergoing a major expansion in Odisha, increasing spinning capacity by approximately 40% (from 380,000 to 540,000 spindles) through a roughly INR 10,000 Mn investment. This project is expected to be completed within the next 12 to 15 months and is projected to lead to a peak revenue potential of INR 36,000 to 38,000 Mn by FY 27-28. Management anticipates maintaining current margins and expects to improve EBITDA margins by 300 to 400 basis points upon full production from the new plant. The outlook is supported by tailwinds such as highly competitive cotton prices but is tempered by the potential adverse impact of US tariffs if they remain unresolved for the next 2 to 3 months.

**Company Overview**

Established in 1990, Sportking India Limited has emerged as one of India's leading textile conglomerates, operating three modern manufacturing facilities in Punjab. The company is recognized for premium quality and innovation, with a well-diversified yarn portfolio catering to both domestic and global markets. Sportking.docx

Main products include various grades of grey and dyed yarns, with primary end-markets being the weaving and knitting industries. Sportking is a Four-Star Export House, reflecting robust export credentials, and has a direct footprint in 39 countries.

**Financials & Capacity**

FY25 saw a 58% YoY growth in profit after tax, largely led by buoyant export demand and effective market strategies.

Export revenues have shown strong momentum, comprising 50% in FY25 and growing to nearly 60% currently, underlining international acceptance and expansion.

Ongoing capacity expansion: The company is set to grow spindle capacity from 380,000 to ~540,000 via a new Odisha plant (40% jump), entailing INR 1,000 crore in capex. This project is backed by a mix of internal accruals and term loans and is expected to be completed in 12-15 months.

Sportking also invested significantly in sustainability, installing a 28 MW rooftop solar plant across operations, with another 40 MW (via SPV) scheduled for commissioning by March 2026.

**Business Model & Operations**

Core revenues arise from domestic and export yarn sales. The revenue split between exports and domestic is dynamic, depending on market opportunities, but recently has leaned more heavily toward exports (especially to Bangladesh, China, and the Indian market).

The company has a flexible production and distribution setup: distinct sales teams manage domestic vs. international markets, and order allocations shift based on margin maximization and demand trends.

Historical capacity utilization is high at 96%, with management guiding for sustained 95%+ utilization post-expansion, supported by seamless integration of the Odisha plant.

**Growth Outlook**

Target revenue post-Odisha plant ramp-up: Management expects a revenue run rate of INR 36,000–38,000 Mn by FY28, compared to INR 25,000–26,000 Mn for FY26. Full incremental benefit starts Q1 FY28 following phased ramp-up in FY27.

EBITDA margins are expected to improve by 300–400 bps because of greater scale, operational efficiencies, and government/state incentives in Odisha.

Capex intensity remains focused on modernizing equipment and debottlenecking, with ongoing minor process improvements expected even in legacy plants.

Vertical integration plans through merger are likely to add INR 2000 Mn topline in FY26, marginally accretive to margins.

**Risks & Industry Trends**

Cotton price volatility is an ongoing risk, but recent import duty waivers and government policies have led to significant price rationalization; domestic cotton is now at a 3–4 year low, close to international parity, improving raw material cost competitiveness.

US tariffs on textile products are not a direct headwind since Sportking exports minimal yarn to the US; however, some indirect pressure is felt by domestic buyers who export downstream products.

Bangladesh and China remain primary export destinations; US market is not significant as the US mainly imports fabric and garments, not yarn.

**SRG Housing Finance Ltd****Executive Summary: Forward Outlook**

The management provided several targets indicating strong anticipated AUM growth, projecting the Company to reach INR 1,000 crores in the near term and up to INR 2,000 crores within the next three years. The recent equity fundraise and softening cost of borrowing are expected to result in better Net Interest Margins (NIMs) and improved results this quarter and going forward. Capital raising is not expected to be necessary until AUM hits INR 1,500 crores. While the Cost-to-Income (C/I) ratio is high due to the nature of their rural operations, significant cost reduction is not expected, though the management believes current levels should improve slightly as branch costs are stabilized.

**AUM and Growth Trajectory**

The Company refrained from providing formal guidance for FY26 but set ambitious internal targets for growth, noting that the removal of funding hurdles will fuel acceleration.

**Near-Term AUM Target:** SRG Housing Finance is aiming for an AUM of around INR 1,000 crores this year. Currently, the AUM stands at almost INR 800 crores, suggesting the INR 1,000 crore target is achievable.

**Medium-Term AUM Target:** Over the next three years, the Company is targeting an AUM of approximately INR 1,500 crores to INR 2,000 crores.

**Disbursement Target:** Management is targeting monthly disbursements of almost INR 40 crores.

**Growth Drivers:** The speed of growth is expected to increase once the Company reaches the INR 1,000 crore size, as this scale attracts better responses from both debt and equity players, providing necessary raw material (funds) for growth. The benefits derived from the 20 new branches added last year are expected to manifest going forward.

**Loan Mix:** The ratio between Housing Finance and Loan Against Property (LAP) is expected to remain largely similar at 70/30, potentially trending towards 75/25.

**Margins and Profitability Outlook**

The positive impact of the fundraise, which occurred in the last leg of the previous year, is expected to become visible this fiscal year.

**NIMs/Spreads:** Management expects better NIMs for the current year. The cost of borrowing is becoming softer, and the Company anticipates the spread to be "finer," driving the positive impact on NIMs. Better results are expected in the current quarter.

**Return on Assets (ROA) Trajectory:** The current ROA of approximately 3.5% is expected to sustain. Management notes there is not much scope to drastically reduce costs due to the required physical presence in rural and semi-urban geographies where the Company operates.

**Return on Equity (ROE):** Assuming a sustained 3.5% ROA and an average leverage of 3x, the resulting ROE is projected to be approximately 10.5%.

**Cost-to-Income (C/I) Ratio:** The C/I ratio is high due to operational costs in rural/semi-urban areas. However, management has already incurred most of the necessary expenses, including for new branches and IT infrastructure. No major big expenses are anticipated in the next two to three years. Consequently, the C/I ratio should be "a bit better but around this levels only".

**Asset Quality:** Management declined to give explicit guidance on the NPA ratio for FY26. However, they anticipate the NPA ratio should remain around similar levels only, expecting no worsening of the metric, though potential improvement was not commented upon.

**Capital Strategy and Branch Expansion**

SRG Housing Finance has a clear plan regarding leverage and further geographic expansion.

**Leverage Target:** The Company is planning to maintain a leverage ratio of up to four times.

**Future Equity Raise:** Management indicates that they do not need to look for capital until the AUM reaches the INR 1,500 crore mark. Once the leverage ratio hits three times (expected to align with the INR 1,500 crore AUM), the Company will start evaluating equity investments.

**Branch Targets:** The Company is targeting a maximum of 100 branches for FY26. They will add a few more branches but not many.

**New Geographies:** The management is contemplating expansion into Tamil Nadu. While no branches are expected this year, they might launch at least one or two branches next year and then focus on growing there.

**Operational Efficiency:** The new branches typically reach break-even status (where the branch costs are fully covered) in an average of six months, though in some instances this is achieved in three months.

**Srivari Spices & Foods Ltd****Capacity & Capex**

The company operates three core manufacturing lines: spices/masalas (3,600 TPA, 73% utilized), atta (14,400 TPA, 87% utilized), and a recently launched edible oil plant (7,200 TPA; ramp-up phase).

Oil vertical is the key recent expansion, with management targeting 35–45 crore revenue contribution at ~90% utilization next year; full ramp-up is expected to take until FY28, when it can contribute up to 100 crore.

Geographical expansion is a capex driver, with new launches in Maharashtra, soon in Gujarat, Odisha, and Karnataka, plus plans to add up to 7–8 new states this year. Expansion will be funded primarily through additional working capital lines rather than equity.

**Financials & Margins**

FY25 revenue stood at INR 113.8 crore; PAT margin moderated to 8.4% due to higher depreciation from capex, but core EBIT margin remained robust.

Gross margin profile: 35–40% for masalas, 30–35% for atta, with EBITDA margins of 18–19% (masalas) and 13–14% (atta); at the company level, margins are lower due to product mix and channel mix.

Oil segment is forecast to contribute 4–5% of FY26 revenue, increasing to 10–15% longer-term as the plant ramps.

**Growth Drivers**

Management anticipates steady growth driven by new product launches (edible oils, upcoming puja products segment), ongoing SKU expansion (now 88 SKUs, up from 12 in 2019), and penetration into new geographies.

Direct procurement from farm gates and region-specific product tailoring (e.g., new chili varieties for Maharashtra, blending for upcoming states) form the backbone of growth and differentiation.

Channel development includes deepening B2C (90% revenue), with B2B/B2C expansion supported by team buildups in new markets (already a 20-person team in place for Maharashtra).

**Product Differentiation & Moat**

Srivari focuses on core ground spices (chili, turmeric, coriander) for which it procures directly from leading mandi sources in Telangana and Madhya Pradesh, yielding margin advantages over competitors reliant on stockists.

The company limits white-label/third-party manufacturing, selling only in its own brand, and is rolling out differentiated state-wise product variants to cater to local palates—a key reason large brands struggle to scale regionally.

Lean marketing (5–6 lakhs/month, focused on digital and influencer campaigns) keeps SG&A low; repeat dealer engagement is supported via service quality and recurring dealer meets.

**Channel Mix & Client Strategy**

90% of revenue is B2C (via general trade, modern trade, and e-commerce); 10% is B2B/B2HORECA.

Channel strategy in new states favors retail-focused entry (low-ticket orders, no bulk wholesale), supported by appointment of super-stockists and deep distribution logistics.

Shelf-space is built by region-specific flavors and a service-oriented approach, not via steep channel discounts (temporary 5–10% margin sacrifice upon new launches).

**Outlook**

Guidance for 100% YoY revenue growth in FY26 is supported by oil vertical scaling and state expansions, though recent shortfalls in FY25 were attributed to rights issue delays that deferred oil launch and slowed overall growth.

Working capital needs are expected to rise as geographic expansion accelerates but will be managed via new credit lines; internal accruals and moderate leverage cover capacity ramp-up.

The company plans steady performance akin to the last five years, with strong tailwinds from product and regional expansion as well as new high-margin SKUs in the near pipeline (e.g., puja products).

**Star Cement Ltd**

**Outlook:** The company remains a leading cement player in the Northeast, with strong profitability, clinker-backed capacity, and upcoming capacity additions that will drive sustained growth. While near-term growth guidance has been revised down to 9-10% due to prolonged monsoons and GST changes, demand is expected to rebound sharply in H2 FY26, supported by infrastructure projects and individual housing. Over the medium term, the company targets >90% utilization, ongoing margin strength, and geographic diversification into new regions such as Rajasthan, positioning itself for long-term volume growth and cost competitiveness.

**Company Profile & Market Position**

Established in 2004, part of the Century Plyboard group.

Current cement grinding capacity: 7.7 MT (5.7 MT in Northeast, 2 MT in Siliguri, WB).

Clinker capacity: 6.1 MT, with a recent 3.3 MT addition in April 2025.

Northeast market leader with ~74% of sales from the region in Q1 FY26 (77% last year).

Pricing Power: Classified as a Category 1 player, pricing in Bengal/Bihar at par with UltraTech.

Margins: Among the highest in the industry, with EBITDA/tonne above INR 1,700 in Q4 FY25 and Q1 FY26 (including ~INR 300/t subsidy).

Utilization: Averaged 64-65% last quarter, expected to exceed 90% by Q4 FY26 as new capacity ramps up.

**Volume Growth & Demand Outlook**

FY26 Growth Guidance: Revised down from 15% to 9-10%, with possible upside to 12-13% if GST-led destocking turns positive.

Q2 FY26: Expected growth of 13-14% YoY despite weather-related disruptions.

Northeast Market Recovery: After two weak years, demand growth of 7-8% is forecast in FY26, moving into double digits in FY27.

Key Drivers: Infrastructure spend, hydraulic projects (e.g., Arunachal), pre-election spending in Assam, and affordable housing demand post-GST cuts.

Market Share Gains: Company positioned to grow faster than the market (7-8%) as competitors lack clinker-backed idle capacity.

Large Projects: Major infra project (NHBC) will require 2 lakh tonnes/month, to be met by local integrated players.

**Expansion & Geographic Diversification****Near Term:**

Planned 2 MT grinding unit in Silchar (Assam) to serve South Assam, Tripura, Mizoram.

Jorhat grinding unit (FY27 completion) will take total capacity to 9.7 MT.

**Long Term:**

Won limestone mines in Rajasthan and Umranso (Assam).

Plans for an integrated Rajasthan plant (targeting Haryana & MP markets).

Greenfield project expected by 2029-2030 (3-4 years from start).

**Capex:** INR 700-800 Cr program to begin by year-end, funded by debt + accruals.

**Cost Control & Operational Efficiency**

Freight: Added 100-120 trucks to reduce dependency on external transport, stabilizing freight margins.

Fuel & Power:

- Current cost at 1.4/GCB; further cuts dependent on local coal availability.
- 24 MW WHR plant operational since March 2025.
- Alternative fuels (bamboo, rice husk) used to offset thermal dependency.

Coal Sourcing: Mechanized Meghalaya mines expected to meet 40-50% of coal needs by late FY26, providing a structural cost advantage.

Raw Material: Mine acquisitions avoided auction premiums, offering a cost edge vs. new entrants.

**Competitive Dynamics & Pricing**

Pricing Discipline: Industry consolidation ensuring rational pricing. Recent price increases viewed as normalization, not supernormal.

Clinker Advantage: Smaller grinding units (without clinker access) likely to shut down, benefiting integrated players.

No Price War Risk: Dalmia (key competitor) unlikely to undercut prices as Northeast profits are critical to its earnings.

Outlook: Prices expected to remain stable-to-improving over 2-3 years, with higher cost pass-through after 2030 (auction premiums).

**Regulatory & Subsidy Impact**

GST Subsidy: Refund timeline extended from 3-4 years to 5-6 years due to GST output rate cuts.

Financial Impact: Subsidy deferral expected to impact FY27 cash flows by INR 150-200 Cr.

**Steelcast Ltd****Outlook**

Steelcast expects steady growth in FY26 despite tariff challenges. While exports constitute ~60% of revenue it face temporary headwinds, customer stickiness and competitiveness vs. global peers remain intact. Domestic sales, contributing ~40-46% of revenues, are gaining traction with shorter working capital cycles and opportunities in cement, mining, and locomotives. The company is diversifying into new markets, including Israel, where supplies begin in FY26, and remains optimistic about medium-term growth once tariffs normalize. Long-term utilization targets of 65% by FY27 and 80-85% by FY28 are maintained, with management confident of achieving ~20% CAGR once external issues subside.

**Guidance**

Company volumes were ~15,000 tons and currently ~45-46% utilization in FY25.

Management expects 12-13% volume and value growth in FY26, with stable profitability.

EBITDA margins are guided at ~25%, supported by specialty product mix and ongoing efficiency programs.

Company expects to long term guidance remains intact with ~20% CAGR growth and higher utilization as demand improves.

**Capacity**

Installed capacity stands at ~29,000 TPA, with current utilization at ~45-46%.

FY25 volumes were ~15,000 tons; utilization expected to improve by 11-13% in FY26E.

In medium-term targets expects to achieve ~65% utilization by FY27E and 80-85% by FY28E.

**Market Dynamics**

Exports contributes ~60% of sales, with U.S. contributing ~30-31% of revenue, Germany and EU ~35%.

Tariff hike has risen from 3.5% to 10%, with potential +25% has slowed customer demand but does not impact company directly as contracts are on ex-works basis.

Company remains cost competitive versus China and Brazil, and customers continue sourcing despite higher landed costs.

Entry into Israel provides a new market, with mini-serial supplies beginning Sep-25.

Domestic accounts to ~40-46% of sales, with 95% of revenue is purely local; minor deemed exports through OEMs.

The end markets include cement, mining, locomotives, and construction equipment.

Growth has been slower but expected to improve with infrastructure spending; domestic sales also support shorter working capital cycles.

**Operational Update**

Company remains net debt-free, with strong liquidity and no issues in receivables collection.

Renewable energy projects supply ~80% of power requirements, leading to significant cost savings and higher margins.

Working capital cycles remain efficient: 75-80 days domestically vs. ~120 days in exports.

**Product Mix and Growth**

Large castings generate slightly higher margins ~20-30bps compared to smaller ones.

Specialty, high-value products remain central to maintaining strong profitability.

Railroad business, though delayed due to technical and tariff issues, remains a significant medium-term growth lever.

**Defense & Aerospace**

Secured German aerospace certification (TÜV), enabling entry into defense supply chains.

Developed parts for DRDO's combat vehicles; however, execution visibility remains limited due to tender delays.

Management is cautious but sees long-term opportunities in this segment.

**Renewable Power**

Current 5 MW solar and 4.5 MW hybrid plants meet ~80% of power needs, saving >INR 1,000 Mn annually.

Additional 2.4 MW hybrid project with capex ~INR 300 Mn under commissioning, expected by Jun-26, will add ~INR 30 Mn annual savings.

**Competitive Landscape**

India has ~300-350 steel foundries, but only 2-3 match Steelcast's scale.

Global competitors exist in U.S., Brazil, Mexico, China, and Western Europe.

Company enjoys a 20-25% cost advantage over international peers, supported by scale, quality, and certifications, ensuring customer stickiness.

**Acquisition / Expansion Plans**

No immediate plans for overseas facilities despite tariff pressures; management ruled out Mexico or Canada routes.

Company's focus remains on organic growth, renewable investments, and diversification into new sectors and geographies.

Sterling Tools Ltd Concall KTAs

Management discussed the stable performance of its mature fastener business and the strategic pivot towards electrification. While a key customer loss in the Motor Control Unit segment has led to a near-term revenue drop, the company is focused on diversifying its EV product portfolio through multiple technology partnerships. New businesses like DC Contactors and Onboard Chargers are set to commercialize within FY26, with a long-term vision for the EV segment to contribute over 60% of revenue by 2030.

#### Operational Highlights

##### Fastener Business:

The company is the second-largest automotive fastener manufacturer in India. The business maintains stable margins by managing inflationary pressures through an improved product mix and operational efficiencies.

##### EV Business (MCUs & New Products):

The company is actively diversifying its customer base for MCUs beyond two-wheelers to include more three-wheeler and commercial vehicle applications.

The loss of a key MCU customer to insourcing is considered a unique, one-off event and not a prevalent industry trend.

The core strategy is to enter new EV component segments, avoiding direct price competition with established manufacturers.

##### Advanced Electric Machines, UK

A partnership to manufacture magnet-free motors, countering the geopolitical risk associated with China's 90% market share in magnets.

The AEM technology is patented and already commercialized in Europe, providing a significant advantage over competitors whose products are still in development. The agreement is royalty-based.

##### Kunchan Glvac, China

A venture for DC Contactors. The manufacturing facility in Bangalore is set to begin commercial production by December 2025 (Q3FY26).

A new partnership for charging systems e.g., 5-in-1 products for commercial vehicles and charging stations, currently in the incubation stage.

##### Segment Breakup

The Fastener business is contributed by passenger vehicles at 31%, followed by 2W at 26%, commercial vehicles 17%, farm equipment 15%, OEMs account for ~90% of revenue in this segment.

MCU Business Revenue Mix at Two & Three-Wheelers contributing 62%, Commercial Vehicles: 28%.

#### Industry Commentary

The fastener market is mature and competitive, but Sterling holds an edge in critical components due to its engineering capabilities. The EV component space has lower competitive intensity, with growth being a function of EV adoption and localization.

A significant opportunity exists as most EV components, including onboard chargers and DC-DC converters, are currently 100% imported, predominantly from China. Management is expecting for government policies in its favour, similar to the earlier FAME scheme, to incentivize localization.

#### Exports

Exports are the "weakest link" and a past strategic error due to an excessive focus on the domestic market.

The company is now actively pursuing Tier 1 customers in Europe and the US, focusing initially on the commercial vehicle segment due to shorter vendor-approval timelines.

#### Capex & Expansion

##### Non-Fastener Business Capex:

For its non-fastener, the company has planned a capex of ~INR 500 Mn in FY26, with a projection that this could increase to as high as INR 1,000 Mn in FY27. Will be allocated to fund capacity for various products, including MCUs, motors, onboard chargers, and DC contactors

#### Margin

The legacy fastener business continues to operate at a stable EBITDA margin of ~15%.

The newer electrification products have a lower margin profile of 8-12%.

As the share of the EV business increases, consolidated margins are expected to remain in the 12-13% range.

#### New Product Timelines:

Revenue generation is expected in 18-24 months, pending long validation cycles by OEMs. For DC contactors, commercial production will start in Q3FY26, with revenue booking in the FY26E. The products will cater to battery manufacturers, charging stations, and passenger vehicles. Initial revenues are expected in Q4FY26, targeting the commercial vehicle segment.

#### Guidance

Management expects for overall revenue growth of ~15%. This will be supported by a modest 7% YoY growth in the mature fastener business, while the EV and new businesses are expected to expand at a much faster rate.

In long term, the company aims for its EV-related business to contribute 60-65% of total revenue by 2030E.

#### Profitability:

The company expects to maintain stable Ebitda margins of ~15% for its fastener business. Due to the growing mix of the lower-margin EV business, the margins are guided to remain stable at around 12-13%.

**Sumit Woods Ltd**

Sumit Woods Limited is a long-standing real estate company with 39 years of experience, primarily focused on redeveloping older buildings and communities in the Mumbai area. This specialized approach, which avoids tying up large amounts of money in land, allows the company to operate efficiently and maintain healthy cash flow.

With a strong track record of over 65 completed projects and more than 7,000 apartments delivered, the company is known for finishing its projects on time and operating transparently. They strategically choose project locations near key infrastructure like Metro stations and highways. Currently, they have several projects under construction and are set to launch two major projects in Borivali and Powai, with an estimated combined value of around INR 9,000 million.

The company is showing positive financial momentum. In the first quarter of FY 2025-26, they reported a significant year-on-year growth in revenue, and their net profit more than doubled compared to the same period the previous year. This strong performance has allowed them to improve their profit margins and reduce their debt. With robust financial backing from major banks, Company is well-positioned for future growth. The company plans to focus on building eco-friendlier and sustainable homes to meet growing customer demand. They are optimistic about the future of the real estate market in Mumbai, expecting it to grow significantly over the next decade.



**Sunita tools Ltd**

**Outlook:** Set up a new facility in Faridabad and already begun trial production, targeting a capacity of ~100,000–110,000 shells/month in record time. Demand for 155mm artillery shells is very strong globally, with a supply shortfall that ensures multi-year opportunities. They plan to gradually expand capacity with Line 2 and Line 3 by FY27–28 and also explore forward integration into fuses and potentially filled shells, which carry much higher margins. While debt has been used to fund expansion, its leverage remains conservative and manageable. Strong revenue visibility backed by Letters of Intent from overseas buyers, with exports expected to be a key focus alongside domestic demand.

**Company Background:** The company started with precision engineering products for plastics, sheet metal, die casting, and other applications, supporting economic growth in India. It has progressively forward integrated into mold bases, die sets, jigs, and fixtures over the years.

**Defense & Artillery Shell**

In 2023, the company entered the artillery shell business through acquisition of a plant and machinery in Faridabad. Producing 155mm M107 artillery shells, a 150-year-old but still highly effective and widely used design.

Global demand for artillery shells is huge, with an estimated shortfall of 3.25 crore shells worldwide, even if no new wars start.

Until 9 months ago, global production capacity was only 12 lakh shells/annum, expected to rise to ~25 lakh shells/annum in the coming years, still leaving a massive supply gap.

**Capacity & Expansion Plans**

It has installed artillery shell capacity of 100,000–110,000 shells per month within a record 4 months.

Trial production has already started at the Faridabad facility, with video demonstrations planned to be shared soon.

The company expects to scale up further:

- FY26: Ramp-up depending on approvals and teething issues.
- FY27: Target of ~130,000 shells per month as Line 2 comes partially online.
- FY28: Both Line 1 and Line 2 fully operational, delivering full-scale capacity.

**Financials**

The projections provided by management are only for shells, excluding the legacy business.

ASP assumed is \$250–275 per empty shell, kept conservative given strong global demand.

EBITDA margins are projected at 28–34%, which management believes achievable due to efficiency, unlike lower margins seen in public sector entities.

The project and expansion are primarily funded through debt, but the company's debt-equity ratio is low (~0.5x), and leverage is comfortable.

Working capital cycle is manageable, with orders often backed by advances or irrevocable LCs, and steel suppliers offering 120-day credit terms.

**Technology, Expertise & Partnerships**

The company benefited from acquiring expertise from the Thapar family, which earlier manufactured 400,000 artillery shells between 1998–2006. Mr. Tarun Thapar has joined as Executive Director to lead this initiative.

It has also onboarded 3 IIT

Chennai engineers for R&D, focusing on future defense products and innovation.

**Other Highlights**

The Faridabad facility was chosen for its strong defense manufacturing ecosystem and proximity to the ICD for exports.

The company's intent is primarily to cater to export markets, though domestic demand is also expected to grow significantly (estimated 650,000–1,000,000 shells annually in India due to new artillery orders and stockpile policies).

LOIs have already been signed with foreign buyers, with samples to be delivered for approvals.

The company is investing in fuse technology via a stake in Hyprix, which is developing advanced CCF and PGK fuses that are significantly more valuable than empty shells.

It is exploring tie-ups with explosive manufacturers to eventually supply fully filled shells, where, an empty shell sells for ~\$275, a filled shell with a basic fuse can fetch \$2,100 plus 18 lakhs and with advanced fuses, prices can go as high as \$2,000 plus 90 lakhs per shell.

**Sunlite Recycling Industries Ltd**

**Outlook:** Sunlite Recycling is expected to deliver strong growth with revenue projected to rise at 20–25% CAGR over FY25–27, driven by capacity expansion and increasing copper demand. Operating margins are likely to improve gradually from around 2.0% to 2.3–2.5% by FY27, supported by a higher share of value-added products and efficiency gains. The planned doubling of copper rod capacity by December 2025 will further boost topline growth, while the company's transition from a pure-play copper rod manufacturer to a diversified recycled copper solutions provider enhances long-term value creation. Governance standards are also set to strengthen with the planned induction of professionals into management and the board. Over the medium term, Sunlite is well-positioned to benefit from structural megatrends in solar, EV, and infrastructure, with the potential to emerge as an ESG-aligned midcap growth story over the next 3–5 years.

**About company**

Sunlite Recycling Industries Ltd is engaged in **copper recycling**, where copper scrap is melted and processed into copper rods, strips, busbars, conductors, and wires.

The company supplies to **transformer manufacturers, cable makers, panel manufacturers, and other industrial customers** across India (Pan-India presence, strong base in Gujarat).

Copper rods remain the **core revenue driver**, as they are the essential input for electrical and solar industries.

**Capacity Expansion**

Started with **300 MT/month capacity**, now scaled up to **2,500 MT/month** (~30,000 MT annually).

Capacity utilization improved from **65% in FY24** to **~95% in FY25**. Further expansion planned; doubling of copper capacity expected by **Dec 2025**.

**Financial Performance**

Revenue crossed **INR 1,000 Cr in FY23**, supported by capacity ramp-up and product diversification.

PAT margin has improved from **1% to ~2%**, with a target to reach **2.5–3% OPM** for FY26–27.

Growth outlook: **20–25% revenue CAGR** guided for FY26–27.

**Product Diversification & Value-Added Products**

Core product: **Copper rods** (~75–80% of revenues).

Recently launched **value-added products**:

- **ATC wires** (Aluminum Tin Coated Copper), used in **solar cables**.
- **Copper busbars**, used in **transformers and electrical panels**

Contribution from value-added products expected to rise from 13% currently to ~20–25% over next 2 years, improving blended margins.

**Strategic Outlook**

Copper demand is expected to rise with **solar, EV, and infrastructure growth** in India. Management highlighted: *"Copper is as good as black gold; every industry will need it for the next 15 years."*

Solar project: Installed **1 MW rooftop solar** for captive consumption.

Exploring **forward & backward integration projects** (e.g., busbar profiling, deeper scrap processing). Some projects under evaluation; **capex requirement not very high** for forward integration.

FY27 target: OPM expansion through higher share of value-added copper products.

**Governance & Ownership**

**Family-run company** currently, led by Mr. Nitin Heda (MD). Management acknowledged need for **independent professionals** on the board as the scale expands. Expected to induct professionals in the next **12–18 months**.

**Industry Context**

Recycling is positioned as a **sustainable alternative** to primary copper mining.

Price difference between recycled copper and virgin copper is **~3–5%** per kg, making it cost-effective for end users.

**Acceptance of recycled copper:** 100% in end-user industries (transformers, cables, etc.)

**Sunrakshakk Industries India Ltd**

**Business Shift:** The company transformed its revenue mix from 100% textiles to a **projected 90% FMCG and 10% textiles** by the target year. This fundamental shift resulted from the strategic acquisition of the FMCG vertical, The company completed in December 2024.

**Revenue Targets:** SIIL has set ambitious revenue targets approaching **INR 10 bn by FY29**. This requires an aggressive 30–35% CAGR (Compound Annual Growth Rate).

**Expansion Strategy:** Growth is planned through a balanced approach: 60% inorganic (acquisitions) and 40% organic (capacity expansion). Upcoming acquisitions, including cosmetics and spices/snacks, targeted for completion by December 2025, are projected to add INR 3 bn or more in incremental top-line revenue.

**Recent Performance:** The company has already demonstrated outstanding revenue growth, increasing from INR 1.17 bn (FY23) to INR 1.80 bn (FY25)—a 53% increase. Quarterly revenue achieved INR 1.25 bn in Q1 FY26, reflecting accelerated momentum post-FMCG acquisition consolidation.

**Strategic Positioning and Competitive Advantages**

SIIL is strategically positioned as a comprehensive FMCG solutions provider leveraging backward integration and established market relationships.

**Backward Integration:** A significant competitive advantage is the **comprehensive backward integration** across the entire value chain. This includes manufacturing soap noodles (with a monthly capacity of 5,760 metric tons), packaging materials, and raw material manufacturing. This integration creates substantial **cost advantages** and establishes the company as a "one-stop solution" for marquee clients.

**Marquee Clients:** The established customer base includes major corporations such as **ITC, Patanjali, Godrej, and Wipro**. These strong relationships span 3 to 15+ years.

**FMCG Expertise:** SIIL leverages over **20 years of expertise** in FMCG derived from the parent RCM Group, which supports the marketing presence of over 400 products nationally.

**Legacy Operations:** The legacy textile business provides stable cash flow, maintaining a processing capacity of 45 lakh meters monthly and serving established clients like Sriram Shootings.

**Manufacturing Excellence and Operational Infrastructure**

The company utilizes state-of-the-art facilities across multiple strategic locations to ensure quality, scalability, and geographic access.

**Operational Scale:** SIIL manages a comprehensive FMCG manufacturing portfolio encompassing over **200 products** across personal care, home care, and oral care categories.

**Geographic Presence:** Manufacturing excellence is supported by state-of-the-art facilities strategically located across different regions: **Bilwara (Rajasthan)** (focused on home care, personal care, oral care), **Rudki (Uttarakhand)** (soap manufacturing, 3,000 metric tons capacity), and **planned Guwahati (Assam)** (targeting cosmetics). This geographic diversification optimizes market access and reduces concentration risks.

**Quality and Automation:** Facilities utilize the latest global machinery and automated processes, ensuring consistent quality standards necessary for retaining marquee customer relationships. The company maintains comprehensive quality control systems that meet regulatory and customer audit compliance requirements.

**Scalability:** Facility design and equipment selection prioritize scalability, enabling capacity expansion to support aggressive growth targets without proportional infrastructure investment.

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**Financial Health and Profitability Management**

SIIL demonstrates strong financial fundamentals, including improved profitability, margin expansion focus, and conservative debt coverage.

**Profitability Improvement:** Operational leverage benefits are evident through PAT improvement, which grew from INR 49 mn to **INR 110 mn** (FY25). EBITDA expanded to INR 257 mn (FY25), maintaining healthy margins of 14.3%.

**Debt Coverage:** The company maintains **strong debt coverage**. Sources indicate total debt of INR 30 mn versus INR 65 mn quarterly PAT, or conservative total borrowings of INR 300 mn versus INR 65 mn quarterly PAT, providing healthy coverage ratios and financial flexibility.

**Margin Expansion:** Profitability is secured through strategic pricing revision mechanisms (annual or quarterly) tied to long-term customer contracts (3–15 years). The diversification into value-added segments, particularly cosmetics, targets net margins of 6.5–7.5%.

**Working Capital:** Working capital management is optimized through established customer payment cycles, inventory management, and supplier relationship optimization, supporting self-funded growth initiatives.

**Suntech Infra Solutions Ltd**

**Outlook:** FY26 positions Suntech as a well-capitalized infrastructure player following successful IPO deployment of INR 25 mn in new equipment and strategic talent acquisition from Engineers India Limited. The company's dual business model of civil construction and equipment rental provides operational flexibility and superior margins in the rental segment. With 30-35% revenue and PAT growth guidance backed by strong project pipeline and enhanced execution capabilities, Suntech is positioned to capitalize on India's infrastructure boom while maintaining asset-heavy competitive advantages.

**Company Background:** Established in 2009 with 15+ years of operational excellence in B2B construction services, Suntech operates across power plants, oil & gas, steel, cement, renewable energy, refineries, and petrochemicals sectors. The company went public in 2025 and has executed iconic projects including India's tallest ATC tower in Delhi, Faridabad Metro (95% foundation work), and Asia's largest temple in Bihar.

**Business Segments:** **Civil Construction** forms the primary business through turnkey foundation projects including Carson C2 piles, precast piles, sheet piles, micro piles, and compaction piles. The company provides comprehensive services for bridges, flyovers, industrial and commercial structures. **Equipment Rental** contributes 20% of revenue with superior margins, offering latest machinery with skilled manpower for operation and maintenance. The asset-heavy model provides optimization advantages and resource control.

**Post-IPO Expansion:** Strategic investments include INR 25 mn worth equipment delivery by November 2025 and INR 28 mn new contracts secured within two months post-listing. Leadership strengthening through appointment of three former Engineers India Limited executives (35+ years experience) and fractional CFO with 30+ years financial expertise. Dubai subsidiary launch planned for equipment rental business expansion.

**Financial Performance:** Ongoing projects worth INR 353 mn with current order book of INR 182 mn. Project execution timelines average 5-6 months with 80-90% completion expected in current financial year. Bidding pipeline exceeds INR 600 mn with expected 30-40% conversion ratio. Revenue primarily from private sector clients including Reliance, Adani, L&T, and MNC companies like Technimont, Toyo, Air Products, McDermott.

**Growth Strategy:** Management guides 30-35% growth in both revenue and PAT for current financial year with expectations to maintain similar trajectory over next 2-3 years. **Competitive advantages** include owned equipment providing resource optimization, repeat customer relationships, timely execution track record, and ability to offer integrated solutions both below and above ground for same customers.

**Market Positioning:** Strong presence across India with focus on power sector, refineries, and process plants showing strongest demand. The company benefits from infrastructure mega-projects including semiconductor plants, bullet trains, national highways, smart cities, and 50 new airports. Government eligibility achieved for direct contracts while maintaining strong private sector relationships.

**Operational Excellence:** ISO certified (9001, 14001, 45001) with established safety protocols and low employee turnover. Asset-heavy model enables better project control and margin optimization compared to asset-light competitors. Geographic flexibility allows pan-India project execution based on opportunity assessment.

**Sunteck Realty Ltd****Overview:**

The company has a strong footprint in luxury real estate, with projects spanning from ultra-luxury to aspiration luxury. The portfolio is diversified across various markets within the MMR (Mumbai Metropolitan Region), with a focus on Mumbai-based projects. The company emphasizes a strategy of maintaining a strong balance sheet and prudent capital allocation, which has resulted in a consistent growth trajectory.

**Financial Performance & Outlook**

**Pre-Sales & Collections:** The company reported pre-sales of INR 6570 Mn for the quarter, a 31% YoY growth. They have consistently achieved over 30% growth in pre-sales for the last five quarters. Quarterly collections were strong at INR 351 Mn.

**Balance Sheet:** The company maintains a strong financial position with a net debt-to-equity ratio of 0.02. It has also consistently maintained a debt-to-equity ratio close to zero or negative. The company holds a credit rating of 'Double A Stable' from India Ratings.

**Cash Flow:** The company has achieved a cash flow surplus yield of 20% over the past three years, with cash flow surplus consistently growing and now close to INR 5000 Mn.

**Business Development & Partnerships**

**New Project:** A new redevelopment project was announced in East, near the Western Express Highway, with a Gross Development Value (GDV) of INR 1,1000 Mn. The project has a development potential of 275,000 sq. ft.

**Annuity Portfolio:** The company has a potential to generate INR 3000 Mn in rental income over the next 3-4 years. Currently, two rental assets are operational, generating an annual revenue of INR 700 Mn.

**Partnerships:** The company has a successful history of partnerships with firms like Ajay Piramal Fund and currently has an equity partnership of INR 7500 Mn with IFC (World Bank Group), which is focused on land acquisitions.

**Project Portfolio & Key Highlights**

**Completed Projects:** The company has delivered 20 projects to date, with some key pioneering projects like Signature Island, Signia Isle, and Signia Pearl in BKC.

**Asset-Light Model:** The company has increasingly adopted an asset-light approach, entering into Joint Development Agreements (JDAs) and redevelopment projects to expand its portfolio with minimal investment.

**Dubai Project:** The company is currently working on a JV in Dubai with a local landowner for a project with a GDV of \$99 million. The company's share in the JV is 50%, and they expect a margin of over 35%. Sales are anticipated to be rapid, with a high-end product being developed. The launch is targeted for late this year or early next year.

**Upcoming Launches:** Key upcoming launches include:

**Nigam:** Another phase with a GDV of INR 3000 Mn planned for launch next month.

**Mira Road:** A third tower was launched in February 2025, with a fourth tower to follow.

**Regulatory Issues:** The company faced delays in projects like ODC due to an NGT (National Green Tribunal) issue related to construction in eco-sensitive regions. This issue has now been resolved.

**ESG:** The company takes ESG seriously, achieving a score of over 95 with GRESB) and receiving a sector leader award.

**Suprajit Engineering Ltd**

**Outlook:** FY26 will be a consolidation year as the company focuses on stabilizing recent acquisitions and driving operational efficiencies. Medium-term growth visibility remains strong, driven by aftermarket, EV-related electronics, and braking products. Suprajit is well placed to deliver double-digit revenue growth with a margin recovery to 14–15% by FY27–28. Execution on integration, cost optimization, and scaling new products will be critical to unlocking the next leg of value creation. We have Buy rating on the stock with TP INR 519.

**Company Overview:** Suprajit Engineering, founded in 1985 and listed on NSE/BSE since 2003, is the largest automotive cable manufacturer in India and among the top two globally. Over four decades, it has built a strong domestic and global footprint through organic growth and acquisitions. The company now operates 18+ plants in India and multiple overseas facilities across the US, UK, Europe, China, Mexico, Morocco, Canada, and Hungary. Its customer base includes leading Indian OEMs such as TVS, Hero, Bajaj, and Honda, along with global names through Suprajit Europe and Phoenix Lamps. FY25 revenues were ~INR 3,300 crore.

**Business Mix:** The Cables Division remains the backbone of the company, supplying over 80–90% of requirements for leading Indian OEMs and maintaining a strong global export presence. Phoenix Lamps, acquired in 2015, contributes ~INR 400 crore revenue with ~15% EBITDA margins, driven largely by aftermarket sales in India and Europe. The Electronics & Technology Products portfolio, built via Suprajit Tech Center (STC), focuses on drive-by-wire systems, electronic throttles, clusters, sensors, and braking systems for EVs and advanced mobility. The Non-Automotive Cables business, via Westcon and other subsidiaries in the US/Europe, remains under scale-up mode, targeting medical and consumer applications.

**Acquisition:** Suprajit has consistently used acquisitions to expand its scale and global reach. Key deals include CTP Gills (UK) and Suprajit Automotive (India) in 2006–2016, Phoenix Lamps (2015), Westcon Controls (US, 2016), LDC Lamps (2022, plants in China/Hungary/Mexico/US), and SCS/Starsmith Cables (2024, plants in China/Morocco/Canada with German marketing presence). The strategy remains consolidation-focused, targeting distressed competitors to access new customers, aftermarket networks, and low-cost manufacturing.

**Growth Drivers:** EV transition offers significant opportunities, as cable requirements remain intact while new products such as electronic throttle controls, clusters, and actuation systems emerge. Aftermarket expansion is another strong lever, particularly in halogen lamps where few global manufacturers remain. Suprajit's geographic diversification across low-cost locations like Morocco, China, and Mexico provides cost and logistical advantages. New product initiatives in braking systems, sensors, and electronics via STC, including partnerships such as Blue Break, enhance long-term growth potential.

**Margin:** Have been under pressure post the LDC (2022) and SCS (2024) acquisitions, with consolidated EBITDA slipping from ~14–15% to ~12%. Plant inefficiencies in Morocco and Hungary and legacy contracts at lower pricing remain drags. Phoenix Lamps growth has been below expectations, although aftermarket demand supports stability. Non-auto cables are scaling slower than expected in medical/consumer spaces. Macro volatility in Europe and the US adds further uncertainty, though tariff impacts in North America are largely customer-absorbed.

**Guidance:** Management is guiding for double-digit revenue growth, led by acquisitions and organic expansion. EBITDA margins are expected to recover gradually, reaching 14–15% once the newly acquired operations stabilize. In the near term (FY26), margins are likely to remain in the 12–13% range. Over the medium term (FY27–28), efficiency improvements, higher-margin new products, and aftermarket growth in Phoenix should enable recovery to mid-teen margins.

The company operates in a concentrated global landscape with Hilux as a key peer. Its wide OEM coverage, multi-continent manufacturing footprint, and low-cost base provide meaningful differentiation. Relationships with domestic OEMs are deep, with near 100% share at TVS and ~90% share at Hero, Bajaj, and Honda, while global penetration is expanding to marquee clients like Tesla and BYD. Beyond acquisitions, selective technology collaborations—such as Blue Break in braking add to its competitive strength.



**Supreme Facility Management Ltd**

**Outlook:** Supreme Facility Management's diversified portfolio, strong client relationships, and technology-enabled service delivery position the company to capitalize on India's facility management sector growth. While working capital intensity and competitive pressures present challenges, the company's transformation toward solution-provider model and focus on higher-margin segments support sustainable growth and profitability expansion.

**Business Model & Service Portfolio****Integrated Facility Management (IFM) - Core Revenue Driver**

Supreme's largest segment contributes 63% of total revenue with a healthy CAGR of 27%. The IFM vertical encompasses both soft services (housekeeping, garden maintenance, facade cleaning) and hard services (mechanical, electrical, plumbing, HVAC maintenance), delivering comprehensive infrastructure management solutions. The segment operates with 8-9% gross margins, aligning with industry benchmarks while maintaining operational efficiency through technology integration.

**Employee Transportation Services (ETS) - High-Margin Growth Engine**

The ETS vertical represents 22% of revenue and demonstrates superior margin profile with 15% gross margins. The company operates a fleet of 650 vehicles ranging from 13-seater to 55-seater configurations, providing dedicated nodal pickup-drop services. Contract structures typically span 5 years due to capital expenditure requirements, ensuring revenue visibility and client stickiness. The segment benefits from mandatory transportation provisions under shops and commercial establishment acts, particularly for female employees during night shifts.

**Supply Chain Management (SCM) - Rapid Expansion**

Despite contributing only 7.5% of revenue, SCM showcases impressive 25% CAGR. The company manages end-to-end warehouse operations including inbound-outbound activities, inventory management, and dispatch operations. This segment capitalizes on India's logistics infrastructure development and global supply chain disruptions that favor domestic providers.

**Production Support Services (PSS) - Unique Value Proposition**

Contributing 4% of revenue with steady 5% CAGR, PSS represents Supreme's most distinctive offering. The company assumes complete responsibility for client production activities on a per-piece rate basis, maintaining 85%+ productivity levels. This unique model involves owning factory licenses within client premises while clients retain quality control and dispatch functions, creating substantial barriers to entry and 13-14% gross margins.

**Corporate Food Solutions (CFSS) - High-Growth Potential**

Though representing 4% of revenue, CFSS exhibits exceptional 49% CAGR growth. The company operates two centralized kitchens with 7-10 kilometer delivery radius, supplemented by on-site food preparation at client facilities.

**Client Portfolio & Market Position**

Supreme maintains 160+ clients with exceptional 22-23 years average tenure. Marquee relationships include 40 years with Tata Motors, 27 years with Infosys, 25 years with Mercedes-Benz, and 14 years with Volkswagen. The company achieves 90% client retention rate with 95-97% AAA-rated MNC clients in private sector.

Top 10 clients contribute 61% of revenue, with management targeting reduction to 50% over time. This concentration reflects deep relationships with large corporations while the company pursues diversification through smaller client additions. Recent quarters show 12-13 new client acquisitions supporting 25% incremental growth.

**Geographic Expansion**

Beyond strong Western India presence, Supreme has established operations in Chennai, Bangalore, and Hyderabad. This South India expansion provides access to technology hubs and manufacturing centers, diversifying geographic risk while capturing high-growth markets.

**Technology Integration & Competitive Differentiation**

Supreme is transitioning from service provider to solution provider, offering end-to-end integrated solutions tailored to client needs. This strategic shift incorporates AI, digitization, automation, and data analytics to enhance service efficiency and create competitive moats.

The facility management sector is experiencing transformation through IoT integration, smart building systems, and predictive maintenance. Supreme's technology adoption aligns with industry evolution toward data-driven decision making and automated service delivery.

Supreme has deployed EV buses for clients, supporting sustainability objectives. The company emphasizes environmental footprint reduction and green practices across facilities, responding to increased ESG compliance requirements from corporate clients.

**Industry Dynamics & Growth Drivers**

India's facility management market is projected to grow at 11.10% CAGR from 2025-2033, reaching USD 6.66 billion by 2033. The integrated facility management segment specifically shows 36.12% CAGR with outsourcing penetration increasing from 39% in 2023 to 50% by 2029.

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Corporations increasingly focus on core activities while outsourcing non-core functions to specialized providers. Post-pandemic emphasis on workplace hygiene, safety standards, and employee wellbeing has accelerated facility management adoption. Government initiatives including Smart Cities Mission and infrastructure expansion create substantial opportunities for facility management providers. Rising commercial real estate, hybrid workspaces, and industrial development support sustained demand growth.

**Risk Factors & Challenges**

The facility management sector faces numerous unorganized players providing basic services through manpower supply. Supreme differentiates through integrated solutions and technology adoption, though pricing pressures persist. Recent market entrants like Krystal Integrated Services increase competitive intensity.

Extended receivables cycles and manpower-heavy operations create significant working capital requirements. Interest costs on INR 1,150 Mn debt at 8.1% impact profitability, though management expects margin expansion to offset financing costs.

Despite efforts to reduce concentration, top 10 clients represent 61% of revenue. Loss of major clients could significantly impact financial performance, though long-term contracts and high switching costs provide protection.

**Management Guidance & Strategic Outlook**

Management confirms 25% CAGR guidance with revenue doubling in 3.5 years. This projection assumes continued client acquisition, geographic expansion, and market share gains in India's growing facility management sector.

EBITDA margins targeted to reach double digits through operational efficiency improvements and higher-margin service mix. Production support services and employee transportation command superior margins, supporting this objective.

Working capital requirements will be funded through internal accruals and additional debt. Vehicle financing for employee transportation expansion continues with potential exploration of lease models to optimize capital efficiency.

**Supreme Power Equipment Limited Concall KTAs**

Management considers the current EBITDA margin of 16-17% to be sustainable. They do not anticipate significant expansion in the near term as increased overheads from talent acquisition may offset the slightly higher margins (1-2%) from larger transformers. The PAT margin is guided to be in the 10-13% range. With increased government investment in the power sector and a 40-50% increase in product prices post-pandemic, the company's margin has improved significantly. Post-capex, total borrowings are expected to be around INR 500 Mn, comprising ~INR 400 Mn in long-term debt and INR 110 Mn in short-term working capital facilities.

**Operational Highlights**

The current unexecuted order book stands at INR 2.34 Bn H1FY26. This is a significant increase from the INR 1.68 Bn order book reported at the end of Q1FY26.

The order book is well-diversified with ~51% coming from government entities and 48% from the private sector.

**Order Pipeline & Win Rate**

The company has a robust pipeline, having submitted bids for tenders worth INR 7-8 Bn. Management expects a typical win rate of 10-15% on these bids.

Executing around 60-70% of the current INR 2.34 Mn order book by FY26E.

The company sources all its raw materials and components indigenously and has no import dependency on China, mitigating geopolitical supply chain risks.

**Industry Update**

Company expects large-scale government investments in the power sector and rapid capacity additions in renewable energy, particularly solar.

Every 1 MW of new power generation capacity, a minimum of 3 MW of transformer capacity is required for transmission and distribution.

**Capex & Expansion Plans**

An INR 800-850 Mn expansion project is underway, which will increase the annual manufacturing capacity nearly fourfold from 2,500 MVA to 9,000 MVA.

The entire project is expected to be completed by Dec-25, with trial runs in the same month and commercial production commencing from Jan-26.

The new facility will cater to both existing product lines and will have a strong focus on manufacturing larger power transformers (above 50 MVA and up to 220kV). There are future plans to upgrade capabilities to manufacture up to 400kV transformers in a second phase.

At peak utilization, the total installed capacity from new + old can generate revenues of INR 5.50-6 Bn.

Management expects to achieve this peak utilization within 2-3 years post-commissioning i.e., by FY28E. The ramp-up will be gradual as it requires new vendor approvals from major clients like PGCIL, a process that can take 6-8 months.

**Other Specific Topics**

The company has significantly improved its receivable cycle, reducing it from a high of 190 days to a more efficient 80-100 days. They also receive 10-30% advances from private sector customers.

The company is in early-stage discussions for a potential acquisition. Additionally, a fundraise may be considered in FY27E to support future growth, but there are no plans for the FY26E.

**Guidance**

Revenue is projected to be INR 2+ Bn in FY26E, a significant jump from INR 1.48 crores in FY25. This includes a partial contribution from the new capacity in Q4.

For FY27E, Management guides for a 30% YoY growth over the FY26 base with aims to achieve a topline of INR 5.50-6 Bn in FY28E.

**SURAKSHA DIAGNOSTIC LIMITED**

**Outlook:** Suraksha Diagnostic demonstrates compelling growth potential through its unique polyclinic-integrated business model and focused Eastern India expansion strategy. The company's differentiated approach of integrating 1,600 doctors within its centers creates strong prescription capture and patient loyalty—a competitive moat that is difficult to replicate. Strategic concentric expansion within Eastern India, combined with selective acquisitions, provides sustainable growth visibility. Strong center-level economics with mature facilities achieving 38% EBITDA margins and rapid break-even timelines (34 months for small centers) underpin robust profitability expansion, with management targeting 35% consolidated EBITDA margins as newer centers mature.

**Business Model & Strategic Differentiation**

Suraksha Diagnostic operates an integrated diagnostics platform established in 1992, uniquely positioning itself through polyclinics embedded within diagnostic centers. This model integrates approximately 1,600 doctors practicing within the company's premises across pathology, radiology, and specialty services. The strategic focus on "owning the prescription" creates firstmover advantage and strong customer stickiness, differentiating from competitors like Dr. Lal PathLabs who operate collection-only models. The company collects consultation fees on behalf of doctors, retaining 15% as management charges while ensuring captive diagnostic test flow, generating higher revenue per patient through integrated consultation and diagnostic services compared to pure-play diagnostic providers.

**Center Economics & Expansion Framework**

Suraksha operates three standardized center formats with proven economics and predictable returns. Small centers (INR 1520 mn capex) achieve EBITDA breakeven in 34 months with 2 year payback periods, while medium centers (INR 3540 mn capex) reach breakeven in 67 months with 34 year payback. Large centers (INR 100 mn capex) achieve breakeven in 810 months with 56 year payback periods. The company targets organic addition of 1215 centers annually, with mature centers demonstrating 38% EBITDA margins providing clear visibility for consolidated margin expansion as 75% of centers achieve maturity.

**Geographic Strategy & Market Leadership**

The company's expansion follows a disciplined "concentric circle" approach, deepening penetration within Eastern India before geographic diversification. Core markets include West Bengal (with North 24 Parganas generating over INR 1 bn revenue from 25+ centers serving 1 crore population), North Bengal, Northeastern states, Orissa, and Bihar. Inorganic growth strategy targets local brand acquisitions to establish footholds in new states, leveraging existing brand trust and local market knowledge while enabling rapid scaling through established infrastructure across 100+ cities with significant scope for market share expansion within core geographies.

**Financial Performance & PPP Strategy**

FY25 performance demonstrated strong fundamentals with revenue of INR 2.55 bn and 33% EBITDA margin, targeting improvement to 35% as center portfolio matures. The comprehensive test menu spans pathology, radiology including high-end imaging, and genomics through the only such facility in Eastern India, with radiology contributing nearly 50% of revenue stream. Suraksha selectively participates in Public-Private Partnership tenders, viewing government contracts as strategic necessity for regional market leadership while maintaining disciplined approach due to extended payment cycles and government-mandated pricing constraining margins.

**Technology Investment & Future Outlook**

The company invests in digital patient engagement through mobile applications and online booking platforms, while satellite laboratory network ensures sample processing within 3-hour timelines maintaining quality standards across geographic footprint. Post-IPO listing in November 2024 provides growth capital for organic and inorganic expansion initiatives, with strong balance sheet supporting planned center additions and strategic acquisitions. Eastern India's underpenetrated diagnostic market with limited organized competition creates favorable operating environment, while healthcare awareness increases across target demographics driving structural demand growth for diagnostic services, positioning Suraksha for sustainable mid-teens revenue growth with improving margins over the medium term

**Suryoday Small Finance Bank Ltd**

**Outlook:** 30–35% growth is expected in advances in FY26. The bank plans to maintain a balanced loan mix, targeting 55% of the book in secured assets by FY26–27, while continuing inclusive finance in a more risk-controlled way. Asset quality is improving, with collection efficiency at 98–99% and slippages expected to reduce further in coming quarters. NIMs are expected to stabilize at 8–8.5% once older NPAs are written off and CGFMU claims of ~INR 500 crore are realized.

**Business & Growth Outlook**

Currently has an asset size of ~INR 10,000 crore, and expects 30–35% growth in advances in FY26.

Secured assets are expected to grow by 20% annually, while inclusive finance continues to be the key growth driver. The bank is targeting a RoA of 1.4–1.5% for FY26.

By FY26, it is aiming for 55% of its loan book to be secured, and ratio should remain steady through FY27.

**Asset Quality**

Collection efficiency has improved significantly, with Vikas loans at 99% and JLG/MFI loans at 98%+ in recent months.

Slippages in Q1 were ~INR 270 crore, which are expected to reduce to INR 220 crore in Q2 and further decline in Q3 and Q4.

Credit Cost expects to reduce as new portfolios (post-November 2024) are performing better than older books.

Management has implemented guardrails such as limiting unsecured loans above INR 25,000 per borrower to manage credit risk.

**Capital & Cost Structure**

The bank's CAR is at 25%, providing strong headroom for growth. Capital raising is not an immediate requirement and may be considered only after 2 years if growth sustains.

~30% of the bank's cost structure is corporate overheads, largely from IT and compliance, which will provide operating leverage as the bank doubles in size.

The cost of liabilities is well managed, with the bank maintaining less than 100 days' cost of liability portfolio.

**Technology & Fintech Partnerships**

Works with 7 fintech partners and 4 payment banks, including Paytm, Mobikwik, MoneyView, KreditBee, and Indifi. It has onboarded 9.5 lakh customers through fintech partnerships since inception.

Recently, the bank launched Credit on UPI with Paytm, offering credit lines that work like credit cards across the UPI ecosystem.

Processed 1.8–1.9 crore UPI transactions, ranking 15th in NPCI's Payee PSP category with ~5.4 crore transactions.

~30% of operating expenses are IT and digital spends, with investments in middleware and microservices enabling BaaS.

**Profitability & NIMs**

Current NIMs look optically lower due to high GNPA, but once CGFMU claims and write-offs are realized, NIMs are expected to stabilize at 8–8.5%.

CGFMU reimbursements are significant, with INR 500 crore expected claims against inclusive finance NPAs. Already, INR 32 crore (last year) and INR 51 crore (this year) have been received.

**Other Highlights**

The JLG model is evolving, with ~25% of customers never taking a second loan and 30%+ already shifting to retail loans. There are 20+ lenders in 90% of districts and 30+ lenders in 70% of districts, making MF more competitive and convenience-driven.

The bank sees opportunity in Bihar and Uttar Pradesh for expansion, while remaining cautious in Karnataka due to stress in micro-mortgage loans.

Gold loan business is slowing down, with yields compressing from 24–25% earlier to 18–19% now, and 75% market share now dominated by PSUs.

Strategy is to serve underserved and unserved customer segments, with over a 100 crore Indians still under penetrated for financial services.

80% of deposits are retail. The bank has acquired 70,000+ digital deposit customers, with an average ticket size of INR 1.5 lakh per FD.

The bank follows a lean branch model, with 4–5 member teams per branch and no high-cost structures like ATMs or lockers.

Suyog Telematic Ltd**Investment Thesis & Growth Drivers**

Suyog Telematics Ltd is positioned for sustained high growth, supported by visible large-scale rollouts from BSNL and Vodafone Idea (Vi), complemented by technology upgrade projects from Bharti Airtel and Jio. The company's niche positioning focusing on lower-cost sites and underserved markets keeps it insulated from direct competition with larger infrastructure providers while preserving its industry-leading margins. With confirmed order visibility, a robust capex pipeline, and promoter commitment to funding, Suyog is targeting significant expansion in both tenancies and revenue over the next two years.

**Forward-Looking Outlook****Operational Rollouts & Expansion Plans**

Management reiterated strong visibility of new orders, led by BSNL's proposal for 21,000 sites and Vi's declared rollout program. Suyog is targeting the addition of 5,000-7,000 sites in FY26, with a similar buildout in FY27, effectively doubling current tenancy levels (~7,000) by end-FY27. The bulk of this expansion is expected between October and March (Q3-Q4 FY26), when both BSNL and Vi are scheduled for heavy rollouts.

Importantly, Suyog is positioned as a key partner on BSNL's IP-1 model and expects a large order confirmation by mid-October. Management also indicated upcoming orders from Vi in new circles such as West Bengal and Hyderabad. On the technology side, the company is executing upgrade work on battery banks and power systems for Bharti Airtel and Jio, opening incremental revenue streams. While unconfirmed, there is industry chatter around a potential Jio rollout post-Diwali, which could provide upside beyond existing guidance.

**Financial Guidance & Margin Outlook**

The company is guiding for revenues of INR 240-250 crore in FY26, lower than its earlier INR 320 crore estimate due to delayed rollouts from operators. However, these revenues are expected to spill into FY27, positioning the company for a stronger growth trajectory. Over a two-year horizon, Suyog expects to double its revenues, with the full benefit of new tenancies (7,000-8,000 additions) flowing into FY28.

EBITDA margins are projected to remain robust in the 65-70% range, while PAT margins should sustain at 32-35%. Revenue per tenancy is expected to stabilize at INR 25,000-26,000 per tower per month, with incremental tenancies contributing 80-90% of additional revenue due to the operating leverage of shared infrastructure. Long-term agreements, typically 10-15 years with a 10-year lock-in and an annual 2.5% escalation, ensure revenue visibility and stability.

**Capex & Funding Strategy**

For its planned rollout of 8,000 towers/10,000 tenancies over FY26-27, Suyog estimates a total capex of ~INR 800 crore, with INR 400 crore allocated for FY26. Funding is secured via a mix of internal accruals (~INR 150 crore), bank debt (~INR 150 crore), and promoter equity infusion through warrant conversion, providing visibility for ~INR 350 crore of capital this year. Promoters have indicated their intent to fully subscribe to warrants, strengthening the funding pipeline.

Should rollout volumes exceed targets, management is prepared to evaluate additional equity or debt to fund accelerated growth.

**Long-Term Growth Verticals**

Management highlighted Fiber-to-the-Home (FTTH) as a key growth vertical, with significant potential over the next three to four years. The company aims to double its fiber network in two years and is also open to inorganic growth opportunities by acquiring smaller infrastructure providers. Such acquisitions would be focused on strengthening weaker circles (e.g., Delhi) and enhancing tenancy opportunities with Vi and BSNL.

**Operational Efficiency & Risk Management**

Receivables have improved sharply, and management expects further progress, particularly with BSNL, where government-backed funding has reduced concerns around delayed payments. Cost optimization efforts, particularly in procurement, are expected to yield benefits as higher rollout volumes allow better supplier negotiations.

The tenancy ratio for small cells, currently at 1.1, is projected to rise to 1.4-1.5 once BSNL's 5G rollout gathers momentum. On industry risks, management dismissed any significant impact from satellite operators like Starlink, citing cost and latency barriers in the Indian market. Instead, there may be incremental revenue upside if such players leverage Suyog's tower infrastructure for hop networks.

Depreciation is maintained at 18% under the Straight-Line method, with towers having an estimated useful life of 30-40 years, underlining the longevity of the company's core assets.

**Conclusion**

Suyog stands out as one of the few infrastructure providers with secured visibility of orders from BSNL and Vi, niche market dominance, and strong promoter support. With tenancy additions set to double in two years, high-margin contracts locked in for the long term, and scalable funding in place, the company is positioned for transformational growth through FY27 and beyond.

Swasthik Plascon Ltd

**Outlook:** The company targets 15%+ revenue growth in FY26 and beyond, higher than India's 10% PET industry CAGR, by boosting capacity utilization from 60-70% to 80-85% and adding economies from an 8 MW solar power project commissioning in 3-4 months to cut power costs. They plan to hit 70% utilization in FY26 and further in FY27, with potential revenue of INR 2,000 Mn at full capacity.

**Company Overview**

Swasthik Plascon is a Pondicherry-based manufacturer of PET products started in 2007 as two partnership firms to make shorter-neck designs that cut material use.

Operates 4 factories with 1,300 tons/month installed capacity producing 200+ PET items like preforms, caps, bottles, and jars for water, beverages, pharma, edibles, FMCG.

**Capex**

Heavy in last 2 years for expansion; solar to reduce power costs substantially. Utilization at 60-65% now, aiming higher for better economies.

**Segment:****Packaged Mineral Water (40-45% revenue):**

High-volume started with shorter necks to cut grammage/costs; supplies preforms and caps; consistent demand but lower margins.

**Beverages (Alcoholic/Non-Alcoholic):**

Non-alcoholic (juice/soda) since 2011; alcoholic (liquor) well-accepted in South India (except Tamil Nadu ban); compression caps for tight seals; 15% revenue.

**Containers/Jars (~10%):**

For edibles (oil, ghee), shirts (exports from Tirupur), etc; new variants like ghee jars in Covid; exported well.

**FMCG (~5-7%):** Dishwash, shampoo bottles; plans to expand into HDPE cosmetics for better margins.

**Growth Outlook & Strategic Vision**

FY26: 15%+ growth to ~ INR 1,650 Mn via higher utilization to 70%, new variants, solar cost savings; stabilize new factory (adds 90-100 tons/month); explore rPET for sustainability.

Medium-term (FY27+): Push to 80-85% utilization; add machines/molds as power supply allows; diversify to HDPE/FMCG cosmetics; tap milk and Tamil Nadu liquor (cost-driven shift from glass).



**Tamilnad Mercantile Bank****Growth and Business Strategy**

Management is repositioning TMB to deliver accelerated growth from H2 FY26, with technology and process automation as the foundation before scaling.

Deposit Growth: Bank expects deposits to grow in line with or slightly ahead of market growth this year.

CASA Focus: Transaction Business Group (TBG) initiatives and renewed MSME push are expected to lift CASA share, helping sustain NIMs at current levels.

MSME & Retail Expansion: The RAM (Retail, Agri, MSME) focus, supported by FIN1 and the automated Business Rule Engine (BRE), should start showing results in Q3 FY26, with a more visible impact in Q4.

Home Loans: Salary-class focus and builder tie-ups are expected to start contributing meaningfully from H2 FY26.

Gold Loans: Retail consumption loans may slow marginally due to RBI rule changes, but overall gold loan portfolio (including agri) is expected to maintain healthy growth.

**Technology & Transformation Timeline**

FY26 is being positioned as a transition year, with the bulk of investments in IT and process overhaul setting the stage for growth.

Vendor Management System (VMS): Fully implemented; productivity gains expected from Q3.

Loan Systems: Loan Management System (LMS) and Loan Origination Software (LOS) for MSME/schematic lending to launch in early October (pilot), with full rollout by end-October.

Automated Sanctions: BRE to automate sanctions up to INR 50 lakh initially, with higher limits to follow once proven.

IT Leadership: New IT head joining next month; two VPs (including one CTO) to join in October.

IT Spend: FY26 IT outlay pegged at INR 225 crore (INR 125 crore to be capitalized).

Outcome: Transformation is expected to unlock productivity and position the bank for faster loan growth from FY27 onwards.

**Financial & Efficiency Metrics**

NIM: Current NIM of 3.84% is being defended, with FY26 target at 3.85%. Management expects to sustain ~3.80% into FY27.

Cost-to-Income Ratio: Despite heavy tech investments, C/I expected to remain below 50%, with ambition to stay in the 40s.

Profitability Cushion: With 108% collateral coverage on NPAs and INR 370 crore in provisions, management expects write-backs to add to profits once resolutions materialize.

**Asset Quality and Risk**

GNPA Target: Bank aims to hold GNPA steady at ~1.25% in FY26 and FY27, even as loan book expands.

Absolute NPAs: Expected to tick up marginally due to higher disbursements.

Sector Watch: Textile exposure (~INR 3,600 crore) and shrimp (~INR 600 crore) are being monitored, but no visible stress currently; shrimp exporters diversifying away from US to Japan and Europe.

**Branch Expansion & Capital Utilization**

FY26 Expansion: 51 new branches planned (10 already operational; 41 managers appointed).

FY27 Aggression: Once transformation is complete, management signals a sharper branch rollout to deploy its high capital adequacy ratio (32%), considered an underutilized buffer.

Capital Efficiency: Expansion is seen as a lever to lift Return on Equity (ROE) over the medium term.

**Summary**

TMB's FY26 will be an investment year, with heavy tech and process upgrades laying the foundation for growth.

Earnings traction is likely to improve from Q3 FY26 as CASA gains, MSME push, and system automation kick in.

Sustained NIMs (~3.8%), controlled GNPA (~1.25%), and a sub-50% C/I ratio provide downside protection, while branch expansion and capital deployment offer long-term ROE upside.

**Tanla Platform Ltd**

**Strong Market Position & Business Model:** Tanla remains the market leader in CPaaS with ~35–40% domestic market share, operating across two synergistic verticals – Platforms (innovation-driven, regulator-led solutions) and Enterprise (scale-driven, predictable, recurring revenue). Customer stickiness remains high with ~95% retention, supporting stability and visibility.

**Shift to AI-Native Platforms:** A strategic pivot is underway as all platforms become AI-native, addressing critical industry issues like anti-spam and anti-scam. The Indonesia telco deployment (August 2025) validates early traction, with further Southeast Asia and Middle East rollouts in pipeline. The Wisely ATP platform, now strengthened by AI, is positioned to drive incremental enterprise use cases.

**Enterprise Business Momentum:** Enterprise revenue continues to scale, with SMS volumes steady despite pricing pressure. Growth is increasingly driven by OTT channels (WhatsApp, RCS), which now contribute ~30% of enterprise revenues and are expanding faster than legacy SMS. Competitive intensity remains but Tanla has secured strong positioning, being recognized as “Partner of the Year” by both Meta and Google.

**International Expansion:** Indonesia is emerging as a key growth lever with RCS and AI-native anti-scam deployments. Management is prioritizing regional expansion in Southeast Asia and Middle East before targeting developed markets like the U.S. Inorganic expansion remains an option, but Tanla will be selective in identifying strategic assets that accelerate presence.

**Margins & Pricing:** Enterprise gross margin had seen recent pressure, though management believes pricing has stabilized both domestically and globally. Volume recovery should aid operating leverage, and internal aspiration remains to deliver 20% EBITDA CAGR. Expansion of high-value AI-native platforms and OTT penetration expected to support margin recovery over the medium term.

**Growth Levers Ahead:**

**Domestic:** Cross-sell/upsell to existing enterprise customers, with deeper AI-led solutions and expanded use cases.

**International:** Scale-up of platform deals in Indonesia and entry into new Southeast Asian and Middle Eastern markets.

**Technology:** Acceleration of AI-native innovations (anti-spam/scam, Wisely ATP) with regulatory and partner-driven adoption.

**Financial Strength:** Debt-free, ~INR 2,000 cr cash reserves provide ample capacity for both organic and inorganic growth.

**Outlook:** Tanla is entering a new growth phase, pivoting from messaging-led revenues to an AI-native platform leader. Revenue is expected to grow in the mid-teens to 20% CAGR over FY25–27, led by OTT adoption, AI-led platform monetization, and international scale-up in Southeast Asia. Margins should improve gradually as pricing stabilizes and platform leverage kicks in, with EBITDA margin guided toward 20%+ medium term. Strong cash reserves, high customer retention, and differentiated positioning with global tech giants (Meta, Google) reinforce long-term growth visibility. Key monitorables remain international execution pace, OTT mix expansion, and margin recovery trajectory.

**Tara Chand Infralogistic Solutions Ltd**

**Outlook:** Tara Chand Infralogistic Solutions Limited delivered its strongest first quarter performance to date in Q1 FY26, demonstrating robust operational leverage and strategic positioning in India's infrastructure and industrial sectors. The company reported record-breaking revenue of INR 617 mn (31% YoY growth) with strong EBITDA expansion to INR 231 mn (45% YoY growth), achieving an impressive EBITDA margin of 37.4% (370 bps improvement). With an order book of INR 1,572 mn executable within FY26 and aggressive capex plans targeting 20-30% annual growth, the company appears well-positioned to capitalize on India's infrastructure boom across cyclical recovery phases.

**Capital Expenditure and Fleet Expansion Strategy**

Tara Chand completed capex of INR 350 mn in Q1 FY26, adding 7 cranes to achieve a total fleet size of 375 machines with gross block value of INR 4,548 mn. The company has completed INR 630 mn of capex from April to August 2025 against the full-year target of INR 1,000 mn, indicating strong execution momentum. Management emphasized their focus on larger tonnage cranes to maintain competitive positioning and serve high-value specialized contracts.

The equipment rental segment maintained healthy capacity utilization at 83% with average gross monthly rentals of 3% compared to 2.98% in the previous year. Management highlighted that industry benchmark yields typically range from 2.2-2.5%, providing room for yield optimization while their current 3% yields demonstrate superior asset deployment efficiency.

**Business Strategy and Market Positioning**

Within the equipment rental segment, rural and urban infrastructure contributed 35% of revenue, cement sector 26%, metals and minerals 24%, power 5%, and petrochemicals 4%. The company has strategically entered the renewable energy sector, contributing 6% of equipment rental revenue in Q1 FY26 with a target of reaching 15% contribution during the current financial year. Management emphasized their sector-agnostic equipment procurement strategy, focusing on machines usable across multiple industries to maximize deployment flexibility.

The company has pivoted toward specialized service contracts within equipment rentals, generating INR 35 mn revenue in Q1 FY26 with 19% EBITDA margins. Management targets INR 400-450 mn contribution from specialized services in FY26, up from INR 310 mn in FY25, aiming for 25% EBITDA margins. This shift represents a strategic move toward higher-margin, recurring revenue streams with enhanced value proposition to clients.

Tara Chand secured a significant 4.5-year contract worth INR 815 mn from Steel Authority of India Limited (SAIL) for their largest warehouse in Dankuni, West Bengal. This contract, commencing in Q3 FY26, provides strategic entry into Eastern India's warehousing and transportation segment with expected monthly revenue contribution of INR 10-15 mn.

**Equipment and Technology Infrastructure**

The company procures larger capacity cranes (150 tons and above) primarily from Chinese manufacturers including SANY, XCMG, and Zoomlion, which are not yet manufactured in India. For warehousing operations and smaller capacity requirements, they utilize equipment from Action Construction and Escorts for pick-and-carry cranes up to 40 tons. The company also operates rubber tire gantry cranes manufactured by MJack Shuttle Lift and other US-based manufacturers for specialized applications.

Management follows a disciplined equipment churning policy, typically replacing machines every 8-10 years despite the 20-year operational lifecycle of larger cranes. This strategy ensures technological relevance and optimal client service while maintaining fleet efficiency. The company's average fleet age of 6-7 years reflects balanced acquisition and replacement cycles.

**Market Dynamics and Competitive Positioning**

Management identified approximately 10 organized players in their competitive space, primarily competing on project-based opportunities rather than equipment-specific segments. The company differentiates itself by focusing on listed clientele requiring statutory compliance and vendor registration processes, creating natural barriers against unorganized players. Their long-term client relationships, including 20 years with Larsen & Toubro and 12 years with Reliance Industries, demonstrate sustained competitive moats.

80-85% of revenue comes from repeat customers, providing stable revenue visibility. The company serves major clients across sectors including Ultratech, JK Cement, Shree Cement in cement; Adani Renewable in renewable energy; and various infrastructure giants. Management emphasized their focus on maintaining relationships with quality clients to ensure margin sustainability and payment reliability.

**Financial Structure and Risk Management**

The company maintained a controlled debt-to-equity ratio of 0.92 with healthy net cash flow from operations of INR 162 mn in Q1 FY26. Interest coverage ratio remains robust at 5.0x, though slightly down from 5.6x in FY25, reflecting increased secured term loans for asset acquisition. Management utilizes a mix of internal accruals, debt, and supplier credit for capex funding.

The company benefits from supplier credit arrangements with OEMs, which initially appear under fixed asset creditors before converting to debt. Management noted that OEMs' lower cost of funds compared to Indian companies enables favorable credit terms, supporting their fleet expansion strategy. The company works with three different OEMs to maintain supply chain diversification.

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**Tata Communication Ltd**

**Outlook:** Aims to double its data revenues by FY28, with nearly half already coming from digital services, including cloud, security, AI-enabled offerings, and collaboration solutions. Management has guided for EBITDA margins in the 23–25% range by FY28, supported by improving profitability in the digital portfolio, which is currently loss-making but showing early signs of recovery. Growth will be driven mainly by cloud, security, and next-gen connectivity solutions, while core connectivity is expected to remain a low-growth segment. The company is targeting a net debt-to-EBITDA ratio below 2x. International markets are expected to contribute incrementally more to revenues.

**Guidance**

ROCE improved from 8% earlier to ~28–29% in FY23, before recent investments caused a temporary dip. EBITDA margins improved from single digits to 28–29% on the data side, with a blended margin of ~25%. Ambition to double data revenues by FY28 (originally FY27).

Digital portfolio currently has negative EBITDA margins of about –9%, but the aim is to reach 11% margins over time.

**Capex and Debt**

Annual capex is consistently in the range of USD 200–300 Mn, with ~2% of sales as maintenance capex and the rest being growth capex including spending on new cables, platforms, software, GPUs, and customer-driven deployments.

The company targets a net debt-to-EBITDA ratio below 2x in the medium term.

Focus is on maintaining ROCE above 25% once digital portfolio investments start yielding returns.

**Growth Drivers & Investments**

Key growth will come from cloud and security fabric, next-gen connectivity, and AI-enabled platforms. The company has invested in 1,000 GPUs for its AI Cloud (Vayu AI) to cater to government demand for large language models and enterprise AI adoption.

New products like Calera.ai and Vayu AI Cloud are part of strategic bets, though current revenue traction is limited; management expects gradual scaling.

Collaboration and interaction solutions (CCaaS, UCaaS, CPaaS) are also gaining traction, with low-margin deals being phased out to improve profitability.

Recent product launches like Cloud Lite (edge capability) and the AI Garden platform are expected to support enterprise adoption.

**Other Highlights**

Currently, 58% of data revenues come from international markets and 42% from India.

Management expects incremental growth to be more international, as the global network spend is a USD 150 Bn-plus opportunity. The company aims to become a meaningful challenger in global markets, while India remains important but highly price-sensitive.

It has already raised INR 1,000 crores through real estate monetization and continues to pursue a structured “red-amber-green” plan to unlock more assets.

The company remains open to M&A opportunities but clarified that the FY28 revenue doubling target is achievable organically.

Collaboration with large enterprises is being strengthened through multi-fabric deals, cross-selling, and up-selling across network, cloud, security, and interaction layers.

Digital revenues now account for 48–49% of data revenues. Data revenues themselves have grown to 84% of total revenues, compared to 70% a few years ago.

**TEJAS CARGO INDIA LIMITED**

**Outlook:** Tejas Cargo India demonstrates strong fundamentals and robust growth trajectory positioning it for sustained outperformance in India's rapidly expanding logistics sector. The company's technology-enabled full-truck-load model, focusing on asset-light operations with premium clients, provides distinct competitive advantages over traditional freight operators. Strong revenue growth trajectory 34% CAGR over three years) combined with expanding operating margins (from 4% to 19%) reflects operational excellence and market share gains. With India's logistics market expected to reach USD 380 bn by 2025 and organized players capturing increasing market share, Tejas is well-positioned to capitalize on structural tailwinds through technology integration and premium service delivery.

**Business Model & Strategic Positioning**

Tejas Cargo India operates an asset-light logistics business model providing full-truck-load transportation services across India's long-haul supply chain network. Established in 2021 as successor to Trans Cargo India (founded 2009, the company has built a technology-enabled platform serving diverse industrial sectors including steel, cement, e-commerce, industrial chemicals, FMCG, and white goods. The strategic focus on express supply chain solutions rather than general freight transportation enables premium pricing and superior margins through value added services. Current operations span pan-India coverage with emphasis on industrial corridors and metro connectivity, utilizing fleet management that combines owned and contracted vehicles optimized through IoT-enabled tracking and centralized digital systems.

**Technology Integration & Operational Excellence**

Tejas Cargo differentiates through comprehensive technology platform encompassing shipment planning, route optimization, fleet selection, real-time tracking, and performance analytics. IoT based solutions provide complete supply chain visibility including geo-fencing capabilities, centralized digital locking systems, and GPS tracking ensuring cargo security and delivery precision. Advanced Driver Assistance Systems (ADAS) and Driver State Monitoring (DSM) enhance safety standards while AI-powered rear camera technology improves operational efficiency. The technology stack enables predictive analytics for route optimization, fuel efficiency improvements, and proactive maintenance scheduling, creating competitive moats through superior service consistency and operational transparency.

**Financial Performance & Growth Trajectory**

FY25 financial performance demonstrates strong momentum with revenue of INR 5.01 bn representing 19% YoY growth, following consistent expansion from INR 2.10 bn in FY22. Operating profit increased dramatically from INR 80 mn (4% OPM) in FY22 to INR 970 mn (19% OPM) in FY25, reflecting operational leverage and pricing power. The company achieved remarkable three-year revenue CAGR of 34% and profit CAGR of 82%, significantly outpacing industry growth rates. Net profit margin improved from 1.5% to 3.8% over the three-year period, with strong cash flow generation supporting working capital requirements and growth investments without excessive leverage.

**Client Portfolio & Market Strategy**

The company serves premium client base across diversified industrial segments ensuring revenue stability and growth visibility. Steel and cement sector exposure provides steady volumes given infrastructure development trends, while e-commerce partnerships capture high growth digital commerce expansion. Long-term client relationships built through consistent service delivery create switching costs and recurring revenue streams. The express logistics positioning commands premium pricing compared to standard freight services, supported by guaranteed delivery timelines and comprehensive cargo protection. Strategic client acquisition focuses on credit-worthy enterprises with regular shipment volumes ensuring predictable cash flows and reduced concentration risk.

**Growth Strategy & Risk Management**

Growth strategy emphasizes geographic expansion, client diversification, and service enhancement through technology investments targeting high-growth industrial corridors and emerging manufacturing hubs. Recent IPO completion raised INR 760 mn supporting working capital expansion, fleet augmentation, and technology platform enhancement. Primary operational risks include fuel cost volatility and regulatory changes, mitigated through cost pass through mechanisms, efficient route optimization, and systematic compliance processes. The asset-light model minimizes fixed capital requirements while maximizing return on invested capital, enabling rapid scaling without proportional investment increases and supporting sustainable margin expansion over the medium term.

**TEMBO GLOBAL INDUSTRIES LTD****Outlook**

Tembo Global is at a pivotal inflection point, executing a strategy of aggressive diversification into high-growth verticals: Defence, Solar, and EPC, while simultaneously expanding its core manufacturing capacity six-fold. The defence business involves an INR 6.5 Bn capex, backed by a technology transfer and buyback agreement with an Austrian partner, with revenues expected from Q1 FY26. The new solar vertical, secured by a 25-year PPA, promises a stable, high-margin annuity stream also commencing next fiscal. This multi-pronged expansion is funded through a structured mix of preferential issues, internal accruals, and debt, including a soft loan. Management's confidence is high, but the successful execution of these capital-intensive projects remains the key monitorable.

**Financial Highlights**

The first phase of the defense project entails an INR 6.5 Bn capex, funded by an INR 2.3 Bn soft loan from the Austrian partner (10-year, 3% interest), a preferential issue, and internal accruals. The project includes a USD 47 Mn technology transfer cost, for which an initial INR 1.5 Bn payment will be made.

Management expects a peak revenue potential of INR 4 Bn from this investment on a single-shift basis. An INR 800 Mn advance is also expected upon initiating the buyback agreement.

Solar Project is A 120 MW project secured with MSEDCL under a 25-year Power Purchase Agreement (PPA) at INR 3.08/unit. The project is expected to generate annual revenues of INR 800-900 Mn and achieve an IRR of 16-17%, with revenue commencing from Q1FY26. Management confirmed the potential for very high EBITDA margins, possibly exceeding 80%.

Company-Level Guidance & Core Business Growth: Management reaffirmed its guidance to achieve a PAT of INR 800 Mn - 1 Bn in FY26. The core manufacturing business is projected to scale from a close of INR 2.2 Bn this year to INR 7 Bn within two years.

Debt & Interest Costs: Existing debt of INR 2.6 Bn carries a 9.5-10% interest rate. New debt for the solar project will be 9.3%, while debt for the export-oriented defense project will be lower, at 6-7%.

**Other Highlights**

The core business holds unique UL and FM certifications, a key differentiator that enables it to supply major global projects.

This forward-integration business holds an INR 13.15 Bn order book and is L1 for over INR 20 Bn in additional projects.

A new entry via a 5-year tech transfer and buyback agreement with an Austrian firm for pistols and ammunition, marking a gradual entry into the sector.

Textiles Trading is a legacy business that management plans to plateau and eventually demerge to increase focus on growth areas.

Engineering Manufacturing Capacity is being increased sixfold from 15,000 MTPA to 90,000 MTPA, with full commercialization expected by the end of Q2FY26. The new factory has received its Occupancy Certificate (OC) after some delays, and a phased ramp-up is planned to reach 50-60% utilization next year.

Management stated that for a high-growth company, debtor days are not expected to decrease. Given the large order book, additional working capital facilities may be required to ensure timely execution.

The company's holding in its subsidiary, Tembo Defense Products Private Limited, has increased to 35% from 26% and will be raised to a significant majority in the coming quarters. The promoters, along with Tembo Global, currently hold 100% of Tembo Defence Products.



**Thaai Casting Ltd**

**Outlook:** Thaai Casting Ltd is positioned for strong growth with an expanding order book and diversified product verticals including high-pressure die casting, precision machining, induction hardening, gas nitriding, and gear shaping. The company emphasizes product diversification into higher-margin segments such as steel commodity machining and specialized heat treatments. Its focus on quality certifications and strategic customer relationships across automotive, non-automotive, and emerging segments like windmill gearboxes and electric vehicle components underpin a positive medium-term revenue growth outlook. The management projects consolidated revenues to grow from about INR 150-160 mn in the current fiscal year to around INR 200-210 mn in FY26, driven by capacity expansions and new product lines.

**Growth Drivers and Market Position**

Thaai Casting's growth is fueled by strong order inflows with a secured order book of INR 386 mn as of 31st October 2023, to be executed over 16-18 months.

The expansion in precision machining and entry into gas nitriding and gear shaping projects, particularly for windmill gearbox components and defense sectors, offer incremental higher-margin streams.

The company has diversified beyond traditional automotive casting into steel commodity machining and advanced heat treatment with state-of-the-art machines, including a 400-kilowatt induction hardening machine and large-capacity gas nitriding furnaces (handling up to 13 tons per batch).

Export plans starting FY26 are aimed at leveraging certifications compliant to European standards (VDA, CQI-9) achieved recently.

The order pipeline appears robust with new product additions based on recent CAPEX in die casting machines, CNCs, and gear shaping equipment sourced from reputed European suppliers.

**CAPEX and Expansion Plans**

Recent CAPEX investments include low-tonnage die casting machines, additional VMCs for machining, and three gas nitriding furnaces with orders for three more furnaces expected to be commissioned by February.

The gear shaping plant, with machinery arriving, is expected to start production from Q1 next year, focusing initially on job-work basis for a European customer with contracts valued around INR 35-40 mn.

These expansions align with capturing new specialized niches like heavy machinery components and windmill gearbox parts, enabling higher value-add and better pricing power.

**Quality Certifications and Customer Relationships**

Thaai Casting has continuously upgraded quality and environmental certifications including ISO 45001, ISO 14001, IATF, CQI-9 (gas nitriding standard), and successful audits for European automotive orders (VDA).

It is one of the few vendors meeting stringent requirements of large customers in automotive (Rane TRW Steering Systems and Transmissions), wind power (ZF), and OEMs in construction equipment and tractors (SDF - Same Deutz-Fahr).

The company has also recently entered the defense segment with vendor registration complete and sample approvals underway, signaling a potential new revenue avenue.

**Operational Highlights**

Strong in-house R&D and quality inspection capabilities enable the company to deliver intricate, high-precision casting and machining components.

Backward integration allows supplying complex machined parts including rack housing assemblies and cylindrical grinding inside the same facility, reducing lead times.

Gas nitriding furnaces are equipped with advanced SCADA and monitoring systems for continuous quality control.

Dies and moulds are designed and manufactured in-house but owned by customers, with renegotiation for replacements as per usage shots, helping manage capital investments.

**Risks and Margin Sustainability**

Management disclosed competitive pressure in the automotive segment but expects diversification into non-automotive and steel machining verticals to support margin expansion.

Maintaining margins above 20% is plausible given increasing value addition in specialized heat treatment and machining jobs.

Transitioning from a Tier-2 to Tier-1 player involves developing direct OEM supplies and expanding product portfolio with new technologies and capacity.

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Thomas Cook (India) Ltd**Business Mix & Segment Performance**

**Travel Services:** This is an integrated B2B and B2C business, with the B2B segment contributing approximately 70% of travel service revenues. Within B2B, the DMS business, which handles inbound tourism across multiple geographies, accounts for about 70% of the B2B portfolio. The MICE segment is another significant B2B contributor, where the company operates with both its Thomas Cook and SOTC brands. The B2C holidays segment, focused on outbound and domestic travel from India, makes up the remaining 25-30% of the travel business.

**Foreign Exchange:** This financial services business is split between wholesale (B2B with banks) and retail operations. The retail segment is the primary driver, contributing about 80% of the segment's revenue, and is equally divided among leisure, education, and corporate customers. The company holds a significant one-third market share in the prepaid card market.

**Leisure Hospitality (Sterling):** The company has successfully transitioned from a time-share model to a pure-play leisure hospitality business, reporting 21 consecutive quarters of profitability. It currently operates 63 resorts across 54 locations in India.

**Digital Imaging Solutions (DEI):** This business captures and sells souvenir images at tourist attractions. It is heavily concentrated in the Middle East, which contributes 40-45% of its revenue, making it susceptible to regional instability and lower tourism footfalls.

**Growth Outlook & Financial Targets**

**Travel Segment:** Despite a difficult Q1 FY26 due to geopolitical issues, the company expects to maintain a strong trajectory and is targeting a 15% YoY blended growth rate for the travel segment over the next couple of years. With volume growth, the company aims to improve its travel vertical EBIT margin from the current ~4% towards 5-6%.

**Financial Services (Forex):** The company projects a blended YoY growth of 10% for this segment, with EBIT margins expected to be maintained in the 40-45% range. The retail segment is the primary growth engine, expanding at 14-15%, while the lower-margin wholesale business is growing at a single-digit rate of 7-8%.

**Leisure Hospitality (Sterling):** The focus is on aggressive network expansion, with plans to add 15 to 20 new resorts within the next 18 months. This growth is pursued through an asset-light partnership model, minimizing capex requirements.

**Forward-Looking Statements:** The company does not provide specific long-term revenue or margin projections (e.g., for five years) as per Fairfax policy.

**Strategic Pillars: Omni-Channel & Technology Integration**

**Omni-Channel Approach:** A key differentiator is the company's omni-channel presence, which combines a strong online platform with a physical retail network. This allows customers to choose their preferred mode of interaction, whether online, via WhatsApp, or in a branch, enhancing customer convenience and service. This is particularly effective in the forex business, where Thomas Cook commits to delivering foreign currency to a customer's doorstep within two hours in cities where it has a presence.

**Technology & AI Adoption:** Technology is a key lever used to improve customer experience and empower sales staff. The company has integrated AI across various functions, viewing it as a "friend" rather than a threat. Key examples include:

WhatsApp transactions for live forex services.

An AI chatbot ("TC") on the website to help customers plan itineraries.

An AI agent ("Thru") for corporate travel that processes booking requests from emails.

A new technology platform ("VC") for the DEI business that uses AI and facial recognition to improve sales conversions.

**Prepaid Card Float:** The balance sheet includes a significant float from the prepaid card business, amounting to approximately INR 1,500 crores. This float, which is customer money, is dynamically managed to optimize returns through fixed deposits or for short-term working capital needs after weighing the costs versus other financing options.

**Market Dynamics & Geopolitical Headwinds**

The management acknowledged that the business operates in an uncertain global environment that requires agility.

**Geopolitical Impact:** The ongoing geopolitical instability in the Middle East has directly impacted inbound tourism to the region, affecting the performance of the company's Desert Adventures and DEI entities.

**USA Travel Softness:** There is muted enthusiasm among Indian tourists for travel to the USA, with some travelers switching to destinations in Europe or Asia due to concerns about potential harassment. However, the financial impact is limited as the US represents a small portion of the overall outbound business.

**China Re-opening:** The company is seeing traction and a lot of inquiries for travel to China, and expects it to become a good destination, particularly from the first quarter of the next financial year.

**B2C Strategy:** The company has strategically chosen not to compete aggressively in the high-volume, low-margin standalone B2C flight and hotel booking segment, citing the high marketing spend required. Instead, its focus remains on curated packages and experiences where it has a competitive skill set.

**Segment-Specific Strategy & Key Updates**

**MICE Expansion:** The company has successfully made inroads into the government business segment, partnering on large-scale events like the G20, National Games, and Khelo India games, which is a key growth area.

**DEI:** To counter its heavy dependence on the Middle East, DEI is pursuing a two-pronged expansion strategy: deepening its presence in existing markets like Indonesia and entering new, lucrative geographies such as Vietnam and Saudi Arabia. The company exited the US market due to high labor costs and an inability to achieve economies of scale.

**Tiger Logistics India Ltd****Growth Trajectories and Strategic Priorities**

Volume Growth as Core KPI: Management targets becoming a sizable volume creator in India's international trade flows over the medium term. Despite fluctuations in freight rates, TEU growth is expected to remain in double digits.

Asset-Light Expansion: No major capex is planned over the next five years; capital deployment will be limited to system strengthening and select new verticals. This ensures the business model remains lean and return-accretive.

Margin Resilience: Margins are expected to stay steady, with only marginal quarterly fluctuations ( $\pm 50$ – $100$  bps) due to competitive intensity or new vertical incubation.

**Sectoral Diversification – Emerging Growth Engines**

Renewables (Tiger Green): Solar and renewables are a key inbound focus area. Management views this as a structural growth opportunity given India's aggressive renewable targets.

Semiconductors: A new dedicated vertical is being incubated. TIGERLOG aims to remain a pure logistics partner (not component sourcing) to capture supply-chain opportunities as India builds out semiconductor capacity.

Auto Sector: Auto logistics will remain the anchor vertical, with emphasis on deep selling into existing accounts and scaling alongside OEM expansion.

Government/PSU Business: Growing transparency and cost-reduction focus at PSUs (DHA, HPCL, HAL) are opening doors for private logistics players. Management sees this as a sustainable long-term growth lever.

LCL (Qbox): The company is strengthening its Less-than-Container-Load offering, an increasingly important business for fragmented cargo flows.

**Geographic and Trade Lane Expansion**

Domestic Strengthening: TIGERLOG is expanding coverage in upper India (up to Jammu) to capture outbound export volumes and sees Western India as another high-growth region.

Global Partnerships: The company is actively developing relationships with large international logistics firms to enhance global presence.

Diversification Beyond US Lane: While the India–US trade lane remains under development (hit by tariffs), TIGERLOG is growing strongly in India–Mexico and India–LATAM lanes. Management is optimistic about recovery in overall industry sentiment within the next 1–2 months.

**Financial Strategy and Industry Dynamics**

Fundraising (INR 400 cr): Board approval is in place for an equity/convertible raise, but execution is on hold until market conditions stabilize and the right investor is identified.

Industry Consolidation View: Management expects accelerated consolidation in Indian logistics, with mid-sized players struggling to sustain amid rising compliance, scale, and technology requirements. TIGERLOG positions itself as a likely consolidator.

Digital Push (Freight Jar): Uptake of real-time freight platforms remains low globally, but TIGERLOG views its Freight Jar initiative as a strategic door-opener for customer acquisition.

Bangladesh JV (Powerpack): Plans remain on hold due to currency volatility and political uncertainty. TIGERLOG will revisit once conditions stabilize.

**Outlook**

Tiger Logistics asset-light model, double-digit TEU growth visibility, and expansion into renewables, semiconductors, and PSU logistics provide medium-term growth catalysts. While near-term fundraising remains pending and digital adoption is still nascent, management's clear strategy of sectoral and geographic diversification, combined with stable margin guidance, underpins a constructive outlook. The company appears well placed to benefit from industry consolidation and India's growing role in global trade flows.

**Tilaknagar Industries Ltd**

**Outlook:** Tilaknagar Industries stands at an inflection point with the transformative acquisition of Imperial Blue positioning the company as a formidable player across India's two largest IMFL categories. The acquisition represents India's largest alcoholic beverage transaction by a domestic company, fundamentally altering TI's geographic footprint and product mix. With strong fundamentals in the brandy segment, robust cash generation capabilities, and a strategic entry into the whisky category through acquisition of the third-largest brand by volume, TI is well-positioned to capitalize on India's premiumization trends and expand its market reach significantly. The company's current debt-free status and disciplined capital allocation approach provide a solid foundation for the integration and growth of the combined entity.

**Imperial Blue Acquisition - Strategic Game Changer**

The acquisition of Imperial Blue from Pernod Ricard India represents a landmark deal valued at INR 4,150 mn on an enterprise value basis, including normalized working capital of INR 700 mn. The consideration structure includes a deferred payment component of INR 280 mn payable four years post-closing. The transaction is being financed through an optimal 50:50 mix of equity and debt.

Imperial Blue stands as India's third-largest whisky brand by volume in the IMFL space, with 22.4 Mn cases sold in the twelve months ending March 2025, generating revenues of INR 3,067 mn. The brand operates in the competitive deluxe whisky segment. The acquisition includes two owned manufacturing units and access to 14 contract manufacturing facilities across India.

Imperial Blue's recent stagnation stems from lack of focus from current owners rather than fundamental market weakness. The deluxe whisky segment has grown at approximately 4% CAGR on volume terms, driven predominantly by domestic players still focusing on this price point. TI believes its focused approach and cost structure advantages will enable business revival and growth.

**Core Business Strength - Brandy Leadership**

TI's flagship Mansion House Brandy maintains its position as India's largest-selling brandy and the world's second-largest, with 8.0 Mn+ cases sold in 2024. Courier Napoleon Brandy achieved impressive growth with ~2.0 Mn cases in 2024, representing 25% year-on-year growth. Together, these two brands contribute 90% of TI's business, with over 80% operating in the prestige-and-above segments.

Currently, over 80% of TI's business originates from southern India, with Andhra Pradesh and Telangana contributing more than 50% of volumes. Post-Imperial Blue acquisition, the geographic mix will rebalance significantly, with southern India contributing approximately 50%, northern regions 20%+, and east-west regions sharing the balance.

TI currently operates through 21 manufacturing units - 4 owned and 17 contract-based facilities. The company has approved ~INR 600 mn capacity expansion at its Prag subsidiary in Andhra Pradesh, increasing bottling capacity from 6 lakh cases to 36 lakh cases annually.

**Premium Portfolio Strategy and Diversification**

TI has strategically increased its stake in Spaceman Spirits Lab to approximately 21% through investment of INR 10.7 mn in August 2025. SSL produces premium craft spirits including Samsara Gin, Sitara Rum, and Amara Vodka. The usership agreement enables TI to leverage its distribution network for SSL products while gaining access to the luxury spirits portfolio.

Management outlined plans to utilize Imperial Blue as a launchpad for premium whisky offerings across higher price points. The acquisition provides the backbone to launch premium products in multiple categories beyond the existing Imperial Blue business, with margin-accretive launches expected beyond 24 months.

TI continues premiumization initiatives with launches including Mansion House Reserve, Monarch Legacy Edition priced at INR 6,750 for 750ml in Maharashtra, and India's first premium flavored brandy offerings. These initiatives target the growing luxury segment while maintaining leadership in core brandy categories.

**Operational Integration and Synergies**

To ensure business continuity, TI has entered into a TSMA with Pernod Ricard India for manufacturing support during the transition period. While this arrangement involves per-case fees impacting initial margins, it enables smooth label registration transfers across states and minimizes business disruption.

Management expects immediate margin expansion opportunities through TI's lower cost structure compared to existing operational model. However, initial quarters may show muted margin improvement due to TSMA costs and transition investments.

Imperial Blue's pan-India presence will enable TI to leverage existing distribution relationships across northern and western markets, facilitating expansion of its core brandy brands into previously underpenetrated regions.

**Regulatory and Legal Updates**

The division bench ruled favorably on both appeals in July 2025, maintaining the status quo with TI continuing to sell Mansion House in all existing states while competitors remain restricted. This legal clarity reduces a key overhang on the core brand.

The Imperial Blue acquisition awaits Competition Commission of India approval, expected by end of calendar year 2025, with Q4 FY26 anticipated as the first full quarter of combined operations.

**Medium-Term Growth Strategy**

For FY26, TI targets mid-to-high teen volume growth with high single-digit to low double-digit revenue growth in existing business compared to FY25. Beyond FY26, the company expects low double-digit volume growth for existing business with revenue growth exceeding volume growth by 100-200 basis points annually.

With Imperial Blue's established presence, TI gains access to the 78 Mn case deluxe whisky segment, positioning the company to capitalize on the bridge between mass and premium segments. The combined entity will operate with 34 Mn cases annually across brandy and whisky categories.

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**Trishakti Industries Ltd Concall KTAs**

Trishakti Industries is undergoing a significant strategic repositioning, having completely exited its legacy oil and gas trading activities to re-establish itself as a pure-play infrastructure equipment rental company. The company is in a high-growth phase, executing a INR 4 Bn capex program to build a modern fleet of high-capacity cranes. Demand is exceptionally strong from marquee clients like Reliance, Tata Steel, and L&T, enabling the company to accelerate its capex ahead of schedule while maintaining 100% fleet utilization.

**Capex Plan & Funding**

The company is executing a structured INR 4 Bn capex plan to expand its crane fleet over the next three years. The company highlighted that demand has shot up that the company has already deployed INR 700-750 Mn with 70-75% of the planned INR 1 Bn capex for FY26E. H1 is typically the slower season for the industry, with the stronger demand cycle usually beginning in H2. The capex is being funded through a balanced mix of debt and internal accruals. The cost of debt for recent equipment purchases is competitive, with interest rates on new loans ranging from ~8.0% to 8.3%.

**Guidance**

The company is currently operating at very high EBITDA margins of around 70%, a direct result of its brand-new, efficient fleet. Management guides for these margins to normalize to a sustainable long-term rate of 60-65% after three to four years, as maintenance and repair costs will increase as the fleet ages. The business model generates a consistent blended monthly rental yield of 2.1% to 2.3% of the asset's value. Company expects crane rental segment to achieve ~INR 200- 220 Mn in revenue. Due to the rapid fleet expansion from INR 50 crores to INR 120 crores in a single quarter, management expects the quarterly EBITDA run-rate from Q3 or Q4 of FY26 to potentially match the entire annualized EBITDA of FY25.

**Business & Operational Model**

The company deliberately focuses on the medium-to-high tonnage crane segment (typically 50 tons and above, up to 800 tons), which constitutes a niche market with significant entry barriers due to the high capital cost of each machine (ranging from INR 40 Mn to over INR 200 Mn). The business model is centered on securing long-term contracts with a minimum duration of 12 months. The majority of the company's projects are in high-growth infrastructure sectors, with a well-diversified client base in Solar, Steel, and Metros.

**Other Updates**

The high receivables visible are primarily from this old business and are being wound down. The current crane rental business has a healthier receivable cycle of 45 to 60 days. While the current focus is on executing the INR 4 Bn capex in crane rentals, management is open to exploring inorganic growth opportunities in the future.

**UFLEX LIMITED**

**Outlook:** UFlex Limited demonstrates compelling long-term growth potential through strategic expansion into high-margin aseptic packaging and recycling initiatives positioning the company advantageously in India's evolving regulatory landscape. The imminent completion of major capacity expansion projects including INR 30 bn Egypt aseptic facility and INR 5 bn Noida recycling plant by FY26-end creates substantial revenue enhancement opportunities while addressing government mandates for recycled content utilization. Management's disciplined approach toward premium packaging segments, evidenced by aseptic operations at above 100% capacity utilization for three consecutive years, reflects strategic focus on value-added products commanding superior margins versus commodity packaging films.

**Business Model & Global Leadership Position**

UFlex Limited operates as the world's largest BOPET film manufacturer excluding China, with integrated manufacturing capabilities spanning packaging films 62% revenue), packaging products 31% revenue), and supporting businesses 7% revenue). Current global capacity encompasses 636,000 tons packaging film capacity with specialized facilities across India, USA, Mexico, Egypt, Hungary, Poland, Nigeria, Russia, and UAE. The strategic positioning emphasizes value-added packaging solutions through backward integration into PET chip production, comprehensive product portfolio covering flexible packaging, aseptic packaging, and holographic films, while leveraging proximity to customers through distributed manufacturing reducing logistics costs and optimizing plant utilization across diverse geographic markets.

**Capacity Expansion & Strategic Projects**

Major capacity expansion initiatives include Egypt facility commissioning targeting African, Middle Eastern, and European markets while providing cost advantages and currency diversification benefits. Aseptic packaging represents the highest-margin growth vertical with current expansion from 7 billion to 12 billion packs annually addressing sustained capacity constraints, while Egypt facility development provides additional 12 billion packs capacity. The Noida recycling facility commissioning adds significant PET bottle processing capacity supporting margin enhancement through value-added recycled products, positioning UFlex favorably for mandatory recycled content requirements increasing from 10% to potentially 30% over the next five years.

**Financial Performance & Margin Management**

UFlex delivered strong FY25 performance with INR 152 bn revenue representing 12.5% growth while maintaining operational EBITDA margins at 12.7% despite commodity price pressures. The company targets 15% annual revenue growth supported by capacity expansion projects and market penetration initiatives. Debt management strategy encompasses scheduled repayments of INR 12 bn annually with debt levels expected to peak during FY26 capacity expansion completion before systematic reduction commencing FY27 onwards, while strong cash generation capabilities support growth funding and maintain financial flexibility.

**Recycling Initiative & Regulatory Compliance**

UFlex maintains first-mover advantage through established recycling operations converting used PET bottles into film-grade and bottle-grade applications while obtaining essential FSSAI approvals for food-contact materials. The strategic differentiation aligns with government mandates requiring 30% recycled content in rigid plastics and 10% in flexible packaging effective April 2025. Regulatory compliance leadership creates competitive advantages as smaller competitors struggle with technical requirements, capital investments, and certification processes essential for recycled content mandates, while backward integration into PET chip manufacturing provides supply chain security and operational flexibility.

**Growth Strategy & Risk Management**

Medium-term growth strategy emphasizes aseptic packaging scaling, recycling business development, and international market penetration through disciplined capital allocation and operational excellence. Primary risks include commodity price volatility, currency fluctuations, and competitive pressure, mitigated through geographic diversification, product portfolio balancing, and backward integration benefits. Technology partnerships and continuous innovation programs target operational efficiency and quality enhancement supporting margin expansion, while sustainability initiatives exceed regulatory requirements positioning UFlex favorably for multinational customers with environmental responsibility mandates and supporting premium positioning in export markets

## Ugro Capital Ltd

### Core Strategy and Financial Growth

Ugro Capital Limited is strategically positioned as a **data-tech NBFC** specializing in financing MSMEs and small businesses through an analytically-powered credit delivery platform. The company addresses India's substantial credit gap in the MSME sector, which is estimated at **INR 103 trillion**. Ugro Capital's strategic differentiation rests on three core pillars: technology-driven underwriting, an extensive branch presence in key MSME clusters, and a robust capital base exceeding **INR 24 bn**. The company has demonstrated outstanding revenue performance, exhibiting consistent growth from INR 1.53 bn (FY21) to **INR 14.42 bn (FY25)**. Recent quarterly results for Q1 FY26 showcase strong operational momentum, with revenue growth of 42% (reaching INR 4.14 bn) and net profit increasing 12.4% (to INR 341 mn). The current Assets Under Management (AUM) stand at **INR 122 bn**. Post-acquisition integration, management guidance targets an improvement in Return on Assets (ROA) to the 2.2–2.4% range and Return on Equity (ROE) to 15–16%.

### Technology, Underwriting, and Risk Management

The proprietary underwriting engine is identified as a core competitive advantage for Ugro Capital. This technology utilizes **25,000 algorithms** to process GST data, banking profiles, and bureau reports, facilitating **unbiased credit decisioning**. The patented system eliminates human discretion and bias, which supports rapid scaling and real-time underwriting adjustments based on market conditions and portfolio performance. The state-of-the-art technology infrastructure supports a monthly origination capacity exceeding **INR 800 mn**. **Machine learning capabilities** enable continuous adaptation to evolving risk profiles and continuous improvement, crucial for maintaining asset quality during periods of rapid growth. The company maintains comprehensive risk management through diversification across products, geographies, and customer segments. A focus on secured lending provides **90% effective collateral coverage** (including guarantee schemes).

### Strategic Expansion and Market Opportunity

Ugro Capital is well-positioned to capitalize on India's structural transformation, particularly given that the MSME sector's contribution is expected to increase from the current 30% to **35–40% of the Indian economy by 2028**. The operating environment is favorable, supported by government initiatives such as the **Mudra, ECLGS, and CGTMSE guarantee schemes**. A key growth catalyst is the transformative **acquisition of Perfectus Capital for INR 14 bn**, which expands AUM by 29% to **INR 155 bn**. Integration is expected to generate immediate cost synergies of INR 1.2–1.4 bn (or INR 120–140 mn) through operational rationalization, including branch network optimization and infrastructure consolidation. The acquisition also allows the firm to enter the school financing vertical, which is estimated to have an **INR 20 bn medium-term potential**. The company targets domestic consumption-driven sectors—such as healthcare, food processing, and electrical equipment—which creates resilience against external volatility.

### Capital Management and Funding Strategy

Management prioritizes a **capital-efficient strategy** and an asset-light liability model to optimize capital utilization and avoid unnecessary equity dilution. To ensure adequate funding for growth initiatives, the firm plans a preferential equity raise via **compulsorily convertible debentures**. The funding strategy is supported by a diversified profile and relationships with marquee investors and institutions. Key funding partners include **State Bank of India, IDFC Bank, Asian Development Bank, and Netherlands-based FMO**. Through effective **ALM (Asset-Liability Management)**, the company eliminates duration mismatches and maintains cost-effective funding, which supports competitive pricing and margin sustainability. Additionally, strategic partnerships with public sector banks and large NBFCs provide funding support, enabling rapid scaling without capital constraints. The robust capital base exceeding INR 24 bn provides a foundation for aggressive growth plans.

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Ujjivan Small Finance Bank Ltd

**Headline Take:** Credit costs remain a drag near term, but secured growth and liability deepening position J1 for a stronger H2 and medium-term rerating.

**Investment Thesis**

J1 Small Finance Bank is navigating the tail end of MFI-related asset quality pressures while accelerating its shift toward secured lending. Management guided that H1 FY26 will remain heavy on credit costs, but normalization should be visible from Q3 and more pronounced in Q4. With RoE guidance of 10–12% for FY26, NIM resilience above 7.7%, and a clear strategy to enhance liabilities and diversify the loan book, J1 is positioning itself for a structurally stronger franchise ahead of a potential universal bank transition.

**FY26 Guidance & Outlook**

Loan growth is guided at ~20% for FY26, led by a 35% expansion in secured assets. Deposit growth is expected to keep pace with advances, with the CD ratio steady at ~88–89%. KASA is targeted at 27%, supported by deeper customer engagement and new product rollouts. Cost-to-income ratio is expected at ~67% as growth investments continue, while credit costs should moderate to 2.3–2.4% of average loans, compared with 2.45% in FY25. ROA is guided at 1.2–1.4%, with RoE of 10–12% for the year, and a materially stronger exit quarter.

**Asset Quality & Credit Costs**

Management acknowledged elevated stress in the MFI portfolio but emphasized that slippages are already tapering. Credit costs will remain high in H1 but should normalize by H2, with collection efficiency improving by Q3. In steady state, unsecured credit costs are expected at ~2% while secured should remain closer to 1%, underpinning a lower blended credit cost over time.

**NIM & Liability Strategy**

With 83% of loans on fixed rates, J1 is well placed for a declining rate cycle, as funding costs ease while yields remain stable. Management expects cost of funds to decline 50–60 bps by year-end from the 7.6% starting level, supporting NIMs above 7.7% for FY26. To offset longer-term NIM pressure from a higher secured mix, the bank is focusing on strengthening its liability franchise through ASBA approval, AD1-based products, distribution of mutual funds and insurance, and a co-branded credit card. These measures are expected to lift deposit stickiness and KASA share.

**Strategic Growth & Transition**

Secured verticals such as gold loans and vehicle finance are scaling well, with no visible stress. Micro-mortgages remain small and seasonally volatile but not systemic. The bank has also filed for a voluntary transition to universal bank status (Feb 2025 submission) and is aligning its model to meet regulatory prerequisites.

Near-term earnings will remain subdued as MFI credit costs play out in H1 FY26, but the inflection point is expected from H2. J1's pivot toward secured lending, liability strengthening, and regulatory transition provide credible medium-term levers. With RoE guided at 10–12% and NIM resilience, we view J1 as well positioned for a structural rerating once asset quality normalization is evident.

**Unicommerce eSolution Ltd**

**Outlook:** Strong growth outlook supported by its diversified SaaS offerings across the e-commerce value chain, covering pre-purchase (ConvertWay), transaction processing (Uniware), and order fulfillment (Shipway). The company's core Uniware platform continues to be its profit engine with ~80% gross margins, while the recent acquisition of Shipway has already turned profitable and doubled its revenue run rate within a year. The launch of Unirico in June 2025 adds further monetization potential through automated reconciliation for brands, and early traction indicates strong value creation for clients.

**Business Overview:** The company is a SaaS-based e-commerce solutions provider with 10+ years of operations and operates across the e-commerce value chain through 3 platforms: ConvertWay (pre-purchase, marketing automation), Uniware (transaction processing), and Shipway (order fulfillment and courier aggregation). Uniware is the flagship and organically built product, while ConvertWay and Shipway were acquired. The company has a client base of 7,174 as of Q1FY26, across industries such as fashion, food, electronics, pharma, nutrition, and home services. It cater to both enterprise clients and SMBs.

**Market Size**

Total addressable market (TAM) exceeds USD 1 Bn across its product suite.

Uniware TAM: USD 260 Mn, with ~85% of the market still operating manually.

Shipway TAM: USD 470 Mn, dominated by Shiprocket (~USD 150 Mn share).

Complementary Products TAM (including Unirico, B2B solutions): USD 420 Mn.

The company is cross-selling across its 7,000+ clients and integrating solutions under one roof.

**Products:**

Uniware has scaled to 1+ billion annual transactions run rate in Q1FY26.

Shipway, acquired in Q3FY25, provides courier aggregation services and reached INR 800 Mn+ revenue run rate in FY26, turning EBITDA and PAT positive for the first time in Q1FY26.

Unirico, launched in June 2025, helps with financial reconciliation across marketplaces. Early adoption is strong, with one client gaining INR 0.5 Mn in benefits on a INR 0.1 Mn monthly subscription.

ConvertWay is building traction as a marketing automation tool, with enhancements like WhatsApp auto-retry to improve notification delivery rates.

The company is actively investing in AI-driven features across platforms in Shipway for order tracking, COD queries, and customer support.

**Operational Highlights**

Added 88 new clients in Q1FY26, averaging one new client/day, with names such as Ajanta, Rupa, Himalaya, Eatbetter, and SuperU.

International operations (3–5% of revenues) turned operationally profitable in Q1FY26. 200+ integrations completed with Quick Commerce and enterprise systems, including new features like BlinkMode for faster dispatch and returns.

The company invests heavily in educational marketing via e-books, comics, webinars, and podcasts to increase awareness of operational inefficiencies solved by its products.

**Financial Performance:** Revenue grew 63.6% YoY to INR 449 Mn, including INR 172 Mn contribution from Shipway. EBITDA increased 112% YoY to INR 94.7 Mn, with margins improving from 16.3% to 21.1% due to cost control and operating leverage. PAT rose 10.8% YoY to INR 38.9 Mn, representing 8.7% of revenues, despite a INR 33 Mn non-cash amortization charge from Shipway's acquired technology. Shipway turned profitable in Q1FY26, supported by revenue scale-up, courier rate renegotiations, and cost optimization. Uniware's growth was muted at ~1% YoY due to a slowdown in the broader e-commerce sector, from 108% in FY25 to 103%.

**Other Highlights**

Uniware operates at ~78.6% GM, even after conservatively accounting for people support costs.

R&D costs are expensed unless developing a distinct new product; ongoing enhancements are charged off as operating expenses.

Shipway operates at 20%+ GM, with profitability achieved post client rationalization and cost efficiencies.

The company had INR 700 Mn cash reserves at the start of FY26 and funded Shipway's INR 680 Mn acquisition entirely through internal accruals; it still maintains INR 500 Mn cash on hand.

Shipway is being positioned to become the #2 player in the courier aggregation space through client access, reputational lift, and integrated tech stack, with overlap of clients already rising from <5% at acquisition to >10% in Q1FY26.

The company sees significant potential in scaling Unirico and expanding into the pre-purchase ecosystem through ConvertWay and future M&A.

**UNIHEALTH HOSPITALS LIMITED**

**Outlook:** Unihealth Hospitals demonstrates compelling growth potential through its unique multi geography healthcare platform spanning India and Africa. The company's asset-light business model, diversified revenue streams across four verticals, and strategic expansion into high growth markets positions it favorably for sustained revenue growth. Imminent commissioning of Navi Mumbai facility (52 beds) and Nasik facility (200 beds) by March 2026 will significantly expand India operations, while the established Uganda business provides stable cash flows with 35% EBITDA margins. The ambitious target of crossing 1,000 operational beds within 2436 months, coupled with proven execution capability and strong market positions in respective geographies, underpins robust medium-term growth trajectory.

**Business Model & Strategic Positioning**

Unihealth Hospitals operates as a diversified healthcare services provider with established presence across India and East Africa. Founded in 2010 by Dr. Akshay Parmar and Dr. Anurag Shah, the company has evolved from medical tourism origins to become the largest private healthcare operator in Uganda with a 120-bed tertiary care multi-specialty hospital. The strategic decision to split promoter presence ensures localized management expertise, with Dr. Anurag Shah based in Uganda overseeing African operations while Dr. Akshay Parmar manages India expansion from Mumbai. The company operates through four distinct verticals: hospital and medical center services contributing 80% of revenue, healthcare consultancy managing over 1,300 beds across multiple projects, export and distribution of Indian pharmaceutical products across Africa, and medical tourism facilitation.

**India Expansion Strategy & Facility Development**

Unihealth's India expansion focuses on the Maharashtra golden triangle—Mumbai, Pune, and Nasik regions—targeting 500-600 beds initially through an asset-light model involving leasing rather than purchasing facilities. Capital investment requirements follow a structured approach with 50-70 bed facilities requiring INR 150-170 mn, 125-bed facilities needing INR 220 mn, and 175-200 bed facilities demanding INR 250-270 mn. The Navi Mumbai facility (52 beds) awaits final regulatory approvals while the Nasik facility (200 beds) targets commissioning between January-March 2026, enabling standardized scaling and efficient resource allocation across multiple locations.

**African Operations & Market Leadership**

Uganda operations represent the company's flagship achievement, establishing market leadership as the largest private sector healthcare provider through a 120-bed tertiary care facility serving diverse client segments including the Uganda People's Defense Forces under Ministry of Defense contract, private insurance clients, and cash-paying patients. Recent service expansions include orthopedic and spine department revamp, IVF facility commissioning in January 2025, and planned ophthalmology services launch. African operations currently generate 75% of consolidated revenue with INR 25,000-26,000 ARPOB, while African expansion pipeline includes Tanzania facility negotiations for 100-bed capacity on build-operate-transfer model in Dar es Salaam.

**Financial Performance & Revenue Mix**

Current revenue distribution demonstrates strong segment-wise profitability with hospitals and medical centers operating at 35% EBITDA, consultancy vertical achieving 45-60% margins due to fixed cost leverage, and export/distribution maintaining 30% margins. Consolidated EBITDA margin for FY25 reached 36%, positioning the company favorably within the healthcare sector. Target revenue per occupied bed in India mirrors African performance at INR 25,000-30,000 initially, with aspirations to reach INR 50,000 by year three, reflecting premium positioning while remaining accessible to target patient demographics across both geographies.

**Growth Strategy & Risk Management**

Key growth catalysts include imminent India facility commissioning, African expansion into Tanzania and potentially Kenya, consultancy vertical scaling, and export business maturation as product registrations complete across African markets. The target of 1,000 operational beds within 2436 months requires approximately INR 1.52.0 bn investment, manageable through planned financing mix including promoter warrant subscription of INR 105 mn and bank debt facilities. Primary operational risks include regulatory approval timing, extended receivable cycles from government clients, and foreign exchange exposure, mitigated through natural hedging from import requirements, zero bad debt experience over eight years, and disciplined capital allocation focused on market consolidation before geographic diversification.

**United Heat Transfers Ltd**

**Outlook:** United Heat Transfer Limited is poised for significant revenue growth in the near term, targeting year-end revenues of INR 750-800mn. Revenue growth is expected 25%-40% over the next 3-4 years. This expansion will be driven by key opportunities such as the potential partnership with Hitachi, a strategic push into higher-margin export markets, and capitalizing on high-growth segments like data center cooling. While EBITDA margins are expected to remain stable in the 15-17% range for the current year due to upfront investments in team and infrastructure, improvement is anticipated thereafter. The company's focus remains on disciplined growth, avoiding overly large projects that could strain working capital, while building the scale necessary to compete for major turnkey contracts in the future. Overall, United Heat Transfer is on a clear growth trajectory, supported by a robust industry tailwind and a focused strategic plan.

**Revenue and Guidance**

Revenue is expected INR 750-800mn in FY26E. The company anticipates stronger execution in the second half of the year, driven by the typical 3 to 6-month manufacturing cycle for customized equipment and concentrated dispatches in the months of October through December. The company is focused to grow 25% to 40% annually for the next three to four years.

**Order Book and Pipeline**

The company's current order book stands at INR 600mn, which is expected to be executed within the current financial year. Orders are typically executed within a 3 to 6-month window, with orders booked late in the second half likely to spill over into the next financial year. A significant near-term opportunity is a trial order from Hitachi, which has the potential to generate INR 150-200mn in its first year and scale to 50 to 60 crores annually within two to three years, pending the resolution of import duty issues. The company does not formally book orders for the next financial year due to its short execution cycle.

**Revenue Mix: OEM, EPC, and Project Strategy**

United Heat Transfer's revenue is split between two primary streams: the OEM business, which involves regular and consistent supply, and the Project business, which is based on quoting and supplying for specific projects, often through EPC (Engineering, Procurement, and Construction) firms. To manage risk and working capital, the company currently avoids very large turnkey projects costing INR 500-600mn, aiming to build the scale to handle such projects within the next two to three years. Key clients include Kirloskar Oil Engines, Compressors India, Hitachi, Burckhardt Compression, Edwards, and Atlas Copco.

**Margins**

EBITDA margins are expected to remain stable in the range of 15% to 17% in FY26E. This stability is maintained despite growth investments, such as team expansion and a new sales office in Pune. Margin improvement is anticipated from next year onward, driven by a strategic push into the export market. While domestic OEM supply may slightly compress margins by 1-2%, increased volumes are expected to strengthen procurement and help maintain overall profitability.

**Heat Exchangers and Pressure Vessels**

The company's core products are shell and tube heat exchangers and air cooled heat exchangers, including fin tube variants. It does not currently manufacture plate type heat exchangers. A key differentiator is its end-to-end engineering capability based on specific customer parameters. United Heat Transfer holds the ASME U-stamp certification, which facilitates global exports and signifies adherence to international quality standards. The company also has the capability to work with exotic metals like copper nickel, copper, and brass.

**Industry Overview and Market Size**

The global heat exchanger industry is growing at 5% to 6% annually, with Europe and the USA as dominant markets. The Asia Pacific region is growing faster at around 9%, with India's growth rate estimated at 11%. Within product segments, air cooled heat exchangers are the fastest growing at 9% to 10%, driven by their environmental benefits. Key end-user industries include oil and gas, petrochemicals, chemicals, and pharma, which together account for about 60% of the market. The HVAC sector, particularly data centers, is a major growth driver, expected to contribute 20% to 25% of revenue within two to three years.

**International Business and Export Plans**

Exports currently contribute 5% to 10% of total revenue. The company plans to significantly increase this share over the next two to three years by participating in international exhibitions and pursuing manufacturing partnerships, particularly in Europe, the USA, and Southeast Asia. The ASME U-stamp certification provides a competitive edge for global supply. The potential Hitachi project is aimed at supplying products to markets in Canada, the US, Asia, and Europe.

**Capex and Working Capital**

The company has adequate physical space to support growth for the next five years, though additional workspace may be required as production of customized equipment increases. Capital expenditure will be ongoing to support expansion. To avoid locking up working capital and resources, the company strategically avoids very large turnkey projects at its current scale. It operates two manufacturing facilities in Nashik and has recently established a sales and engineering office in Pune to better serve its client base in Pune and Ahmedabad.

**Growth Drivers and Demand**

Primary growth drivers include the expanding data center market, increased demand from process industries, and the faster-growing segment of air cooled heat exchangers. The company is also leveraging its engineering capabilities and international certifications to capture export opportunities. Strategic partnerships and joint ventures with European and American players are part of the long-term growth plan.

Vaibhav Global Ltd

### Company Overview and Operating Performance

Vertically integrated omnichannel retailer of fashion jewelry, lifestyle, and self-care products; operates 24/7 TV channels reaching 127 million households in US, UK, Germany, plus digital platforms (websites, apps, OTT, marketplaces).

Digital contributes 43% to top-line, growing rapidly; goal to exceed 50% by FY27 through investments in online presence and engagement.

Key differentiator: in-house manufacturing in India and global sourcing from 30+ countries, providing cost and supply chain advantages amid tariff challenges.

CSR program "Your Purchase Feeds" has delivered over 100 million meals, emphasizing purpose-led growth.

### Growth Strategy and Channel Mix

Focus on digital expansion (mobile apps, OTT, social media) for higher growth; TV remains core but digital/social expected to drive incremental sales over next five years.

No immediate new territories; prioritize increasing operating margins to 13-15% in existing markets (US, UK, Germany) before expansion.

Jewelry ~61% gross margin, non-jewelry ~65%; overall business gross margin ~61-65%.

Mindful Soul brand margins improving to 8-9%, targeting double-digit by Q4 FY26 via supply chain integration.

### Financial Guidance and Margin Outlook

FY26 revenue guidance: 7-9% growth, considering tariff uncertainties and falling diamond prices (minimal impact as not single-product dependent; volume growth stable).

EBITDA guidance unchanged despite digital benefits and 5.5% tariff strategy; early to revise post-duty hike, awaiting Q2/Q3 data and inflation reflections.

Tariff mitigation: local US casting, passing benefits to consumers while retaining some margins; inventory advantages to build in coming quarters.

Germany profitability targeted for H2 FY26; overall focus on lifetime value from baby boomers (higher spend) over Gen Z.

### Industry Challenges and Mitigation

Tariffs (50% hike) add ~5.5% cost; mitigated better than peers via vertical integration.

Competition from platforms like Amazon (70-80% margins) avoided; emphasis on price effectiveness and direct channels.

**Vaidya Sane Ayurved Laboratories(Madhavbaug) Ltd**

Vaidya Sane Ayurved Laboratories(Madhavbaug) is pursuing an aggressive expansion strategy and a strategic revenue mix transformation over the next three to four years. The company is leveraging its recent fundraise and a refined marketing approach targeting high-value disease reversal patients to accelerate patient volumes, hospital utilization, and revenue growth.

**Capacity Expansion and Network Growth**

The primary focus of the fundraise is hospital expansion. Current bed capacity stands at 110, with plans to increase this to 250–300 beds over the next 12–15 months through owned facilities in Nagpur and Copuli. Future expansions beyond these owned facilities will follow a rental model similar to Vadodra. The Vadodra hospital itself is expected to expand from 25–30 beds to 100 beds within the next year. Total capital expenditure for the near-term expansions at Copuli and Nagpur is estimated at approximately INR25 crores. In parallel, the company plans to grow its franchise clinic network, adding 40–50 new clinics this year and 70–80 clinics in the following year.

**Patient Footfall and Revenue Potential**

Management projects new patient footfall to increase from 88,000 in the last year to between 120,000–130,000 this financial year, reaching 150,000–170,000 the following year and ultimately 200,000–220,000 by FY28. Clinic turnover per new patient is estimated at INR10,000–13,000, with the company capturing roughly 40% of this revenue. Hospital revenue per bed per month is projected at INR4–5 lakh. Based on these projections, the total revenue potential by FY28 is approximately INR250 crores, with around INR100–110 crores from clinics and INR150 crores from hospitals. The current revenue mix, where clinics contribute 80% and hospitals 20%, is expected to gradually shift to a 50/50 split as hospital capacity increases while clinics continue to grow.

**Margin and Profitability Outlook**

With the projected ramp-up in revenue, EBITDA margins are expected to exceed 20% by FY28. Net profit margins are anticipated to improve beyond the historical 50% EBITDA conversion, primarily because of limited debt and interest obligations. Marketing expenses currently account for 14–15% of revenue; while this may increase slightly next year, spending is expected to remain controlled to support margin expansion.

**Operational Enhancements and Strategic Initiatives**

Hospitals are actively pursuing insurance empanelment to enhance utilization. Khopoli hospital is already fully tied up with cashless insurance and CGHS approval. Nagpur, Wislag, and Vadodra hospitals are in the process of securing empanelment with major insurance providers, with completion expected within six to seven months.

Strategically, the company has shifted its focus from low-ticket preventive care to high-value disease reversal patients, with treatment costs of INR 50,000–60,000 per patient annually. This approach aligns doctors' expertise with higher ticket-size interventions, which is expected to drive revenue growth.

**Key Takeaways**

Vaidya Sane Ayurved Laboratories is aggressively expanding hospital bed capacity, more than doubling it in the near term, while growing its clinic network. This expansion, combined with a high-value patient strategy and improved insurance coverage, is expected to drive patient footfall, top-line growth, and margin expansion. Management expects to achieve these targets within the next 12–24 months, establishing a clear trajectory for both revenue and profitability over the medium term.



Vascon Engineers Ltd

**Outlook:** The company is poised for steady expansion in its capital-light EPC division, targeting a 20% year-on-year growth rate, supported by a strong order book and an active pipeline of new tenders. Simultaneously, the Real Estate segment is expected to undergo significant transformation, with plans to scale revenue substantially from current levels to INR 5bn within 3-4 years, leveraging a robust project pipeline and an asset-light joint venture model. While near-term margin pressure in the EPC segment is acknowledged as a tactical necessity to secure growth, this is balanced by the potential for much higher profitability in real estate and a strategic focus on operational efficiencies. The company's low-debt profile and disciplined financial management, including strict segregation of funds between segments, provide a stable foundation. Key assets like the Thane land parcel offer additional long-term value creation potential. Overall, Vascon is positioned for a period of accelerated growth, albeit while navigating the execution risks inherent in its ambitious scaling plans and the cyclical nature of the construction industry.

**Margins and Pricing Strategy:** The company maintains different margin profiles for its two segments. For EPC projects, the targeted gross margins are typically 13% to 15%, and the company has historically been disciplined, avoiding bids that fall below this threshold. In contrast, Real Estate projects, often structured as joint ventures deliver significantly higher gross margins, ranging from 26% to 30%. In the near term, EPC margins lower by 1%-2% on the next INR 5-7bn of orders to secure the necessary volume for growth targets. However, the company leverages design and build efficiencies as a strategic tool to protect profitability.

**Growth Guidance and Targets:** In EPC business, the company is focused to grow 20% CAGR over the next 3-4 years. In Real Estate, the ambition is to scale up annual revenue from the current level of INR 1-1.5bn to INR 5bn over the next 3 to 4 years.

**Order Book and Pipeline:** The company's executable EPC order book stands INR 25bn, with government contracts constituting approximately 75% of the total. Management's strategy is to rebalance this mix towards a 60:40 or 65:35 ratio of government to private projects. A critical near-term objective is to secure INR 12-15bn in new EPC orders within the next six months to ensure a starting backlog of INR 37.5-40bn for the FY27E. The Real Estate pipeline is robust, with ongoing projects expected to generate INR 2.8bn (Vascon's share) and pipeline projects comprising about 2 million square feet of development, equating to a potential top line of nearly INR 12bn for Vascon.

**Tenders and EPC Business:** The company is actively bidding on new tenders and is in advanced talks to secure at least INR 10bn of new orders imminently.

**Real Estate Projects:** The Real Estate segment is geographically focused on Pune, Mumbai (specializing in niche redevelopment projects), with no immediate plans for geographic expansion. The company follows an asset-light model, primarily utilizing joint ventures and redevelopment agreements rather than purchasing new land outright.

**Thane Land Asset:** Vascon holds a 45% stake in a Special Purpose Vehicle (SPV) related to land parcels in Thane. A portion of this land, approximately 40 acres, is being acquired by the government for the Alibag-Samruddhi express corridor, with an expected realization of INR 1.6-2bn. The development plan involves consolidating adjacent parcels to create a contiguous 25-acre plot, which is projected to support 2.5 to 2.8 million square feet of development over a 6 to 7-year horizon.

**Growth Drivers:** Key growth drivers include the aggressive expansion of the EPC order book, the scaling up of Real Estate revenue from existing and pipeline projects, and a strategic shift towards increasing private sector EPC exposure. The development of key land assets, such as the Thane parcel and remaining projects in Pune (Taleo and Karadi), also serves as a significant future growth driver.

**Working Capital and Debt:** The company maintains a low-debt structure, though gross debt exceed INR 2bn. The blended finance cost is between 10.5% and 11%. Management is actively working to refinance higher-cost debt, with lower-cost structured finance in 11% to 11.5% range. The EPC business is capital-light, primarily requiring bank guarantees, for which sufficient limits are in place. Real Estate requires significant initial capital infusion, but subsequent construction is funded by sales proceeds. A strict internal policy ensures complete segregation of funds between the EPC and Real Estate segments, with no cross-funding permitted.

**Industry and Market Size:** The company operates in the large and growing Indian construction and real estate industry. The EPC segment benefits from continued government spending on infrastructure and private industrial and commercial projects. The Real Estate segment focuses on specific, high-demand micro-markets like Pune and Mumbai.



**Vibhor Steels Concall KTAs**

**FY25 revenue stood at ~INR 10 Bn; management expects FY26 revenue to exceed INR 10 Bn with contribution from the new Odisha plant. EBITDA margins expected to remain in the 4–4.5% range, with potential 1–1.5% upside from new verticals.**

**Operational Highlights**

Company has three plants in Maharashtra, Telangana, and the newly commissioned Odisha-Jharsuguda. Odisha plant capacity of 120,000 TPA; currently ramping up.

Maharashtra plant operating at ~75% utilization, Telangana at ~60–65%, Odisha at low utilization with ~1,000–1,500 tons/month, but expected to scale to 25–30% post-Diwali and ~50% in FY27.

**New product lines**

Company added product, incl. highway guardrails at ~1,000 tons/month in Hyderabad; Odisha to contribute another 1,000 tons/month.

Power transmission towers have an orderbook of ~1,000 tons with potential to add INR 0.5–1.0 Bn over time.

**Segment Breakup**

Pipes (ERW & galvanized) accounts to ~80–85% of revenue, guardrails are expected to achieve ~ INR 500–750 Mn annual revenue contribution.

Transmission towers also have the potential of contributing ~INR 500–1,000 Mn in mid-term.

**Market Opportunity**

Government infra push and anti-dumping duties on Chinese and Vietnamese imports supporting domestic ERW pipe demand.

Surya Roshni enjoys higher margins of ~6%, due to API pipes and exports; Vibhor Steels remains domestic-focused on waterline and structural pipes.

Raw material like HRC prices corrected from INR 60,000/t to ~INR 46,000/t in FY25; management expects stability near current levels over FY26.

**Capex/Expansion**

Odisha plant commissioned with ~INR 1.2 Bn capex; targeted to achieve breakeven ROC in 4-5 years.

The company focus on stabilizing Odisha operations before considering further expansion.

No significant debottlenecking plans at existing plants; galvanizing capacities at Maharashtra & Telangana fully utilized.

**Other Specifics**

The company has a long-standing 20+ year white-label arrangement with Jindal Pipes (Jindal Star brand).

Vibhor manufactures, and Jindal markets under its brand. Around 80% of Vibhor's revenue is derived from this arrangement. Jindal charges ~2% commission (INR 1,000/t differential).

Partnership reduces Vibhor's marketing costs and ensures stable sales visibility. Company has manageable working capital; banks are ready to extend credit lines as Odisha ramps up.

**Guidance**

For FY26, revenue is expected at INR 11–12 Bn with 25% YoY growth assuming stable realizations.

Further ~25% revenue growth as Odisha plant scales up and new product verticals contribute; pipe segment alone could reach INR 12–13 Bn in FY27E.

Margins will remain steady at 4–4.5% in core pipes; new products could lift consolidated margins by ~100 bps over time.

Management confident of stable demand and margins given infra push and raw material stability.

## VICEROY HOTELS LIMITED

**Outlook:** Viceroy Hotels demonstrates exceptional transformation potential through strategic asset expansion and operational optimization following successful turnaround from insolvency. The company's phased renovation strategy, adding 56 rooms to reach 463 total capacity by Q4 FY26, combined with enhanced facilities including gym, spa, and rooftop restaurant, positions it for significant revenue uplift. The Madhapur greenfield project (200 keys, INR 1.01.2 bn capex) targeting Q1 FY28 launch provides clear growth trajectory toward 800,900 rooms within five years. Strong promoter backing with real estate expertise and strategic focus on Hyderabad's expanding corporate market create sustainable competitive advantages through premium brand positioning and operational excellence.

**Business Model & Strategic Positioning**

Viceroy Hotels operates premium hospitality assets under Marriott and Courtyard by Marriott brands in Hyderabad, leveraging 30 years of industry experience through strategic acquisition from insolvency proceedings in October 2023. The company currently manages 407 operational rooms across two interconnected properties—the original Marriott (operational since 2004) and Courtyard (operational since 2011 with established market presence in Hyderabad's financial district). The asset-heavy model provides operational control while maintaining strategic partnership with Marriott International through revenue sharing arrangements approximating 6-7% of revenue, covering base fees, incentive fees, and system contributions while accessing global brand strength, operational excellence standards, and loyalty program benefits.

**Financial Performance & Operational Turnaround**

FY25 financial performance demonstrated strong recovery with total revenue of INR 1.36 bn, comprising INR 1.00 bn from Marriott operations and INR 300 mn from Courtyard, reflecting successful operational turnaround under new management. Post-insolvency restructuring has created favorable cost structure with minimal corporate-level expenses, no promoter salaries, and optimized operational frameworks enabling sustainable margin expansion. Current EBITDA margin of approximately 24% provides foundation for improvement toward 30%+ target through renovation completion and operational leverage, while tax benefits from carried forward losses (INR 45 bn) provide significant advantage until 2031, enhancing post-tax returns during the growth phase.

**Capacity Expansion & Revenue Enhancement**

Current renovation program focuses on completing unfinished floors at Courtyard property, adding 56 rooms to reach 463 total capacity by October 2025, with premium amenities including gym, spa, and rooftop restaurant operational by December 2025. Following Courtyard completion, Marriott property will undergo comprehensive convention center renovation between April-September 2026, creating significant long-term value enhancement through upgraded facilities that strengthen competitive positioning in the corporate segment. Management targets substantial revenue doubling potential following complete renovation cycle, supported by enhanced facilities, improved operational efficiency, and premium positioning in Hyderabad's under-supplied hospitality market.

**Madhapur Greenfield Development**

Strategic Madhapur project represents INR 1.01.2 bn investment for 200-key Courtyard by Marriott targeting Q1 FY28 operational launch, positioned in prime corporate district with proven demand characteristics. Land lease arrangement with promoters (25% profit sharing postoperations) optimizes capital efficiency while maintaining operational control through asset-light structure that reduces upfront capital requirements. Project economics reflect disciplined capital allocation with targeted capex of INR 50,60 lakh per key, achieved through standardized Marriott prototype designs, optimized procurement strategies, and efficient construction methodologies, while three-year construction timeline ensures systematic execution with rapid ramp-up potential given strategic location in established corporate hub.

**Market Dynamics & Growth Strategy**

Hyderabad hospitality market benefits from structural growth drivers including expanding GCC presence (Amazon, Google, Facebook, Microsoft), infrastructure development in financial districts, and favorable business environment attracting corporate relocations. Significant undersupply in premium hotel segment creates favorable demand-supply dynamics with peak periods experiencing capacity constraints and pricing power, while Marriott brand positioning provides competitive differentiation through global recognition and operational excellence standards. Medium-term growth strategy targets 800,900 room capacity within five years through balanced organic and inorganic expansion, with primary focus on Hyderabad market consolidation given favorable dynamics and established operational expertise, while maintaining disciplined acquisition approach targeting distressed assets with conservative leverage ratios and strong financial flexibility.

**Vikram Kamat's Hospitality Ltd**

**Outlook:** Vikram Kamat's Hospitality Ltd is aimed for strong growth driven by a 50% capacity addition in its asset-light hotel portfolio and rapid expansion of Kamats Legacy restaurants into key clusters. With sustainable 40% topline growth, stabilized margins of 30–35% EBITDA and rising ROE post-expansion, the company is well-positioned to capture demand across business, leisure, and pilgrimage segments in Tier 1–3 cities.

**Company Overview**

Vikram Kamat's Hospitality Limited focuses on delivering authentic experiences through its hotel brands (VITS) and restaurant brands (Kamats Legacy).

Hotels cater to business, leisure, and family travelers in the mid-range category with average room rates of INR 3,000 to 5,500 per night.

Restaurants carry forward South Indian culinary heritage, adapting to modern tastes.

The ecosystem of hotels and restaurants strengthens brand recall in Tier 1, 2, and 3 cities and diversifies revenue streams.

Shifted from franchising to company-operated outlets for better revenue control, supply chain scaling, and volume benefits; future plans include master franchise and joint venture agreements for clusters and regions.

**Hotel Business and Expansion**

Subsidiary Vitizen Hotels Limited signed a long-term lease for a 40-room hotel at Bengaluru.

Operates a leased hotel in Gurugram and is expanding in NCR.

Acquired a brownfield 101-room hotel project at Dhaman (interiors completion pending); adding 24 rooms to an existing 40-room leased hotel at Dhaman.

Expansion underway at Silvasa hotel.

Acquired rights to a location near Vadavan port (Asia's largest upcoming port).

Focus on asset-light leased hotels under select brands.

Current rooms: 993; planned expansion to 1,318 rooms in 18 months (50% capacity addition).

Differentiation from competitors like Lemon Tree: 90% of portfolio under 100 rooms, operates profitably in 50-60 room hotels in Tier 2/3 cities; refurbishes without major civil work, unlike building new or large properties.

Out of 993 rooms, 567 are leased: rest on management contracts earning INR 40 Mn annual royalty.

Future additions: Aim to add 400-500 rooms via 10-15 leased hotels (40-50 rooms each) to reach ~1,400 rooms.

Growth strategy: Cluster-wise in known geographies like Maharashtra and Gujarat; connections in Pune-Bengaluru; no international expansion planned.

Hotel mix: Includes corporate, leisure, and pilgrimage sites; actively seeking more pilgrimage locations.

**Restaurant Business and Expansion**

Launched fourth Kamats Legacy at Mira Road, Thane; existing locations at Nariman Point.

Kamats Legacy: Largest chain of premium South Indian vegetarian food served on banana leaves.

Expansion plans: Scale from 4 to 20 outlets in 2 years, focusing on Pune, Ahmedabad, Delhi, and one more city to develop clusters.

Initial response to Vits brands encouraging; new launches expected to succeed by capitalizing on location-specific demand.

**Growth outlook:** 40% topline growth sustainable for next 3 years; existing portfolio has 20% revenue growth potential with exponential profit growth. Stabilized margins: EBITDA 30-35%, PAT 12-15% (currently suppressed due to growth-related costs like hotel sourcing, team additions). ROE: Previously 16-18%, currently 6% due to disproportionate growth expenses; expected to improve to higher levels post-stabilization.

**VIP Clothing Ltd****Company Overview and Operating Performance**

Over five decades in apparel, with brands like VIP, Frenchie, Feelings, and Leader; FY25 revenue INR 236 crores (29% YoY growth from INR 183 crores).

Turned profitable: EBITDA INR 16.65 crores (vs. loss of INR 4.75 crores), margin 7%; PAT INR 5.45 crores, margin 2.3%.

Mix: 60-65% from distribution, rest from modern trade, e-commerce, institutions (CSD/Canteen); women's segment low base but high growth potential.

**Growth Strategy and Channel Focus**

All-channel growth: modern trade/e-commerce driving 25-30% of uplift; targeting INR 300+ crores FY26 (25-30% growth).

Non-men's (women's, kids) as key drivers; women's organized penetration higher, with bra/panty launches imminent.

Backward integration and outsourcing (50-50 split) for efficiency; no major capex needed, current machinery supports plans.

Long-term: domestic focus (majority revenue), exports via agents; dedicated distributors for women's to encash opportunities.

**Financial Guidance and Margin Outlook**

Gross margins 31-32%; EBITDA to improve with scale, product mix shifts (higher-margin women's/economy categories).

Delta in margins from product/variety focus; economic brands (Leader/Supreme) lower margins, premium (VIP) higher.

No debt post-turnaround; fixed costs stable, aiding quarterly improvements.

**Turnaround Initiatives and Risks**

Post-FY17 stagnation, infused funds, integrated backward, and focused profitability (hit INR 60 crores/quarter mark).

Promoter stake reduction from 65% to 46%; emphasis on brand ambassadors avoided, prioritizing concept/product strength.

**Virinchi Ltd****Business Overview:**

The company is a diversified with a presence in multiple industries, including IT services, healthcare, fintech, and a IT platform. The company has demonstrated potential growth across its business segments and enhanced shareholder value.

**SaaS Business Spin-Off**

The company plans to spin off its SaaS business into a separate, wholly-owned subsidiary via a slump sale. This new entity will eventually be listed on the stock exchange. The management believes the SaaS business is undervalued within the current conglomerate structure and projects an equity valuation of around INR 9,000 Mn for the new entity.

**Use of Funds**

The planned Offer for Sale (OFS) of about 20% of the new SaaS company's shares is expected to raise funds, which will be used to:

- Stabilize the flagship hospital
- Complete the oncology unit
- Set aside working capital

**Growth Drivers**

The company is focusing on four key customer segments in the US:

Subprime lenders: Companies that lend to borrowers with lower credit scores.

Near-prime lenders: Lenders for borrowers with credit scores around 615-650.

Cheque-cashing companies: A large, untapped market for the company's loan management systems.

Tribal corporations: Native American corporations operating outside federal and state regulations.

**Operational Metrics**

The platform handles over 800,000 transactions monthly and has over 25 Mn unique borrowers.

It supports over \$9 Bn in loan disbursements and repayments annually.

The platform has a reliability of 99.9%.

**Healthcare Vertical**

The company's healthcare vertical is a wholly-owned subsidiary with three hospitals in Hyderabad:

One flagship hospital with 600 beds (400 currently operational, with 100 more being added)

Two smaller hospitals with 60 beds and 140 beds respectively.

Hiring Doctors: The company is focused on re-hiring doctors who previously worked with them and onboarding new doctors with established patient bases.

Experienced Leadership: Healthcare operations are led by Dr. Krishna Mohan and an ex-Care Hospital co-founder in cardiology, who is likely to join as CEO. Around 20 doctors have been granted ESOPs.

Cost Management: The company is addressing high finance costs due to lease liabilities.

Market Initiatives: They are launching an EWS package offering consultations and tests at a discount and exploring international patients from Africa and the Middle East.

**Other Businesses****IT Services**

The company has an incidental IT professional services business that provides staff augmentation to US-based clients. This division is not part of the SaaS business spin-off and will remain separate as it doesn't involve proprietary IP.

**Data Centers**

The company owns and operates two data centers in Santa Clara and Atlanta to support the SaaS business. There are no immediate plans to expand this business commercially in the US due to high capital requirements.

**Virtuoso Optoelectronics Ltd**

**Guidance and Future Outlook:** Management remains optimistic of scaling revenues to INR 20 bn by FY27–28, led by compressors, refrigeration, and EMS diversification. Compressors alone are expected to contribute INR 4 bn by FY28 as import substitution accelerates with QCO norms. AC capacity to expand to over 1 mn units annually, refrigeration to 4 lakh units, and washing machines to scale steadily under long-term contracts. The company targets EBITDA margins to remain in the 8–10% band, with potential upside as higher-margin compressors and EMS businesses ramp up.

**About the company:** Virtuoso Optoelectronics Ltd delivered a comprehensive update on its diversified product portfolio and growth trajectory. The company, which began with lighting and air conditioners, has now expanded into refrigeration, compressors, and washing machines. Management reiterated its strong client relationships with marquee brands like Panasonic, Voltas, Blue Star, Croma, and Haier, while highlighting the ongoing addition of new customers. A key focus was the compressor venture with Chinese technology collaboration, which positions Virtuoso at the forefront of the large import substitution opportunity in India. Despite near-term challenges in the AC market due to weak summer demand and inventory build-up, management remains confident of ending FY26 with revenue above INR 9 bn, supported by traction in new product lines, capacity expansions, and government incentives such as the recent GST reduction.

**Product Portfolio Expansion**

Four verticals: lighting and EMS, air conditioners, refrigeration (water dispensers and deep freezers), and compressors

Recently added semi-automatic washing machines with Voltas Beko as anchor customer

EMS business driven by Panasonic; growing demand for controller boards, remote controls, and components

Compressor plant commissioned with trial runs completed; commercial production to begin by October

**Demand Environment and AC Business**

AC segment faced weak demand in Q1 and Q2 due to unseasonal weather and high channel inventory

Expectation of demand revival in Q3 and Q4 aided by GST cut from 28% to 18%

FY26 revenue guided at INR 9 bn plus/minus INR 0.5 bn, with ACs still contributing 55–60% of topline

Margins for AC business to remain stable at 9%, PAT margin at 3%

**Diversification into Non-AC Segments**

Refrigeration capacity to rise from 1.5 lakh units to 4 lakh units over 18 months, targeting INR 5 bn revenue potential over 3 years

Compressor segment has capacity of 2.5 million units in first phase; long-term target of 7.5 million units translating to INR 10 bn topline potential over 5–6 years

Washing machines to provide steady growth, backed by secured offtake from Voltas Beko

**Client Base and Concentration**

Voltas remains key anchor client, contributing 65% of company sales and 90% of AC revenues

New customer additions expected to lower Voltas' contribution to 25–30% at the consolidated level by FY27

Strong customer base across refrigeration includes Blue Star, Croma, Haier, and Sunfrost

**Capex and Backward Integration**

Total compressor project capex estimated at INR 6 bn, with phased investments linked to backward integration of 40–45%

Initial phase requires INR 1 bn for 2.5 million units with 10% backward integration

State government subsidies expected to meaningfully enhance project returns, enabling 15–20% IRR on compressors over time

FY25–26 capex guided at INR 1.5–2 bn across compressors, AC, EMS, and washing machines

**Financials and Margins**

Q1 FY26 revenues at INR 2.9–3.0 bn, slightly lower year-on-year due to weak AC demand

EBITDA margin guided at 8–10% depending on product mix, with compressors expected to stabilise at 10–12% margin post QCO norms

Current topline dependence: AC 55–60%, refrigeration and EMS 25–30%, compressors and washing machines balance.

**Voler Car Limited**

(VCL) is strategically positioned as **India's corporate Uber**, operating as an employee transportation services provider focusing exclusively on corporate clients, including large MNCs and Fortune 500 companies across India. The company is defined by its asset-light aggregation model and its comprehensive technology platform. The Market Capitalization (Mcap) is INR 2.51 bn, and the CMP is INR 225.

**Outlook**

The **Outlook** for Voler Car Limited demonstrates compelling growth potential, driven by aggressive targets, strategic geographic expansion, and service diversification.

**Aggressive Growth Targets:** Management guidance targets to reach **INR 2 bn revenue by the next financial year** and an ambitious **INR 5 bn revenue within three years**.

**Financial Leverage and Improvement:** Current PAT margins (10–12%) are expected to **improve once the INR 1 bn revenue milestone is achieved**, supported by operational leverage from the technology platform and established infrastructure. Every trip generates positive contribution margins.

**Geographic and Market Expansion:** Growth acceleration is planned through systematic geographic expansion into existing and non-competitive tier-2 and tier-3 cities. This expansion strategy provides first-mover advantages. Current operations span 15+ cities.

**Service Diversification:** A newly launched rental car service (focused on chauffeur-driven vehicles, mitigating risks associated with a self-drive model) targets an **INR 1 bn contribution**, representing a significant diversification opportunity beyond the core employee transportation business.

**Industry Tailwinds:** VCL is exceptionally well-positioned to capitalize on industry consolidation trends, benefiting from the expanding Indian market driven by corporate expansion, urbanization, increasing corporate focus on employee safety, and environmental sustainability (ESG requirements). The strategic roadmap emphasizes maintaining sustainable profitability while building a market leadership position in the rapidly consolidating industry segment.



Waaree Renewable Technologies Ltd

**Outlook:** Waaree Renewables maintains a strong growth outlook, supported by a robust order book of 3.15 GW and a promising pipeline. The company is well-positioned to capitalize on India's ambitious renewable energy targets, with demand for solar EPC remaining high. Strategic expansion into high-growth segments like Battery Energy Storage Systems (BESS) and data centers provides additional avenues for growth. Its asset-light, debt-light model ensures financial flexibility, while consistent profitability and stable margins underscore operational efficiency. The company is expected to continue its strong performance, leveraging its EPC expertise and favorable market conditions.

**Revenue Mix:** The majority of revenue comes from Engineering, Procurement, and Construction (EPC) services, primarily in solar projects. The company also maintains an Independent Power Producer (IP) asset portfolio, which contributed INR 250mn from a total installed capacity of 54.82 megawatts in the last fiscal year. Other revenue streams include a rooftop project portfolio of 769 megawatts and Operation and Maintenance (O&M) services. The company plans to expand its IP assets by executing an additional 41 megawatts in one state.

**Core Business Model:** Waaree Renewable Technologies operates mainly as a solar EPC provider, offering end-to-end services for rooftop, floating solar, and Battery Energy Storage Systems (BESS). The company has commissioned 3.03 gigawatts of projects to date and currently holds an executed order book of 3.15 gigawatts. It is actively pursuing a pipeline of around 2.5 gigawatts of bilateral projects. Execution capability was noted at 1.525 gigawatts in the last year, with individual project sizes reaching up to 2 gigawatts.

**Expansion into New Segments: BESS and Data Centers:** The company is expanding beyond traditional solar EPC into Battery Energy Storage Systems (BESS), participating in tenders and executing pure BESS EPC projects. As an asset-light operator, it procures and installs components but does not manufacture BESS parts. Additionally, Waaree is entering the data center segment, having hired senior leadership to explore EPC opportunities in this space. The company is also securing land and power evacuation facilities across states to offer integrated solutions.

**Growth Drivers and Industry Outlook:** India's target of 500 gigawatts of renewable energy by 2030 requires annual installations of 35-45 gigawatts, against a current base of around 250 gigawatts. Government initiatives such as the PLI scheme, rooftop solar subsidies, solar parks, and reduced GST rates are driving demand. Rising power consumption due to GDP growth, industrial expansion, and energy-intensive technologies like AI further support sector growth. Management believes EPC remains a specialized, non-commoditized field with sustained demand.

**Bidding, Tenders, and Pricing:** The company follows a disciplined bidding strategy, back-calculating procurement costs and project timelines to ensure profitable pricing aligned with risk/reward parameters. Revenue realization per megawatt varies quarterly based on project mix, but the unexecuted order book is generally priced between INR 11-12.5mn per megawatt.

**Raw Materials and Cost Structure:** Cost of Goods Sold (COGS) for EPC contracts is approximately 78% of expenses, covering cables, structures, transformers, inverters, and civil and electrical works. Even when clients nominate vendors, these costs are recorded as raw materials. The company maintains an asset-light and debt-light model, with a net worth of INR 4.55bn and minimal debt of INR 250-270mn mainly linked to IP projects.

**Wealth First Portfolio Managers Ltd****Core Business Model and Philosophy**

Focused Scope: The company operates exclusively in financial services, steering clear of real estate or commodities, with a stated aim of mastering the full spectrum of financial assets — from post office savings to complex derivatives.

Unique Open Architecture: Operates on a product-agnostic, open-architecture model without proprietary products. Holds a full suite of financial licenses (BSE, NSE, depository, insurance, RA, PMS, PFDA, MF empanelment) under one roof — positioned as unique in India for end-to-end advisory, execution, and follow-up.

Pure B2C Play: 100% direct-to-client model; no sub-brokers, franchisees, or channel partners.

RM Philosophy - No Targets: Relationship Managers (RMs) have no revenue targets from day one, aligning incentives entirely with client outcomes. Management cites examples of recommending post office savings and tax-free bonds despite negligible or zero revenue for the firm.

Simplicity and Longevity: Advocates client portfolios limited to 10-12 asset lines to drive sustainable returns — a philosophy honed over 32 years. Result: 85% of clients are ≥5 years old, and RM attrition remains well below industry, with some tenures extending 15-25 years.

**Financials and Operations**

Revenue Mix: ~90% of revenue comes from commissions, primarily trail income from MF/PMS/AIF, rather than brokerage churn.

Assets Under Advice (AUA): >INR 12,000 crore; 59-60% is trail-linked. Sweet spot: clients with INR 1-20 crore investable corpus, though entry barrier is as low as INR 1 lakh.

Advisory vs. Distribution: ~10% of AUA under RA model.

RM Productivity: ~37 RMs, each handling 125-150 families. 90% of new hires are freshers trained for 18-24 months before managing clients. Post-COVID adoption of tech/AI has lifted RM productivity by 15-20%.

Operating Leverage: Evident from rising family count per RM and scalable cost structure.

**Proprietary Investments and Volatility**

Pro Money Allocation: Proprietary funds allocated 40-60% across equity and debt.

MTM Volatility in P&L: Current revenue recognition includes MTM impact, causing income volatility. Management acknowledged investor concerns and targets a solution in 3-6 months (e.g., moving to cost-based reporting).

Other Income Definition: Primarily realized gains from own investments (MFs, PMS, AIFs, debt funds) that mirror client products.

**Growth Drivers and Strategic Initiatives**

AMC Foray: In-principle AMC license received (May). Targeting conversion to full license by Jan'26 and launch of first fund (likely ETF/passive) by Mar'26. Strategy is to differentiate via innovative/passive products, not "me-too" active schemes.

Industry Rationale: Management cites massive long-term growth runway only 6 crore MF investors currently vs. an estimated need for 216 AMCs over 20 years (45 today). AMC will also absorb surplus proprietary capital.

Insurance Brokerage: Recently acquired license seen as a "reasonably fast earning model"; industry veterans onboard to scale.

PMS Activation: Plans to launch niche passive PMS products; expected income contribution by Mar'26.

Long-Term Vision: Balanced growth between distribution (core advisory) and manufacturing (AMC, PMS, insurance) businesses, with operating leverage and brand trust as competitive moats.

**Welspun Enterprises Ltd**

**Outlook:** Welspun Enterprises is well-positioned to capitalize on India's accelerating infrastructure push, particularly in water and transport segments. With a robust order book of INR 136.65 Bn providing strong revenue visibility and an aggressive bidding pipeline targeting INR 200-300 Bn in immediate opportunities, the company is entering a phase of sustainable profitable growth. The strategic focus on technology-driven solutions, asset-light execution model, and partnerships with global leaders like Veolia and Xylem position WEL to capture significant market share in the expanding Indian water infrastructure market, which presents opportunities exceeding INR 3,000 Bn over the next 3-4 years.

**Strategic Business Focus and Positioning**

**Core Business Verticals:** Welspun Enterprises operates through two primary verticals - transport infrastructure with nearly a decade of experience, and water infrastructure as a relatively new but rapidly growing segment. The company maintains an asset-light model emphasizing execution over ownership, targeting complex projects that provide technological differentiation.

**Competitive Advantage:** The management highlighted their strategy of focusing on technology-first approach with strong international partnerships. In water treatment, WEL leverages advanced technologies from Veolia for the Bhandup project and Xylem for the Dharavi facility, while exploring bio-treatment technology from the UK with pan-India rights. For transport, the company specifically targets tunneling projects where they possess distinctive capabilities.

**Order Book Strength and Composition**

**Current Order Book:** As of June 30, 2025, the consolidated order book stands at INR 136.65 Bn, representing over 3.7x of trailing twelve-month revenue. The composition shows significant tilt towards water infrastructure at 64% of unexecuted orders, transport at 10%, tunneling at 14%, and O&M at 13%. The O&M component of INR 44 Bn provides long-term revenue visibility over 10-15 years.

**Execution Timeline:** The balance order book excluding O&M is expected to be liquidated over 2-4 years, providing clear revenue visibility. Management emphasized the right selection of projects and technology partners as key differentiators enabling superior margins.

**Major Project Highlights**

**Bhandup Water Treatment Plant:** The flagship project involves developing a 2,000 MLD water treatment plant, positioned as one of the largest globally currently under construction. Valued at INR 41.24 Bn, this Design-Build-Operate project will commence civil works post-monsoon with engineering already underway. Revenue recognition is expected over 2.5-3 years for the construction phase.

**Dharavi Wastewater Treatment Plant:** This INR 46.36 Bn project encompasses a 418 MLD wastewater treatment facility including 209 MLD tertiary treatment plant. The project represents India's first and world's second multi-storeyed SBR wastewater treatment plant, expected to complete within 18 months. The facility will serve 3.5 Mn people and operate under a 15-year O&M contract.

**Transport Infrastructure Achievements:** The company successfully completed the Anta-Sima project, inaugurated by Prime Minister Modi on August 22, 2025, featuring India's widest extradosed bridge. The project is positioned for monetization under the asset-light model. Two ongoing projects include the Varanasi-Prayagraj EPC project and Satanadapuram-Nagapattinam hybrid annuity model project.

**Market Opportunity and Growth Pipeline**

**Water Infrastructure Opportunity:** The total addressable market in target states exceeds INR 3000 Bn over 3-4 years, with immediate bidding opportunities of INR 200-300 Bn over the next year. Management emphasized selective bidding in chosen states to ensure sustainable growth rather than abrupt expansion.

**Transport Sector Prospects:** WEL recently submitted a large strategic bid with results expected within 30-40 days. The company will concentrate on BOT and hybrid annuity model projects, specifically targeting tunneling works which provide competitive differentiation. NHAI's large planned announcements for the year provide optimism for substantial order book additions.

**Technology Partnerships and Differentiation**

**Water Technology Partnerships:** The company has secured pan-India rights for bio-treatment technology from the UK, owning IP along with the technology provider for the Indian market. For project-specific requirements, WEL associates with Veolia and Xylem on case-to-case basis, with arrangements typically involving 20% of project value for technology provision and delivery support.

**Innovation in Project Execution:** The Dharavi project showcases cutting-edge space-saving technology for secondary and tertiary wastewater treatment, representing a first-of-its-kind multi-storeyed facility in Asia. The Bhandup project leverages Veolia's advanced treatment processes to maximize resource utilization.

**Forward Guidance and Strategic Outlook**

**FY26 Targets:** Management provided consolidated revenue guidance of approximately INR 40 Bn for FY26, representing 15-20% growth trajectory. With 93% of FY26 revenue covered by existing orders, the company demonstrates strong execution visibility. Fresh order inflows during early FY26 will contribute to FY27 revenue streams.

**Geographic Expansion Strategy:** While currently concentrated in Maharashtra and Uttar Pradesh for water projects, WEL is exploring opportunities in selected states for gradual geographic expansion. The company prioritizes working with states offering favorable payment track records and project execution environments.

**Oil & Gas Ventures:** The joint venture with Adani Group has discovered two commercially viable oil fields with submitted field development plans awaiting government approval. Monetization timeline depends on regulatory clearances from Ministry of Petroleum & Natural Gas and DGH.

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**Western Carriers India Ltd. (WCIL)****Key Takeaways**

Macro Tailwinds: Stable inflation, GDP growth (6.5% India, 2.8% global), and GST 2.0 expected to drive consumption and logistics volumes.

Regulatory Boost: GST cut on multimodal transport to 5% (from 18%) effective near-term; FMCG demand (19-20% of revenues) to benefit.

DFC Opportunity: Significant scope to convert road freight to rail over the next 3-5 years; strong visibility on demand clusters and multimodal parks.

Capex Plan: ~INR100cr FY26 capex focused on MMCT (Gujarat) and multimodal infra; Exim notification pending for expansion.

Growth Guidance: Management confident of sustained growth in domestic + Exim business, improving receivable cycles, and margin leverage from return traffic optimization.

**Macroeconomic & Sector Outlook**

Global: IMF projects global GDP +2.8% (2025), trade +2.7%; inflation easing to 4.3% (2025) and 3.6% (2026), providing stability for trade flows.

India: RBI pegs GDP at 6.5% FY26; inflation trimmed to 3.1%. Food inflation subdued with good monsoon outlook.

**Logistics Industry:**

NLP aims to reduce logistics costs to <10% of GDP over next decade (vs 13-14% now).

Multimodal logistics projected to grow mid-teens to 20% CAGR for 5-10 years.

Highway expansion (+5-8% YoY) to >13,000 km improving connectivity.

**Regulatory Tailwinds & Diversification**

GST Cuts: Multimodal GST rate cut to 5% (ex-air) effective from Q2FY26, seen as a near-term margin and demand booster.

FMCG Sector: Expected to benefit disproportionately; currently 19-20% of WCIL revenues.

Diversification: Core metals business stable; management expects incremental growth from PSUs, aggregates, MSMEs.

**Dedicated Freight Corridor (DFC) - Rail Conversion Opportunity**

Conversion Scope: Large pipeline of customers who historically avoided rail now addressable.

Demand Horizon: Significant demand over 3-5 years from new industrial clusters along DFCs and multimodal parks.

Rail Initiatives: New cargo timetables (e.g., Annapurna, Gati Vahan) to improve efficiency.

Exim Growth: Strong optimism around Exim business post-DFC commissioning.

**Operational Outlook & Financial Planning**

Capex: INR100cr FY26 capex planned; heavy execution expected in H2 post-GST clarity.

MMCT (Dewalia, Gujarat):

Currently domestic only; Exim customs notification awaited.

Expected to scale significantly in coming quarters.

Western India identified as the key growth engine.

Receivables: Working capital cycles expected to improve steadily.

Profitability: Return traffic optimization expected to kick in from H2FY26.

Growth Confidence: Management confident of delivering consistent growth across domestic and exim segments.

**View:** WCIL stands to benefit from a confluence of structural and cyclical tailwinds: (1) GST-led cost relief, (2) DFC rollout, and (3) strong multimodal growth outlook. Execution of the INR100cr capex and MMCT scaling will be key near-term drivers. With operating leverage and improving receivables, WCIL could see margin improvement and stronger cash flows in FY26-27, positioning it as a beneficiary of India's logistics transformation.

**WOL 3D India Ltd****Business Model and Strategic Positioning**

WOL 3D India Limited operates as India's premier **3D printing ecosystem company**, moving beyond traditional distribution through a comprehensive one-stop solution model. This model integrates **hardware distribution**, proprietary consumable manufacturing (PLA filaments), **prototyping services** (via the Brahma 3D printer farm with 200+ printers), and extensive after-sales support via nine experience centres. This integrated business approach, which spans manufacturing, distribution, retail, and services, creates high customer stickiness and sustainable competitive advantages. Revenue streams are diversified, balanced between B2B (60%) and B2C (40%) segments.

**Financial Health and Growth Trajectory**

The company demonstrates **strong fundamentals** and exceptional growth potential. Revenue has scaled significantly, showing **194% cumulative growth** from FY21 to a reported INR 482 mn in FY25, with recent expansion showing 23% year-over-year growth. WOL 3D maintains **healthy profitability**, with PAT margins improving to 11.6% (FY25). A key financial strength is its **debt-free operations**, which support ongoing expansion initiatives. Growth momentum is also evidenced by increasing printer sales, rising from 6,600 units (FY23) to 10,200 units (FY25).

**Market Leadership and Competitive Advantages**

WOL 3D is positioned as the market leader in consumer 3D printing, holding a **60–70% market share** based on import data. The company benefits from an **early mover advantage** established over nine years. Competitive moats include **exclusive partnerships** with leading international manufacturers (including managing the Amazon store for Bamboo Lab) and a broad product portfolio. Operational complexity, including nine experience centres and specialized technical expertise, creates significant **barriers to entry** for competitors. Furthermore, AI integration simplifies design processes, enhancing adoption.

**Industry Dynamics and Growth Outlook**

The industry outlook is favourable, supported by **government initiatives** promoting digital manufacturing. Key drivers include the **Atal Tinkering Labs program** targeting 50,000 schools, which generates substantial institutional demand. Regulatory tailwinds include the **GST reduction** from 18% to 5% for toy manufacturing, benefiting consumer applications. India currently accounts for only **0.3% of the global 3D printing market**, providing a massive scaling opportunity. The government has set a target of increasing this penetration to **5% within five years**, providing a significant growth roadmap for the company.

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XT Global Infotech Ltd

**Outlook:** Aims to achieve 20–30% annual revenue growth in FY26, driven by a mix of organic expansion and strategic acquisitions. The company plans to double its bottom line over the next three years while improving margins to 18–20% through optimized offshore delivery and cost control. Continued investment in AI, RPA, low-code platforms, and finance & accounting services will strengthen its competitive edge. With minimal H1B dependency and scalable infrastructure in place, the company is well-positioned to capture growth opportunities in the US and other global markets.

**About Company:** XT Global Infotech, with over 25 years of experience in IT consulting, software services, and digital transformation, operates out of Hyderabad and Vizag with a delivery presence in the US. The company generates revenues of around INR 234 crore with a workforce of nearly 700 professionals. Its offerings span AI and automation, low-code platforms, Microsoft and Oracle solutions, finance and accounting services (delivered through its proprietary SaaS platform "Circulus"), and broader digital transformation initiatives.

**Margin:** The company currently operates at an EBIT margin of about 10%, while its operating profit stands at 17–18%. Margins have come under pressure due to heavy investments in RPA, AI, and expansion of sales and marketing capabilities. Management, however, has reiterated a long-term goal of improving profitability to the 18–20% range by FY28, primarily through better utilization of resources, scaling offshore delivery, and optimizing SG&A costs.

**Growth Strategy:** In terms of growth, XT Global is targeting 20–30% annual expansion in FY26 through a mix of organic growth and acquisitions. The company has laid out an ambitious plan to double revenues over the next three years, with acquisitions expected to contribute USD 40–50 million and organic growth another USD 20–30 mn. To strengthen execution, it is actively onboarding senior sales leadership to drive deeper penetration in the US market.

**Shift in Business Model:** A notable shift in its business model has been the move from an on-site consulting focus to an offshore delivery model, which has significantly reduced H1B visa dependency. Whereas the company had over 120 employees on H1B visas in 2014, the number is now just about 20. Offshore operations today generate USD 7–8 million in IT services revenue and an additional USD 4 million from SaaS, with the SaaS model billed on a per-document basis rather than a time-and-material framework.

**SaaS Platform:** The proprietary SaaS platform, Circulus, has been a key differentiator. Initially built in 2007 and fully re-engineered as a multi-tenant cloud platform between 2015 and 2018, it provides AP automation services to several Fortune 1000 clients. Client contracts typically span three years, and many relationships extend beyond a decade, highlighting the platform's stickiness. The platform is being continuously enhanced with AI features to further reduce manual intervention and improve efficiency.

**Mergers and Acquisitions Outlook:** On the M&A front, management is exploring opportunities in new geographies, verticals, and niche technology areas. The approach remains cautious and focused on cultural fit, valuation discipline, and long-term value creation rather than short-term revenue uplift. While discussions are ongoing, management emphasized that timing and strategic fit remain critical filters.

**Scalability and Infrastructure:** The company also benefits from significant scalability in infrastructure, with about 200,000 sq. ft. of owned office space across Hyderabad and Vizag. This provides headroom for expansion without incremental leasing costs. Furthermore, more than 90% of the workforce comprises full-time employees rather than consultants, enabling better control, stability, and productivity.

**R&D and New Practices:** Research and development remains a focus area, particularly in AI, RPA, and low-code platforms such as UiPath, Mendix, and PowerApps. Alongside, the finance and accounting outsourcing business has shown promising traction, scaling to revenues of over USD 100,000 per month within just a year. The company is also exploring diversified revenue models, moving away from pure time-and-material contracts toward managed services, blended pricing, and SaaS-linked models.

**Visa and Regulatory Risks:** Visa and regulatory risk exposure is minimal due to the offshore-heavy model. While industry-wide H1B restrictions may impact peers meaningfully from FY27 onwards, XT Global's dependency has already reduced substantially, providing a competitive cushion.

**Competitive Landscape:** In terms of the competitive landscape, Circulus faces limited competition, mainly from large and well-funded global SaaS providers. The company differentiates itself on accuracy, cost efficiency, and long-term client stickiness, boasting nearly 99.9% processing accuracy. In IT services, it positions itself at the departmental outsourcing level rather than competing with Tier-1 IT players for full-enterprise outsourcing deals.



**Zodiac Energy Ltd**

**Outlook:** Zodiac Energy Limited is positioned for a period of robust and sustained growth. The company's outlook is highly positive, underpinned by a strong and executable order book, a vast bid pipeline, and strategic expansion into high-growth areas like Battery Energy Storage Systems (BESS) and international markets. Its clear focus on larger, margin-accretive ground-mounted projects, coupled with a stable IPP portfolio generating long-term cash flows, provides a solid foundation. The company' focused on 45-50% revenue CAGR for the next two years. The solar EPC space is competitive, Zodiac's selective approach to orders, improving working capital cycle, and diversification into promising new technologies mitigate risks. Overall, Zodiac Energy is well-aligned with India's accelerating energy transition and is strategically evolving to capitalize on emerging opportunities, signaling a promising growth trajectory.

**Revenue and margins**

The company is targeting a revenue CAGR of 45-50% for FY26 and FY27, with similar EBITDA growth. EPC project margins are stable, and the company is confident in maintaining them by selectively avoiding low-margin orders in a rapidly growing market.

**Order Book and Bid Pipeline**

The current order book stands at ~INR 4.35bn slated for execution within FY26. This book is split between government orders (INR 1.5bn) and private sector projects. The bid pipeline is substantial, exceeding 800-1000 MW. With a typical conversion rate of 10-15% from quotations to orders, the company expects to secure orders worth INR 3-4bn (80-100 MW) within FY26E.

**Business Model and Revenue Mix**

The company's operations are structured around four primary segments. The Engineering, Procurement, and Construction (EPC) division handles both ground-mounted and rooftop solar projects. As an Independent Power Producer (IPP), the company develops and operates its own solar power plants. Additionally, it engages in the distribution of solar products. The revenue mix is currently dominated by EPC activities, but contributions from newer segments like Battery Energy Storage Systems (BESS) and hybrid solutions are expected to grow from an initial 5-10% each as these markets mature.

**Geographical Presence and International Strategy**

Zodiac Energy operates across more than 15 states and Union Territories in India. Its international expansion is focused on Africa, with ongoing projects in Zambia and Kenya, and future plans to enter the Middle East and North Africa (MENA) region. The strategy targets countries with stable political environments and significant electricity deficits, where margins are favorable. Project cycles are kept short to mitigate geopolitical risks.

**EPC and O&M Services**

The company provides turnkey EPC services for both ground-mounted and rooftop solar installations. For ground-mounted projects, it executes large-scale utility and captive power plants. Rooftop projects span residential, commercial, and industrial (C&I) sectors, ranging from 1 kW to several MW. Strategically, the company is prioritizing ground-mounted projects due to their larger ticket size and operational efficiency, while maintaining a focus on high-quality, branded EPC services in the competitive residential rooftop segment. Long-term Operation and Maintenance (O&M) services are offered alongside EPC contracts.

**IPP Activities and PM KUSUM Scheme**

As an Independent Power Producer, Zodiac Energy recently commissioned a significant 40 MW ground-mounted solar project under the central government's PM KUSUM scheme, supplying power to UGVCL in Gujarat. This IPP portfolio provides stable, long-term cash flows. The company invested INR 1.45bn in this project and plans to add 20-25 MW to its IPP capacity in the current financial year.

**Technologies and Growth Drivers**

Future growth is anchored on new technological avenues. The company is actively entering the Battery Energy Storage System (BESS) market, with a dual strategy of serving existing C&I customers to reduce grid dependence and participating in large-scale utility tenders. It is also exploring hybrid power solutions. The stability of the grid and the expansion of solar capacity in India are key drivers making energy storage a critical growth area.



**Debt, Capex, and Working Capital**

Debt levels increased primarily due to the INR 1.02bn long-term loan taken to fund the 40 MW IPP project, which will be serviced by the project's own revenue. Working capital debt has not seen a significant rise. The working capital cycle has improved compared to previous years, aided by a healthier business mix of 35-40% government and 50-60% private/C&I clients. For BESS projects, the working capital cycle is favorable as full payment is received upfront from clients.

**Clients and Market Presence**

The company boasts an installed base of over 15,000 grid-connected solar systems and serves more than 100 marquee C&I clients, including prominent names like Honda Motorcycle, IOCL, Adani, ISRO, SBI, and Tata Motors. Significant traction is noted in the steel and pharmaceutical industries. Key government clients include Ahmedabad Municipal Corporation and Gujarat Urban Development Corporation.

**Industry Overview**

The renewable energy sector in India is experiencing peak growth, driven by energy security and cost factors. Last year, India added approximately 24 GW of solar capacity. The market is segmented into the rooftop sector (around 4 GW), the C&I sector (10-12 GW), and large-scale IPP projects making up the remainder. This large and growing market presents substantial opportunities.

**Raw Materials and Supply Chain**

For photovoltaic (PV) modules, procurement has shifted primarily to Indian manufacturers due to the ALMM (Approved List of Models and Manufacturers) regulation. The company maintains relationships with leading Indian module suppliers and sources balance-of-system components from multiple vendors to ensure a robust supply chain. The company has no plans to enter module manufacturing, citing potential oversupply in the Indian market.

**Cost Savings and Project Economics**

The company focuses on maintaining margins by avoiding competitively squeezed orders. For BESS, the installation cost for a 1 MW / 2 MWh system ranges from INR 2-2.4 crore. Revenue from such a system is approximately INR 2.2 -2.4 lakh per month based on recent tenders. With utilization rates typically set for 12 years in government tenders, the Return on Capital (ROC) for BESS projects is estimated at 15-20%.

## Z-Tech (India) Ltd

### Business Overview

The company's business model is a key driver of its positive outlook. By focusing on creating customized, sustainable creative parks, it has carved out a unique niche in the market, giving it a "first-mover advantage." This strategy allows it to avoid direct competition with larger, more formulaic theme parks. The company is also innovating by diversifying its revenue streams to include events, retail, and branding, which reduces its reliance on a single source of income and provides a buffer against seasonal fluctuations. This innovative and adaptive approach positions the company well for long-term success.

**Business Segments:** The company's business model is centered on three distinct segments, each contributing a different percentage to its overall revenue:

**Creative Parks (Zing Park):** This is the flagship and largest revenue-generating segment, accounting for approximately 75% of the company's business. The company specializes in designing, developing, and operating customized parks across India. Unlike conventional theme parks, their projects are sustainable and creative, encompassing a variety of themes such as spiritual, heritage-based, scientific, and wellness. The management emphasizes that each park is a unique, bespoke creation, developed after in-depth research into the specific site, city's culture, and local population's needs. This allows them to create parks that are not just recreational but also serve as urban forests and community spaces, including pet parks and "happiness parks."

**Geotechnical Solutions:** This vertical represents the company's original foundation in hardcore civil engineering. It focuses on providing geotechnical solutions, such as reinforcing the earth, and contributes about 21.6% to the company's revenue.

**Water Management:** This is a smaller but technology-intensive segment dedicated to industrial wastewater management. It makes up about 3-5% of the company's revenue.

### Operational Model

The company uses a hybrid business model, primarily based on Public-Private Partnerships (PPP) with government entities.

**Operational Model (50-60% of parks):** The company operates and manages these parks, generating revenue from multiple sources, including ticket revenue sharing, event hosting, and retail/advertising space rentals. Average ticket prices are around INR 75-INR 100 for adults and INR 50 for children. Weekend footfall for a park can reach up to 5,000 visitors per day.

**EPC Model:** For other projects, the company functions on an Engineering, Procurement, and Construction (EPC) model, earning a commission for the build-out.

### Financial Performance

The company has demonstrated strong financial performance:

**Revenue:** It has achieved a 40% year-on-year revenue increase and a 26% quarterly increase.

**Profitability:** The company has seen a significant improvement in its bottom line, with a 40% rise in quarterly EBITDA and a 25% increase in Profit After Tax (PAT). Year-on-year, profit has surged by 100%. Management attributes this to a continuous focus on cost control and improving business efficiencies.

### Growth Pipeline

The company is in an active phase of expansion. It has successfully developed 17 parks to date and has an ambitious pipeline of 37 new projects "upcoming" or under development. It anticipates having 25-26 operational or upcoming parks by the end of March 2026. The company is also expanding its geographical footprint, with new projects in Bihar and Maharashtra to complement its strong presence in North India.

### Competitive Edge

**First-Mover Advantage:** It has established itself as a leading player in the unique "sustainable creative parks" category.

**Customization:** Unlike competitors who use a one-size-fits-all approach, the company creates bespoke parks that deeply integrate with the local culture and community needs.

**Innovation:** It's actively working to change the consumer mindset by promoting outdoor activities as a daily habit rather than a seasonal or occasional event. This is evidenced by initiatives like hosting monsoon carnivals to drive footfall during the rainy season and even providing rain ponchos.

### Challenges

The primary challenge is seasonality, particularly the monsoons, which can impact civil construction and daily footfall. The company mitigates this by conducting construction work in covered sheds and launching special events to encourage visitors during this period.

**Zuari Industries Ltd**

**Outlook:** Focusing is on 3 main areas for future growth - its sugar and ethanol business, real estate, and bioenergy. The company has completed major capex in sugar and does not expect further large spending there, though it plans to improve cane crushing and expand its branded sugar products. Ethanol remains a key growth driver, with its first 180 KLPD distillery almost ready and long-term plans to scale up to 1,000 KLPD, though further investments depend on better pricing support from the government.

**Business Structure**

The company operates as a diversified holding company with interests in sugar, ethanol, real estate, engineering, and fertilizers.

It holds strategic stakes worth ~INR 5,200 crore as of June 30, 2025 in Chambal Fertilizers, Zuari Agrochemicals, Paradeep Phosphates, Mangalore Chemicals & Fertilizers, and Texmaco Rail.

The company also has 6 subsidiaries and two 50:50 JVs, including Zuari Environ Bioenergy (ethanol) and Zuari Indian Oil Adani Venture (oil terminal in Goa).

**Business Segment****Sugar & Ethanol Business**

The integrated sugar unit has 10,000 TCD crushing capacity, 22 MW exportable power capacity, and a 125 KLPD distillery. No sugar crushing was done in Q1FY26 due to seasonality, but ethanol operations ran at full capacity.

Sugar realizations improved by 4% YoY to INR 4,036 per quintal despite being lower than Q4.

Cane dues were fully paid by May 23, 2025, compared to July last year.

A new 180 KLPD grain-based ethanol distillery (JV with NBIN Group, Slovakia) is over 90% complete, with commissioning expected in Oct 2025.

Scale ethanol capacity to 1,000 KLPD, but further capex will depend on a government revision of procurement prices, as maize input costs are rising while by-product (DDGS) prices have fallen.

No major capex is planned in the sugar unit, other than sustaining capex, since current asset utilization is near optimal.

**Real Estate Business**

Completed 4 projects in Mysuru and one marquee project in Dubai (fully sold, expected completion by Feb 2026).

Phase 4 of Mysuru Garden City is nearly complete with OC application underway.

Company holds 381 acres of land in Goa, with plans for monetization when regulatory clarity emerges.

New projects in Kolkata (with Texmaco Rail land) and Hyderabad (outer ring road) are being developed under development management (DM) mandates, following an asset-light strategy.

Current DM mandates amount to INR 7,000–8,000 crore GDV, with fee income linked to both fixed fees and revenue-sharing.

No further investments are planned in Dubai, and future real estate strategy will remain asset-light.

**Subsidiaries & Other Ventures**

Simon India (EPC business) has booked INR 100 crore in Q1FY26 orders and has INR 148 crore projects under execution, with a focus on digital-first EPC and proprietary innovations.

Financial services subsidiaries are small but profitable and self-sustaining.

Consumer foods launched on Amazon, Flipkart, and quick-commerce apps; currently low-investment, experimental, with cautious scaling.

Branded sugar products (Khandsari, jaggery) and Zepto listings have seen good consumer response, with plans to expand the value-added portfolio.

**Other Highlights**

Deleveraging and simplifying group structure (post MCFL–PPL merger) remain priorities to reduce holding company discount.

Ethanol blending policy is seen as a strong structural driver, though profitability depends on procurement price revisions by the government.

Expecting significant reduction in debt by FY27/28 through Dubai project repatriation, real estate monetization, and capital returns from associates.

**Absolute Legend Sports Pvt Ltd**

**Outlook:** Plan to expand LLC 1010 pan-India, potentially 1,000+ matches annually with local franchise sponsorships. Exploring bilateral Legends series (e.g., India vs. Australia Legends, Ashes Legends) and considering Legends League Football or other sports in the future. Current fundraise of INR 100 Cr underway at INR 265 Cr valuation; proceeds to be used for marketing, player acquisition, and partial debt repayment. Next season (4th) announced for Nov–Jan, avoiding clash with February World Cup. Broadcast renewal with Star Sports expected for at least 2 years.

**Business Model & Formats**

The company owns and operates Legends League Cricket (LLC), positioned as the second-most watched T20 league after IPL.

It has created 3 formats (IPs): **LLC Franchise League** – similar to IPL, with 6 teams sold at USD 15 Mn each for 10 years. **LLC Masters** – a tri-nation format (India, Asia, World) with matches abroad, including Qatar. **LLC 1010 (Street Cricket)** – a hyper-local tennis ball format launched in UP, with 12 teams sold at INR 15 Lakh each, now expanding nationwide.

The league targets Tier-2 and Tier-3 towns, underserved by IPL/International cricket, to capture new fan bases.

**Players & Talent Pipeline**

The league provides a “second innings” for retiring cricketers aged 34–35 who still have 5–6 years of playing potential.

Notable players already signed include Suresh Raina, Shikhar Dhawan, Dinesh Karthik, Gautam Gambhir, Irfan Pathan, Chris Gayle, and Robin Uthappa.

New entrants expected include AB de Villiers, Dwayne Bravo, Kieron Pollard, Ravichandran Ashwin, and Amit Mishra. Player contracts run for 2–3 years, ensuring continuity and quality.

**Viewership & Audience**

The league has achieved 40+ crore total viewership globally, of which 26 crore came from India.

It is broadcast on Star Sports (10 language feeds) in India and internationally on Fox Cricket (Australia), ESPN (Africa), Willow TV (USA), BT Sport (UK).

Matches draw strong crowds, e.g., 28,000+ spectators in Srinagar stadium, with many more outside. The average age of LLC players is 37 years, compared to 45+ years in competing “exhibition” leagues, ensuring competitive cricket with bowling speeds of 135–140 km/h.

**Financial Performance**

Revenue INR 10 Cr, Loss INR 28 Cr in FY22. In FY23, Revenue stood at INR 81 Cr, Loss INR 56 Cr. FY24, Revenue INR 66 Cr (no LLC Masters event held), achieved first break-even. Revenue INR 92 Cr, achieved second consecutive break-even in FY25.

Revenue split for FY25: INR 82 Cr from franchise model, INR 10 Cr from LLC 1010. Within INR 82 Cr: ~INR 17 Cr from central sponsorships, INR 9 Cr from broadcast, INR 11 Cr from ticket sales (avg. INR 500 ticket pricing).

**Other Highlights**

6 franchises are owned by major groups such as GMR Group (Delhi Capitals IPL owners), Manipal Group, Assotech Group, Qentelli consortium (Dallas-based IT firm), Toyam, with Gujarat team transitioning from Adani to a new owner.

The company’s current valuation is INR 265 Cr.

Shareholding: Promoters hold 65%, angel investors 28%, balance with family offices and HNIs.

Recent investors include Apollo Tyres (also a sponsor), JK family (Ram Singhania), Dainik Jagran (Sanjay Gupta), Sandhar Technologies.

## Basil Healthcare Solutions

### Company Overview and Vision

Basil Healthcare Solutions operates two distinct verticals: "**Basil**," a QSR kiosk chain, and "**Ella**," a robotic beverage printer. The company was founded by CEO Harshita Kesriwal, an IIT Delhi graduate and former BCG consultant, and co-founder Akshay, a food tech and robotics enthusiast. The mission for the Basil kiosk vertical is to address the significant gap in the Indian market for a trusted QSR brand focused on fresh, healthy, and natural food and beverages. The company aims to organize the currently unorganized juice and shake category, similar to how other brands have organized pizza, burgers, or coffee. The team is supported by experienced professionals from companies like McDonald's and Bosch, as well as prominent investors, including the founders of Epigamia and the CEO of Domino's India.

### Basil Kiosk Vertical: Business Model and Unit Economics

The Basil kiosk model is designed to be **efficient, scalable, and profitable**, built on three key pillars:

**Small Footprint:** The kiosks are just 50 square feet, allowing for rapid real estate conversion and placement in high-traffic areas like office parks, hospitals, universities, and malls.

**Low Capital Risk:** With a low capex of just INR 5 lakhs per kiosk and a "plug and play" design, the units can be easily relocated if a location underperforms, minimizing financial risk.

**Strong Profitability:** Each kiosk has a **payback period of about eight to nine months**. A mature store generates an average of INR 5-5.5 lakhs in monthly revenue, with some older stores reaching INR 10-12 lakhs. The store-level EBITDA margin is approximately 22%.

The supply chain is managed through a central warehouse in each city, using a software-based "just in time" inventory system to keep wastage between 2-3.5%.

### Ella Machine Vertical: Technology and B2B Strategy

Ella is **India's first robotic beverage printer**, an in-house developed technology for which the company holds a patent. The machine automates the end-to-end process of making cold beverages like shakes, smoothies, and iced teas through calibrated dispensing and in-glass blending. A key feature is its cloud connectivity, which allows for instant menu updates across thousands of machines simultaneously.

The business model is **purely B2B, targeting clients like QSRs, theaters (talks are on with PVR), office parks, and quick commerce players**. Basil provides the machine and generates recurring revenue by supplying the beverage sachets, while the client handles daily refills. The company is currently in the early stages with this vertical, deploying its first 15 machines with pilot partners. The projected revenue per machine for Basil is INR 1-1.5 lakhs per month.

### Financials and Growth Trajectory

The company's monthly revenue run rate has grown to **INR 1.2-1.3 crore, with a target to close the financial year at a INR 3.5 crore monthly run rate**. This revenue is currently generated entirely from the 40 operational Basil kiosks. To date, the company has raised close to INR 12 crore, with its most recent funding round being raised at a valuation of INR 65 crore.

The future growth plan is aggressive, with a goal to expand to **1,000 kiosks and deploy 10,000 Ella machines by 2030**, at which point the company may consider an IPO. The immediate plan is to solidify the machine's product-market fit with the initial 15 units and scale the kiosk count to 80-100 before raising a larger Series A round next year.

### Competitive Moat and Market Positioning

Basil's competitive advantage is built on a multi-pronged strategy to defend its market position against potential competitors like Starbucks or other large QSRs:

**Strong Brand Positioning:** The company is building a distinct brand identity as the go-to trusted partner for healthy and fresh food, a perception that is difficult for brands primarily known for coffee or tea to replicate.

**Specialized Supply Chain:** Basil is developing a complex supply chain focused on fresh ingredients, which creates a significant operational barrier for competitors accustomed to using syrups and processed items.

**Unique Distribution and Accessibility:** The small kiosk format allows Basil to operate within high-footfall captive locations such as university, office, and hospital cafeterias, reaching customers where larger brands cannot easily establish a presence.

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### Better Nutrition

#### **The Problem and The Solution: Biofortification**

**The Problem:** Since the Green Revolution in the 1960s, the focus on high-yield seed variants has caused the average nutritional value (zinc, iron, protein) of staples like wheat and rice to drop by **nearly 60-70%**. This has led to widespread nutritional deficiencies for almost 80% of India's population, creating a large market for artificial supplements.

**The Solution:** The company utilizes **biofortification**, a science of increasing the nutritional value of crops at the farming level itself, supported by global bodies like the WHO and Indian institutions like the ICMR. This is positioned as the "future of farming" and superior to organic or artificially fortified foods.

**The Technology:** Better Nutrition employs a two-pronged approach. First, they use special non-GMO, biofortified seeds designed to absorb more nutrients. Second, they use a patented agronomic protocol called "**Trinutrimax**" that enriches the plant's environment through seed coating and soil fortification, ensuring the final grain is naturally nutrient-dense.

#### **Business Model and Farmer Network**

**End-to-End Control:** Better Nutrition manages the entire process, including developing seed varieties (for which it holds patent-equivalent licenses), educating farmers, procuring the produce, and milling it for consumers.

**Farmer Network & Incentives:** They currently work with **20,000 farmers** through **100 farm-gate procurement centers**. The primary incentive for farmers is a **premium price** for their nutrient-dense produce, which addresses a key challenge in Indian agriculture. Unlike organic farming, which can see yield dips of 40-50%, the impact of biofortification is a manageable **5-10% dip**, which is more than offset by the higher prices.

**Quality Assurance:** The company uses portable X-ray scanners at the farm gate to instantly measure the nutritional value of the crops, ensuring quality and validating the premium paid to farmers. This ability to measure and guarantee nutrition is a key part of their model.

#### **Market Positioning and Competitive Edge**

**Target Market:** The company is focused on the **INR 15,000 crore value-added staples market**, which is the fastest-growing segment within the larger INR 75,000 crore staples industry.

#### **Product Superiority:**

**vs. Artificially Fortified:** Better Nutrition's products are naturally nutritious from the seed, unlike products where artificial premixes are added industrially.

**vs. Multigrain:** The company argues that multigrain products are not scientifically effective as the body cannot properly absorb nutrients from multiple grains at once. Their single-grain staples offer higher, bioavailable nutrition.

**Significant Nutrient Enhancement:** The process leads to substantial nutritional gains. For instance, iron content in pearl millet (bajra) can increase by **200-300%**, zinc in atta can be enhanced by over 100%, and protein can be boosted by **40-50%**.

#### **Growth, Sales, and Distribution Strategy**

**Rapid Sales Growth:** On quick commerce platforms, monthly sales have grown **more than 10x in 6-7 months**, from INR 7.5 lakh in January to nearly **INR 80 lakh**, and are projected to reach INR 2 crores per month by the end of the financial year.

**Quick Commerce Focus:** Quick commerce is a critical channel, providing national reach to over 180 cities and enabling targeted sampling to consumers already buying premium staples. **Blinkit is the largest partner**, accounting for over **50% of the company's quick commerce sales**.

**Strong Consumer Metrics:** The brand boasts a **60%+ consumer retention rate** and a **30%+ month-on-month repeat purchase rate**, indicating high product satisfaction. The **2kg SKU is the top seller**, making up over 70% of sales, which aligns with modern purchasing habits on quick commerce.

#### **Branding and Team**

**Investor-Ambassadors:** The brand is endorsed by sports icon **PV Sindhu**, MasterChef **Pankaj Bhadouria**, and Shark Tank's **Namita Thapar**, who are all investors in the company. This adds a layer of authenticity to their marketing, as they are "educated, well-informed folks" who believe in the mission rather than just paid influencers.

**Marketing Focus:** The marketing strategy is centered on **scientific evidence** and transparency, including the ability to provide consumers with nutrition and farmer traceability via QR codes on the packaging.

**India Assist Pvt Ltd**

Company is a tech-enabled travel distress management platform providing 24x7 real-time, on-ground assistance to travelers in need, acting as a "conduit" connecting them to essential services (police, medical, etc.).

The company holds strong credibility as a "Showcase Startup of the Government of India" with a patented service model.

**Key Growth and Financials**

**Massive B2G Focus:** A strategic pivot to B2G (Government) mandates is underway, including a successful partnership with the Uttar Pradesh Government. Two additional states are in the final signing stage, each projected to generate INR 200-250 million in top-line revenue with a 28% net profit.

Company has secured a landmark deal to integrate UAE Assist into the mandatory visa fee for travelers. This is projected to deliver a significant \$70M to \$100M USD bottom-line impact annually from the license fee alone.

The company targets becoming cash flow positive within 12-18 months and has plans for an IPO or Pre-IPO buyout in 3-4 years.

**Growth Trajectory:** India Assist is projecting an aggressive INR 350 million in revenue for FY25, a substantial increase from approximately INR 30 million generated.



**Singhal Recyclers Pvt Ltd (PRE IPO)**

This company is a key player in the tire recycling industry, specializing in converting end-of-life tires into valuable by-products. The business model is focused on producing high-quality tire chips and crumb rubber by reprocessing imported and domestic scrap tires. They are strategically positioned to capitalize on a growing market driven by changing government policies and increasing environmental consciousness.

**Key Products**

The company separates tire into several components, which are then sold as different products:

**Tire Chips:** The foundational product sold to other continuous pyrolysis plants.

**Steel:** Recovered steel wire is cleaned with new machinery, producing a high-quality steel product that sells for a premium price.

**Crumb Rubber:** A finer, more valuable rubber powder used in sports fields and rubber manufacturing.

**Current Operations and Capacity**

**Current Capacity:** The current monthly processing capacity is approximately 7,000 tons.

**Capacity Utilization:** The current utilization rate is 60-65%, with plans to increase it to 80-85%

**Market Share:** The company holds a significant 20% market share.

**Import Operations:** Most the company's raw materials (60%) are imported from the US and UK through a promoter company, SKVA. The cost of the tires is almost zero, with the primary expense being freight. SKVA imports at approximately INR 11/kg and sells to Singhal at INR 11.25/kg, making a profit of about 1%. The transportation cost from the ports to the plant is about INR 1/kg. The remaining 40% of raw materials are purchased domestically, with prices about INR 1/kg higher than the imported costs.

**Growth Strategy and Future Plans**

**Capacity Expansion:** The company plans to install new machinery to increase its processing capacity to 10,000 tons per month by December. This expansion will be a major driver of revenue growth.

**Forward Integration into Pyrolysis:** The company plans to move into continuous pyrolysis, a more advanced and less polluting process than the common "batch" pyrolysis. This will allow them to convert their own chips into higher-value products like furnace oil and Recovered Carbon Black (RCB).

**Pyrolysis Investment:** The pyrolysis plant is planned for setup by FY27

Capex of approximately INR 350 Mn. This integration will reduce dependency on the external market for chips and create new revenue streams from high-value products like RCB, which is in high demand from tire companies.

**Solar Power:** The company is considering installing a solar plant to reduce electricity costs. They are exploring a third-party investment model where a partner would fund the installation, and the company would pay them back through discounted power costs over 10-15 years.

**Working Capital:** The company maintains a stock of 5,000-6,000 tons of raw materials to ensure a continuous supply. The import process requires advance payment upon shipment loading, which impacts working capital.

**Market and Regulatory Environment**

**Growing Demand:** The demand for tire chips is increasing as government regulations push for a shift from polluting "batch" pyrolysis to cleaner "continuous" or "semi-continuous" processes.

**EPR:** The government's EPR policy provides financial incentives and mandates for companies to manage the end-of-life of their products. The company is actively working to benefit from this, as they will receive EPR certificates for processing the scrap tires.

**Competitive Advantage:** The company's main advantages are its import license, its focus on quality and consistency, and its ability to process a large volume of different types of scrap tires. They are also unique in their capability to produce clean crumb rubber and steel.

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|            |             |
|------------|-------------|
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| HOLD       | 5% to 12%   |
| NEUTRAL    | -5% to 5%   |
| REDUCE     | -5% to -12% |
| SELL       | <-12%       |

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