



ArihantCapital
Generating Wealth



**ARIHANT
CAPITAL
MARKETS LTD**

OBSC Perfection Ltd

Market Cap: INR 7.4 Bn | CMP: INR 306

Outlook:

Company was founded in 2017 as a collaboration between two families: the OVC family (legacy steel manufacturers) and the Perfection family (a business in the lighting industry). It's part of the over 55-year-old Anglian Omega Group. **Growth Trajectory:** The company started with a small 5,000 sq. ft. shop floor and five machines in Pune in 2017. It has since grown to five plants across India (four in Pune and one in Chennai), with over 300 machines and more than 150,000 sq. ft. of manufacturing space. **Accolades:** The company is recognized as a top emerging small and medium-sized enterprise (SME). It has also received a "zero defect" award from Bharat Electronics for supplying over 5 million parts without a single defect.

Business & Operational Highlights:

Company specializes in a variety of processes, including CNC machining, investment casting, and fabrication. The company is actively adding hot and cold forging capabilities, with machines for this new plant landing this year. The company manufactures more than 20 different precision-engineered metal components, such as Shock Absorber Rods, Electronic Percussion Fuze Parts, and Nut Fasteners. Historically focused on the automotive sector (which accounted for 90% of its work last financial year), the company is strategically moving into non-automotive sectors like defense, marine, and aerospace. The goal is to reduce the automotive contribution to below 75% this year and to about 65% in the next two to three years, with non-automotive business contributing up to 35%. Company has a key advantage is its backward integration, with in-house steel manufacturing. This co-location of the steel supplier right next to their machining plants reduces logistics costs, improves inventory management, and ensures a consistent supply of raw material.

- The company has demonstrated strong financial growth with CAGR of 36.8% for revenue, 53.0% for operating EBITDA, and 67.0% for (PAT) from FY22 to FY25.
- Company has a significant and growing order book, which increased by 70% in FY26 and Exports constitute 55% of this order book.
- The company has been disciplined with its capital expenditure, having spent INR 572.8 Mn from FY23 to FY25. For the new hot and cold forging plant, they have committed to investing approximately INR 150 million. The expected annual revenue from this new plant is around INR 700-800 million.
- Exports currently contribute 20.1% of revenue but are expected to grow significantly, with a goal of maintaining a 50%+ CAGR over the next 3-4 years.
- The company is actively pursuing AS 9100 certification for aerospace and has started quoting for projects with big aerospace players. In the defense sector, they are associated with more than four companies and anticipate defense to contribute around 10% of total revenue this year, up from 5% last year.

Strategic Positioning:

Company is a rapidly growing with a clear strategic vision and by leveraging its strong foundation in the automotive sector, backward integration for supply chain efficiency, and a deliberate push into higher-margin non-automotive industries like defense and aerospace, the company is positioning itself for sustained growth and profitability and the substantial order book and planned capital expenditures for new capabilities further underscore its commitment to expanding its market footprint and moving up the value chain.

Arham Technologies Ltd.**CMP: INR 87.8 | Mcap: INR 1.4 Bn**

- **Business Overview** - Arham manufactures in-house smart TVs, fans, and air coolers under its flagship brand Starshine. The company has a strong presence across Central & Eastern India with recent entry into Nepal. FY24 topline stood at INR 69.9 Cr with PAT of INR 7.3 Cr.
- **Revenue Mix** - Smart TVs contribute ~65% of revenues, followed by fans and air coolers. Margins average at ~20–22% with scope for improvement as scale builds up.
- **Geographic Expansion** - Plans to strengthen presence in Southern India (Tamil Nadu, Karnataka, AP, Telangana) where brand stickiness is high.
- **Exports Targeting** Africa & Middle East markets where Indian fans are gaining strong acceptance over Chinese players due to durability and efficiency. Recently began exports to Nepal.
- **Institutional Business** Scaling government orders for TVs, fans, and interactive flat panels (for education & offices).
- **Product Diversification** Entering into interactive flat panels (IFPs), a high-growth category (25% CAGR till 2030). Backward integration in injection moulding & sheet metal fabrication planned to reduce costs and dependency.
- **Capex Plans** ~ INR 18 Cr investment in FY25 with an additional INR 20 Cr earmarked for backward integration initiatives.
- **Funding Exploring** a rights issue and other fund-raising avenues, primarily for working capital requirements given expansion and product additions.
- **Competitive Positioning** Positioned in the mid-market segment, aiming to capture space vacated by Chinese brands (e.g., Xiaomi, Realme) exiting Indian TV market.
- **Operational Advantage** Strategic location in Chhattisgarh provides multi-state access and government subsidy benefits. Asset-light model with high asset turnover (~8x).
- **Management remains optimistic on scaling to pan-India presence with export momentum. Inventory remains elevated (~293 days) due to large SKU base but is viewed as necessary to support growth aspirations.**

Nisus Finance Services Co. Ltd.

CMP : INR 359 | Mcap : INR 8.5 Bn

- **Business Strategy** Management reiterated its focus on building a differentiated AIF platform specializing in structured debt, equity participation, and last-mile financing for real estate projects.
- **Sectoral Focus** Mid-income housing, affordable housing, and redevelopment projects remain the key growth areas, given strong end-user demand and regulatory tailwinds (RERA, GST, government housing incentives).
- **Risk Management** Deployment strategy emphasizes secured structures backed by cash flows, collateral, and escrow mechanisms, ensuring downside protection. The company avoids overleveraged developers or speculative projects.
- **AUM Growth** Plans are in place to significantly scale AUM over the next 2–3 years, with strong pipeline visibility. Institutional investors and HNIs are increasingly allocating towards alternative credit, providing a favorable fundraising environment.
- **Product Diversification** Beyond real estate-focused AIFs, the company is evaluating opportunities in private credit, distressed/ special situation financing, and structured opportunities in allied sectors.
- **Fundraising & LP Relations** Repeat commitments from existing Limited Partners reflect investor confidence. The management also sees scope for international LP participation in upcoming fund cycles.
- **Returns & Performance** Current funds have delivered attractive risk-adjusted returns, reinforcing the company's positioning as a credible alternative investment manager.
- **Market Outlook** Rising credit gaps in the NBFC and bank-financing ecosystem create a strong runway for private credit players like Nisus.
- **Governance & Compliance** The firm emphasized its institutional-grade governance practices, with strict adherence to SEBI regulations and robust reporting standards for transparency.
- **Management remains confident of sustaining high-yield opportunities in real estate-backed private credit, while gradually diversifying into broader asset classes.**

Afcom Holdings Ltd**CMP: INR 920 | Mcap: INR 22.8 Bn**

- **Strong Operational Execution:** Management highlighted 84%+ load factor consistently across sectors since inception, supported by robust customer traction with >75% repeat business. Dispatch reliability remains at 100%, ensuring strong credibility among freight forwarders.
- **Network Expansion:** Three key transshipment hubs established – Hanoi, Bangkok, and Maldives, enabling connectivity across Korea, Japan, ASEAN, Europe, US, and South America. Maldives hub provides unique access to underutilized belly cargo space, enhancing margins and reach.
- **Fleet & Capacity Growth:** Currently operating with 3 aircraft, fourth induction expected shortly, with plans to scale to 5 freighters by year-end. Wide-body freighters (B777-200) targeted from FY26 to expand India–Japan/Korea and India–Africa lanes.
- **Financial Performance:** Q1 revenues stood at INR 119 Cr with ~5,300 tons cargo handled. Average yield at USD 2.49/kg vs. cost of USD 1.39/kg, indicating healthy margin profile.
- **Client Base & Cargo Mix:** Serving top global freight forwarders; diversified cargo portfolio includes perishables, pharma, electronics, e-commerce shipments, and ODC/dangerous goods. Key contracts signed with large e-commerce and mobile manufacturers.
- **Competitive Edge:** Entry barriers in freighter business remain high; management sees limited competition in near term. Cost structure considered more efficient vs. peers (e.g., Indigo Cargo). Focus remains on revenue maximization via network synergies.
- **Management reiterated a ~ INR 1,000 Cr revenue target for FY25,** backed by aircraft additions, hub utilization ramp-up, and incremental tie-ups. Long-term vision is to position India as a natural hub between East (ASEAN, Japan, Korea) and West (US, Europe, Africa).

Ganesh Green Bharat Ltd.**CMP: INR 447 | Mcap: INR 11.09 Bn**

- Company is a leading Indian company in solar PV module manufacturing and TPC (Turnkey Project Contracting) services.
- The company's revenue streams come from solar PV module manufacturing, solar power plants, and solar pumping systems. They also provide electrical infrastructure, contracting, and water supply projects.
- The company is geographically diversified across 14 states in India and has completed over 27 projects.
- GGBL is a BIS-certified solar PV module manufacturer. Its plant is fully robotic with an at-present capacity of 750 megawatts.
- The company works primarily with central government and PSU clients like NTPC, SJMinal, PowerGrid, and IOCL.
- The company plans to expand its solar PV capacity to 1.1 gigawatts by September 2025.
- Management's vision is to become a top 5 solar power provider in India and a leader in the renewable energy industry in Asia.
- Company has worked on battery energy storage systems (BESS) in the past and is currently waiting for the "right opportunity and the right time" to start a BESS business. The company believes its technical expertise and manufacturing base strategically position it to capitalize on this growing market.
- The business model is to provide end-to-end services, from manufacturing and supply to installation, for government, PSU, and MNC clients.
- The company aims to market its products "at every market" and avoid underpriced tenders.
- GGBL also has in-house manufacturing capabilities, producing panels from 50kW to 630kW peak.
- The company has a JV with KSV limited for the installation of solar agriculture across India.

Chandan Healthcare Ltd.**CMP: INR 237 | Mcap: INR 5.65 Bn**

- Chandan Healthcare Limited is a diagnostics company that offers both pathology and radiology services under one roof, a model the company claims is unique in Uttar Pradesh and is not widely adopted by larger competitors who primarily operate through a hub-and-spoke model.
- The company's strategy is to attract foot traffic to its centres by providing a comprehensive range of services. It has a portfolio of over 1,500 tests.
- Chandan Healthcare is part of a larger group that includes hospitals, pharmacies, and pharmaceuticals. The pharmacy business is a subsidiary of Chandan Healthcare, with a 53-47% ownership split between Chandan Healthcare and Chandan Hospital.
- The pharmacy units serve as "collection points" for diagnostic samples, a model that management believes provides stability and scalability compared to the competitive and unstable franchise model used by other players.
- The company has demonstrated strong growth, with a CAGR of over 30% on its top line over the last three years
- EBITDA was up 80% last year, representing 18% of sales.
- The B2C, B2B, and B2G segments contributed 86 Cr. , 91 Cr. , and 52 Cr., respectively, to last year's revenue.
- The company operates 44 diagnostic centres and 360 collection centres across four states: Uttar Pradesh, Uttarakhand, Bihar, and Rajasthan.
- It plans to expand into Madhya Pradesh, Chhattisgarh, and the western and eastern parts of Uttar Pradesh in the near future.
- The company is opening 20-30 collection centres every month, with a low cost of investment of about 1.5 to 2 lakh rupees per pharmacy unit, which also serves as a collection centre.
- Management emphasized that the diagnostic business is the core focus and is expected to grow faster than the pharmacy business due to higher margins.

Freshara Agro Exports Ltd.**CMP: 201 | Mcap: INR 4.7 Bn**

Company Overview: Freshara Agro Exports Ltd. is a B2B supplier specializing in the procurement, processing, and export of preserved gherkins and other pickled vegetables. The company's two production units are located in Tamil Nadu, which is close to the growing regions for gherkins. The company has been recognized as a "100% Export House" by the Ministry of Commerce & Industry.

Product Portfolio: While gherkins account for the majority of the company's revenue (84.90% to 93.50% in FY22-24), it has diversified its product range to include baby corn, jalapenos, and bell peppers. They also import products like olives and onions, re-pack them, and export them. The company is also a pioneer in manufacturing "Vandelas," a product whose production was outsourced to India from countries like Spain and Italy.

Sourcing and Supply Chain: The company's raw materials are primarily sourced from contract farming. They provide farmers with a guaranteed fixed return, which helps mitigate risks related to fluctuating crop prices. The company's processing units are designed to process the crop within 12 to 24 hours of arrival to maintain product quality and shelf life.

Capacity Expansion: The company has doubled its production capacity with a new plant that started operations in January 2025. This unit alone has the potential for INR 200–250 Cr. in revenue at full capacity. The company plans to reach INR 300 Cr. in sales in the coming year. The company's goal is to be the number one exporter in the gherkin industry within a couple of years.

Market Position: India is the largest global supplier of gherkins, accounting for approximately 15% of the world's gherkin production. The company states that India monopolizes at least 60% of the products. The company was ranked as the third-largest gherkin exporter in the industry and aims to be number one.

Competitive Advantage: The company's business model focuses on volume, supplying large global brands like Walmart and Lidl through B2B and white-labeling arrangements. This strategy allows them to avoid the end-user liability that comes with having their own brand and enables them to scale up their manufacturing.

Risk Mitigation: The company mitigates risks of crop failure by diversifying its sourcing across different states in South India. It maintains certifications such as IFS, BRC, and AEO, ensuring high quality and logistics efficiency.

Global Market: The company exports to more than 40 countries, with Europe being the largest consumer. Russia is also a major market, and the company claims to control it, though sales have been limited due to the war. The company has been compensating for the drop in Russian sales with increased exports to Europe and other countries like Iraq.

Influx Healthtech Ltd.**CMP: INR 165 | Mcap: INR 3.8 Bn**

Influx Healthtech is a contract development and manufacturing organization (CDMO) that provides third-party manufacturing services for a wide range of products in the nutraceuticals, cosmetics, ayurvedic, veterinary feed, and home care sectors.

The company manufactures over 3,500 products across various dosage forms, including tablets, capsules, powders, gels, creams, and even protein bars and nutritional snacks. This product diversity makes the company less dependent on a small number of clients. The company is also heavily focused on its **nutraceuticals** division, which accounts for about 90% of its market.

Manufacturing and Certifications: Company has multiple manufacturing plants, including a new 137,000-square-foot facility in Palghar, Maharashtra. The plants are certified with GMP, ISO 22000, HACCP, and have USFDA and NAFDAC registration. They are also NSF certified, which the company claims is a rare certification in the industry.

R&D and IP: The company is R&D and F&D driven, with in-house teams for all its divisions. It owns the base formulas for many of its products, such as gummies and protein bars, which makes them difficult to copy immediately.

Financials: Influx Health tech's revenue has grown consistently, with a 21% CAGR over the last three years. EBITDA has also seen a significant increase, with a 49.5% CAGR over the same period. The company's PAT grew by 20% in the last fiscal year, with EBITDA margins maintained at around 40-50%. The company is almost debt-free and relies on internal accruals for expansion.

Capacity Utilization: The company's production capacity was at 93%, but has been unlocked by approximately 40% with the new plant expansion, bringing current capacity utilization down to about 50-55%. The company's expansion is client-driven, with clients putting pressure on them to increase capacity.

Company plans to use the IPO funds to invest in a new manufacturing facility for its nutraceutical and veterinary divisions. They expect this expansion to increase their current capacity by 2.5 times.

Clientele: Company serves a strong and diversified clientele, including D2C brands, major e-commerce players, and well-known companies like Tata Energy, Big Flex, and A.S. Life science.

The company's strategy is to avoid being dependent on a small number of clients and to manage a wide variety of products, which provides a safety net against market fluctuations. They also cater to smaller batch sizes, which empowers new parties to start with minimum investment.

The company sees significant potential in the veterinary and home care segments, with plans to invest heavily in a new veterinary unit. The company is also working to get approvals for exports to countries like Dubai and Tanzania. While not planning to launch its own brand in India, the company will do so in export markets.

Parth Electricals & Engineering Ltd.**CMP: 270 | Mcap: INR 3.6 Bn**

Parth Electricals & Engineering Ltd., which started as a service company in 2005, has evolved into a comprehensive provider of products and services for the power sector. The company's business model is built on providing services, manufacturing products, and offering EPC solutions.

The company leverages its extensive service experience to gain a competitive edge. The management claims that the company's service quality is better than that of its larger competitors like Siemens, Eaton, and others, which helps them win orders.

Partnerships & Technology: The company has a technology transfer agreement with Schneider Electric under a licensee partner model to manufacture products like Ring Main Units (RMUs) and prefabricated substations. It has also developed other critical products in collaboration with Schneider Electric. The company has also entered into a technology transfer agreement with a large Chinese company, Beijing has science and technology limited, for GIS manufacturing. This deal did not involve paying a royalty but an initial technology transfer fee of 10,000 Euros per year.

Financials: The company's net revenue, EBITDA, and PAT have all grown by almost 100% in the last financial year. The company believes it is ready for significant growth, and the recent IPO will provide the necessary funds for expansion.

IPO & Fund Utilization: The company recently became a listed company on August 11. The company has raised funds through an IPO. The funds from the IPO are planned for two new factories: one in Baroda for new products, including GIS (Gas Insulated Switchgear), and a second in Odisha.

New Projects: The company has received an order of \$ 4.3 Mn from a US client. For this project, the product designs are undergoing certification from Underwriters Laboratories (UL) in the US, which is expected to take 3 to 6 months. The company has received advance 20% on this order.

Geographic Expansion: The company is strategically setting up a new factory in **Odisha** to cater to the eastern region of India. This is a market where the management notes there are very few formal manufacturers.

Product Expansion: The company plans to start manufacturing GIS, a product with better profit margins. The company is also targeting the **refurbishment market**, providing services to refurbish old electrical equipment, which is a segment that the management believes is being ignored by competitors.

Harshdeep Hortico Ltd**CMP INR 112 | Market Cap INR 1.8 Bn**

Outlook The company has 20+ years of experience in pot and garden accessories industry. With a significant workforce of 1500+ employees and an extensive product catalog of 500+ unique designs, company operates in 27 states across India, driven by a network of six showrooms in key cities like Mumbai, Pune, Delhi, and Chennai. It also has a warehouse in Bangalore for efficient supply chain management. The company exports its products to all continents and has showrooms in three countries. The brand has recently been transferred from the promoters to the company, and an official announcement is expected soon.

Portfolio: The company offers a wide variety of products, focusing on both decorative and functional needs for gardening. Key product offerings include decorative planters, ecise planters (key innovation), indoor and handmade pottery, garden accessories, irish shade (new product), Biodesign (innovative, new line of 3D printed planters). New brand introduced is "Jardin" for outdoor garden furniture manufacturing.

Manufacturing and Technology: The company operates 3 manufacturing units: 2 in Mumbai and 1 in Pune. It utilizes 4 different manufacturing technologies: injection molding, rotational molding, blow molding, and fiberglass. Its machinery includes 29 injection molding machines and 10 rotational molding machines, among others. A new 30,000 sq. ft. facility is under construction in Pune to expand capacity. The company's focus on innovation has resulted in products with extended lifecycles, giving it a significant competitive advantage over competitors who face product stagnation.

Strategic Focus & Customers: The company operates a dual business model, focusing on B2B and B2C. The B2B projects include major beautification work for government projects such as airports (e.g., Adani and GMR airports); and large corporate & infrastructure groups like L&T, Tata, and Reliance. The B2C comes from strong retail presence through 6 showrooms and 500+ dealers across India, which provide direct link to consumers. Also formed strategic partnerships with major industry players like Ugao.

Financial Performance: The company has strong financial performance with consistent growth. Revenue (FY23-FY24) increased from INR 410.6 Mn to INR 564.2 Mn. PBT increased significantly from INR 60 Mn to INR 149.6 Mn. EBITDA increases from INR 22.3 Mn to INR 97.0 Mn. The company projects a 25% YoY growth in its profit budget. Promoters hold a significant stake of 72.7% of the shares, with a total market capitalization of INR 1,810 Mn.

Strengths: A wide product range, diversified customer base, and strong demand from the agriculture, horticulture, and home gardening sectors. The company's ability to provide end-to-end solutions for nurseries and gardeners gives it a near-monopolistic business advantage in certain market segments.

Weaknesses: The market is largely unorganized, which introduces competition from smaller, informal players.

Opportunities: The company sees a significant opportunity in the export market, which offers higher margins. Government green initiatives and the growing horticultural ecosystem also provide strong growth prospects. The company plans to capitalize on these by expanding manufacturing facilities and forging strategic partnerships.

Spunweb Nonwoven Ltd**CMP INR 151 | Market Cap INR 3.64 Bn**

Outlook: The company is a key player in the technical textile / non-woven fabrics sector. It is one of the largest spunbond non-woven manufacturers in India, currently having five production lines and two more under implementation. It has an extensive export footprint to over 12 countries, including the USA, UAE, Italy, Egypt, and Saudi Arabia. The company serves over 500 customers in both domestic and international markets. Approximately 12.17% of the revenue came from exports in FY25. Its export markets are well-diversified across North America, Europe, the Middle East, and Asia.

Manufacturing & Facilities: The company has a production capacity of approximately 32,614 Metric Tons (MT) as of FY25. It operates two main manufacturing facilities: a 18,197 sq.m. facility for SNL and a 15,580 sq.m. facility for SIPL. The facilities utilize advanced spunbond technology, including Double S and Triple S lines, and specialized HVAC systems for contamination-free production for healthcare and hygiene products. The company is committed to sustainability, with a 1.4 MW rooftop solar plant in operation and an additional 6.5 MW ground-mounted solar project under execution.

Portfolio: The company offers products for various sectors' use like medical, hygiene, packaging, furniture, aviation, etc. with products including hydrophobic fabrics, hydrophilic fabrics, super soft fabrics, flame-retardant fabric, antistatic fabrics, and UV stabilized fabrics.

Financial Performance: The company has shown strong financial growth with a Revenue CAGR of ~39.74% from FY23 to FY25. In FY25, it reported approximately INR 2,660 Million in revenue and a PAT of INR 140 Mn. The EBITDA margin was around 24%. With a current capacity utilization of 55%, there is significant potential for scaling without immediate capital expenditure.

Strategic and Industry Outlook: The company plans to expand its product portfolio, particularly in the packaging and agriculture sectors. Two new production lines are scheduled for commission by Q3 FY26, and 6.5 MW solar projects are set for execution. The company aims to optimize capacity utilization and strengthen its R&D to develop future-compliant bio-degradable nonwoven solutions. The Indian nonwoven market is expected to grow from ~INR 2,79,379 Mn in 2025 to ~ INR 4,36,529 Mn by 2029, with key growth drivers including rising hygiene awareness, govt initiatives, and the single-use plastics ban.

Strengths: It is one of the few publicly listed nonwoven companies in India. It has an integrated manufacturing with in-house testing facilities. There is diversified product applications across multiple industries. There exist long-standing customer relationships since 2017.

Shri Ahimsa Naturals Ltd**CMP INR 200 | Market Cap INR 4.6 Bn**

Outlook: The company extracts and processes natural caffeine and green coffee bean extracts. Founded by Mr. Nemi Chand Jain, in the late 1970s and has over 35 years of experience in the business. The business was started after an opportunity was identified to extract caffeine from tea waste. Due to political issues, the business was relocated, and in 1998, the company began processing crude caffeine. The company's products are derived from natural sources, primarily tea and coffee.

Portfolio: The company's main products are Caffeine Anhydrous Natural, a stimulant in food & beverage, nutraceutical, cosmetics, and pharmaceutical industries; and Green Coffee Bean Extract (GCBE), used for property of weight loss aid and found in nutraceuticals, supplements, and functional beverages. The company also offer herbal extracts such as Senna Leaf, Bacopa Monnieri, and Curcumin, currently outsourced. Company pioneered "waste to value" philosophy, developing technology to extract crude caffeine from tea and coffee waste. The company is currently exploring ways to get paid for this waste.

Financial Performance: In FY 2025, the company reported a 23% YoY revenue growth, an 18% EBITDA growth, and a 17% PAT growth. The company achieved net debt-free status and a healthy RoCE of ~26% in FY 2025. The company is the largest natural caffeine manufacturer in India and one of the leading global manufacturers. They currently export to 14 countries, including USA, Germany, South Korea, and UK, with exports accounting for 95% of the company's earnings.

Expansion: The company recently completed its IPO and was listed on NSE Emerge in FY 2025. A greenfield expansion project is underway in Sawarda, Jaipur. The new facility increases production capacity for Natural Caffeine (270 MTPA to 700 MTPA) and GCBE (200 MTPA to 300 MTPA). The new facility will shift herbal extract supply from outsourcing to in-house manufacturing. The company is on track to increase sales volumes, strengthen export competitiveness, and strengthen R&D for new products and better costs.

Certifications: The company operates a state-of-the-art production facility in Jaipur. Company has received numerous certifications, including ISO 9001:2015, ISO 14001:2015, ISO 22000:2018, ISO 45001:2018, HACCP, HALAL, BIQS, and FSSC 22000 (received in FY25). The new facility in Sawarda is being built to meet rigorous global standards, including US FDA guidelines. The company maintains strict quality control measures, which have resulted in low process loss (2-3%) compared to the industry average (10%). This efficiency is a significant competitive advantage.

OSEL Devices Ltd**CMP INR 617 | Market Cap INR 9.96 Bn****Product Portfolio and Segment Analysis**

- **Hearing Aids:** Significant under-penetration, with <3% of affected population seeking treatment. Presents massive growth opportunity for company, given strong track record with government tenders and BIS and MD-5 certifications, which act as an entry barrier. Production capacity of 400,000 units annually provides a solid foundation to scale production and capitalize on rising demand.
- **LED Displays:** High-growth engine for the company, evidenced by its 82% YoY growth. The demand for digital displays is increasing across diverse sectors like broadcasting, retail, and education. As one of the few domestic manufacturers, company has a cost advantage and is well-positioned to benefit from the "Make in India" initiative and the growing need for digital communication and advertising.
- **Mobile Phones & Tablets:** Partnership with Philips to manufacture and distribute mobile phones provides a significant long-term growth. Strategy to target the feature phone market will help company build a stable revenue stream and distribution network before entering the larger smartphone market. This phased approach mitigates risk and positions company for a substantial share of the market.

Financial Performance: Total income increased by 41%, indicating strong top-line growth. EBITDA saw a significant 47% increase reaching INR 335.28 Mn. The EBITDA margin also improved to 17.97%, reflecting better operational efficiency and cost control. The company's PAT increased by an impressive 58%, reaching INR 200.52 Mn and the PAT margin grew to 10.75%, highlighting improved profitability. EPS increased by 30% to INR 14.31 vs INR 10.99 in FY24, reflecting a healthy growth in shareholder value.

Operational Strengths: Focus on efficiency and in-house manufacturing capabilities give it a significant cost advantage over peers, which directly contributes to profitability. This, combined with high-margin revenue from post-sale services, has led to a consistent improvement in financial performance. Company strategy is built on a solid foundation of core business strengths, a smart diversification plan, and disciplined operational execution. This puts the company on a path to becoming a leader in both the healthcare and consumer electronics sectors.

Guidance: Company is focused on sustaining growth while expanding market presence.

- Double-digit revenue growth in upcoming FY, building on 41% increase in FY25. Led by strong performance in LED display and hearing aid segments, with incremental contributions from new mobile phone segment.
- EBITDA margins of >18%. Achieved through enhanced supply chain efficiencies, the sustainable 4-6% cost advantage from its in-house SMT lines, and high-margin revenue from post-sale services (which contribute 5-15% of total revenue)
- Scaling production of hearing aids and targeting high-value, custom projects in the LED display space. The initial phase of the Philips partnership will involve expanding feature phone distribution nationwide.
- Exploring export opportunities in emerging markets such as Africa, the Middle East, and Asia-Pacific to leverage its cost-effective manufacturing capabilities and global partnerships.

Shree Karni Fabcom Ltd

CMP INR 495 | Market Cap INR 3.58 Bn

Company Overview: Company has a 50-year family legacy in the textile business, with over two decades of experience in the technical textile industry. The company started trading in technical textile products in the early 2000s and began manufacturing in 2011. In 2019-2020, they started the construction of a manufacturing facility in Surat, which included knitting, weaving, and dyeing solutions. Production went live in 2021-2022. With a presence across 17 states and 2 UTs in India, company specializes in technical textiles used for specific purposes, such as parachute fabric, bulletproof jackets, and raincoats. Their high-quality standards have made them a trusted partner for brands like VIP, Samsonite, and Delsey, among others. The company has certifications like GRS, which helps secure business. The company is actively in talks with US and European brands like Walmart and Target.

Manufacturing Capabilities & Production: Highly integrated setup with in-house dyeing, coating, printing, and embossing facilities. Production capacities of

- Knitting: 3.5 tons per day. The transcript also mentions knitting factories producing 19 tons per month.
- Weaving: 50,000 meters per day. The transcript states weaving factories turn out 70,000 meters per day.
- Coating: 70,000 meters per day for poly acrylic and 1,00,000 meters per day for polyurethane coating
- Lamination: 8,000 meters per day for EVA lamination
- A new unit operational in Q1 FY26 with 500 new machines. This unit can stitch a variety of products, from backpacks to gold bags and safety jackets.
- New unit operational in Q1FY26. This creates more specialized fabrics, reduces timelines, and improves quality.

Financial Performance and Guidance: Net sales grew from INR 12.7 Mn in FY23 to INR 21.2 Mn in FY25. It targets a growth of >40% YoY. Focus on moving up the value chain by creating more specialized fabrics, which will allow higher realizations per unit. They are targeting an average cost of a bag to be INR 400-500 and aiming around 150,000 bags per month. The long-term goal is to achieve gross margins of over 30%.

Strategic Initiatives

- Backward integration, such as new in-house dyeing unit, should boost margins 2-3%
- Forward integration transitions firm from raw material supplier to an end-to-end manufacturer
- Expansion beyond polyester to nylon and cotton cater to new clients and higher-value products
- Exports are a key part of the growth strategy, especially for backpacks. The company's fabrics are already used by global luxury brands, creating indirect demand.
- Commitment to sustainability with water recycling, solar energy adoption, and the use of R-PET yarn in 20% of its fabrics. Plans to install an additional 2MW of solar panels to become a "carbon-neutral unit".

Future Growth Drivers: Company is on a strong growth trajectory driven by its integrated manufacturing model, strategic expansion into higher-value products, and commitment to sustainability. By leveraging its family legacy and extensive industry experience, the company is well-positioned to become a leading player in the technical textile sector. The company's expanding production capabilities, new certifications, and forward integration into finished goods are expected to be the key drivers of future growth and margin expansion. Its commitment to "Make in India" concept solidifies its mission to be a leader in the industry.