



ARIHANT'S  
**DIWALI**  
CHHOTA PACKET  
BADA DHAMAKA

*High Risk High Gain*

STOCK PICKS FOR SAMVAT 2082





## HAPPY SAMVAT 2082

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# Lighting the Path to Prosperity

This Diwali, as we light up our homes and hearts, we also celebrate the incredible journey of India's growth.

At Arihant Capital, we believe in empowering our clients to participate in this story by investing in fundamentally strong companies that have the potential to create long-term wealth. Our handpicked Diwali Stock Picks are curated by experts after thorough research to help you make informed, rewarding investment decisions and build a brighter financial future. May this festive season bring prosperity, joy, and rewarding opportunities to your investment journey!

Wishing you and your family a prosperous and joyous Diwali!



# Chhota Packet Bada Dhamaka Box

## Somany Ceramics Ltd

**Market cap  
(in Cr)**

₹1,818

**CMP**

₹443

## Sheela Foam Ltd

**Market cap  
(in Cr)**

₹7,282

**CMP**

₹668

## SG Finserve Ltd

**Market cap  
(in Cr)**

₹2,195

**CMP**

₹393

## Bhadora Industries Ltd

**Market cap  
(in Cr)**

₹177

**CMP**

₹95

## RMC Switchgear Ltd

**Market cap  
(in Cr)**

₹754

**CMP**

₹717

## Sunteck Realty Ltd

**Market cap  
(in Cr)**

₹6,211

**CMP**

₹424

## Sasken Technologies Ltd

**Market cap  
(in Cr)**

₹2,061

**CMP**

₹1,366

## Zuari Industries Ltd

**Market cap  
(in Cr)**

₹989

**CMP**

₹330

# Chhota Packet Bada Dhamaka Box

## Creative Graphics Solutions India Ltd

**Market cap  
(in Cr)**

**CMP**

₹530

₹218

## GSM Foils Ltd

**Market cap  
(in Cr)**

**CMP**

₹305

₹216

## Aelea Commodities Ltd

**Market cap  
(in Cr)**

**CMP**

₹438

₹215

## Shubhshree Biofuels Energy Ltd

**Market cap  
(in Cr)**

**CMP**

₹223

₹425



## Bhadora Industries Ltd

### Financial Summary

Particulars	FY25	FY26E	FY27E
<b>Net Sales*</b>	₹110	₹140	₹250
<b>Operating Profit before interest*</b>	₹16	₹24	₹39
<b>PAT*</b>	₹10	₹16	₹27
<b>EPS</b>	8.17	12.53	20.68

\*₹ in Cr

**Multi-Phase Capacity Expansion:** The company's current operations focus on lower-value cables, but its new Unit-II will add significant capacity for higher-value LT and MV cables. The first phase alone is projected to generate substantial incremental revenue. Management's subsequent phases for extra high-voltage and solar cables are expected to cumulatively boost the company's total revenue potential to between INR 9bn and INR 9.5bn

**Strategic Margin Expansion:** The company has strategically reduced its dependence on low-margin government contracts, which now constitute only about 10% of revenue, while high-margin EPC clients contribute approximately 90%. This shift, combined with the introduction of higher-realization products and tight cost control, has already significantly improved EBITDA margins. The company is targeting a margins between 20% and 22% over the next four to five quarters.

**Ambitious Export Scale-Up:** Exports are planned to scale up from a small share of revenue to about 25% in the medium term. This growth will be pursued through a phased market entry strategy, targeting Africa and SAARC initially, then the Middle East, and finally North America and Europe.

**Outlook & Valuation:** The company is transitioning from low-margin government business to high-value EPC and export markets. The capacity expansion would lead to revenue potential of INR 9-9.5bn at peak utilization. The strategic product mix shift and stringent cost controls are expected to drive significant margin expansion from ~17% in FY25 to a target of 20-22% going forward. We have a "BUY" rating with a TP of INR 359 based on 12x of FY28E EPS of INR 29.9, an upside of 277.9%.





## RMC Switchgears Ltd

### Financial Summary

Particulars	FY24	FY25	FY26E	FY27E
<b>Revenues*</b>	₹125	₹318	₹650	₹1,200
<b>EBITDA*</b>	₹34	₹53	₹110	₹206
<b>EBITDA Margins</b>	19.80%	16.70%	16.90%	17.20%
<b>PAT*</b>	₹15	₹31	₹64	₹120
<b>EPS</b>	14.4	29.8	61	114

\*₹ in Cr

**Strategic Diversification into High-Growth Solar:** The company is setting up a 1 GW capacity plant scheduled for commercial production from the H2FY26E. The company is positioning itself in a high-demand market. The modules will support advanced technologies, ensuring competitiveness. This backward integration is expected to fuel both external sales and captive consumption for its solar EPC projects, creating a synergistic business model.

**Robust and Scalable Project Pipeline:** The company demonstrates a strong operational footprint with a current order book of INR 7 bn. Its tender pipeline is highly active, having already bid for 600MW of projects with a historical success rate of 25%-30%, which is expected to yield 200-250 MW of new orders in the near term. The company is targeting INR 30 bn worth of solar EPC tenders with an anticipated conversion ratio of 30%, providing clear visibility on future revenue streams.

**Significant Margin Expansion Potential:** The diversification into solar is strategically critical for margin enhancement. The solar module and EPC businesses carry higher margins compared to the traditional electrical products segment. With solar module margins projected at 15%-18% and solar EPC at 18%, the overall company EBITDA margin is expected to expand to a range of 15%-18%.

**Innovation and Future Technologies:** The company is investing in future-oriented technologies that present substantial optionality. The development of an IoT-based smart distribution box, currently in pilot discussions with state governments. It addresses key issues in power distribution like theft prevention and transformer health monitoring. The company is in discussions for exclusive rights to introduce hydrogen fuel cells in India, targeting the coastal shipping industry by FY26E, which could open up a entirely new and large addressable market

**Outlook & Valuation:** RMC Switchgears' revenue is expected to reach INR 6-7bn FY26E and INR 12bn by FY27E, backed by solar modules, expansion of solar EPC and T&D, new technologies like IoT, Hydrogen, and energy storage, etc. The EBITDA and PAT margins are expected to be 15%-18% and 10%-12% respectively, going forward. The solar module plant capacity of 1 GW for commercial production is expected from H2FY26E onwards. The order book stood at INR 7bn. The company has already bid for 600MW tenders, and the success rate is around 25%-30%. Around 200-250 MW of new orders are expected by next year. The company is targeting INR 30bn worth of solar EPC tenders, and the conversion ratio is around 30%. On a conservative basis, we estimate PAT of INR 1.2bn by FY27E, backed by Solar projects. **We have a "BUY" rating with a TP of INR 1,710 based on 15x of FY27E EPS of INR 114, an upside of 138.5%.**





# Sheela Foam Ltd

## Financial Summary

Particulars	FY25	FY26E	FY27E	FY28E
<b>Revenue*</b>	₹3,439	₹3,821	₹4,332	₹4,966
<b>EBITDA*</b>	₹250	₹381	₹526	₹713
<b>EBITDA margin</b>	7.27%	9.97%	12.15%	14.35%
<b>PAT*</b>	₹97	₹157	₹295	₹488
<b>EPS (in INR)</b>	8.8	14.4	27.1	44.9
<b>PE(x)</b>	76.24	46.77	24.85	14.53

\*₹ in Cr



**Market Leadership and Brand Strength:** Sheela Foam Ltd., as India's largest foam and mattress manufacturing company, holds a dominant 30% organized market share following the acquisition of Kurlon. The company enjoys a leadership position across various micro-markets in India. The acquisition of facilities in Australia and Spain further strengthens its global presence, offering a solid foundation for long-term growth.

**Successful Integration and Margin Improvement:** The successful integration of Kurlon into Sheela Foam has yielded significant synergies, improving Kurlon's EBITDA margin from 4.5% to 10-11% within one and a half years. With an additional 190 crores in savings already achieved in the first quarter of the current year and a target of 13-14% margin by FY27, the company demonstrates strong operational efficiency and financial health, making it an attractive investment opportunity.

**Furlenco Turns Profitable, Sets Ambitious Growth Targets:** Furlenco turned profitable with a PAT of INR 4 Cr in Q1FY26, exceeding its FY25 full-year performance, driven by a 60% YoY rise in subscribers and expanding presence across 29 cities. With plans to raise INR 100-125 Cr in equity, the company is targeting rapid growth, aiming to achieve INR 370 Cr in FY26 and INR 500-550 Cr in revenue by FY27.

**Outlook and Valuation:** We maintain our BUY rating on the company, with a target price of INR 1,349 based on FY27E EV/EBITDA multiple of 30. The company expects steady profitability improvement in FY26, supported by festive season demand, ongoing cost optimization, and full benefits from Kurlon integration. Key focus areas include margin stability, debt reduction, and effective execution of synergy gains. Over the medium term, the company is targeting a 15% revenue CAGR and EBITDA margins of 13-14%.



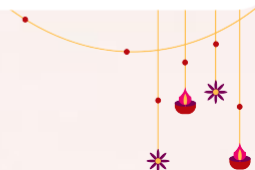


# Sunteck Realty Ltd

## Financial Summary

Particulars	FY24	FY25	FY26E	FY27E
<b>Revenue*</b>	₹564	₹853	₹1330	₹1,830
<b>EBITDA*</b>	₹117	₹185	₹356	₹497
<b>EBITDA margin</b>	21%	22%	27%	27%
<b>PAT*</b>	₹71	₹148	₹281	₹392
<b>EPS (in INR)</b>	4.8	10.1	19.2	26.8

\*₹ in Cr



### Pre-sales to grow over 30% YoY:

Sunteck Realty maintained its guidance of 30%+ YoY pre-sales growth for FY26, supported by robust traction in its Uber and Premium Luxury projects like Nepean Sea Road, Bandra, and Andheri. The company recorded its highest-ever Q1 pre-sales of INR 657 Cr, up 31% YoY, aided by strong demand and a healthy launch pipeline of INR 11,000 Cr GDV over the next three quarters across key MMR micro-markets.

### GDV to expand to INR 50,000 Cr by FY26-end

The company targets to increase its GDV from INR 40,000 Cr to INR 50,000 Cr by FY26-end, driven by new high-value projects such as Andheri redevelopment (INR 1,100 Cr GDV), Bandra (Benz 10), 5th Avenue Goregaon, and Nepean Sea Road, along with new towers in Mira Road and Vasai. The upcoming Dubai project, near Dubai Mall, is expected to launch in Q4FY26 or Q1FY27, further adding to its growth visibility. Additionally, Sunteck continues to scout for asset-light opportunities in the MMR region, which could further enhance its GDV pipeline and strengthen its premium residential portfolio.

### Outlook & Valuation:

We remain positive on Sunteck Realty's growth trajectory, underpinned by its robust balance sheet (Net D/E: 0.02x), strong brand equity, and sustained focus on premium launches. The company's steady operational performance—25.4% EBITDA margin, record Q1 pre-sales, and healthy collections of INR 351 Cr—reflects solid execution capabilities. With GDV expansion to INR 50,000 Cr, launch pipeline visibility of INR 110 Bn, and 30%+ pre-sales growth guidance, Sunteck is well positioned to scale its MMR dominance and foray into international markets. We maintain a Buy rating and a target price of INR 900/share.





# SG Finserve Ltd

SG FINSE ₹VE

## Financial Summary

Standalone (Rs Cr)	FY24	FY25	FY26E	FY27E
<b>NII*</b>	₹126	₹139	₹226	₹385
<b>Net Profit*</b>	₹79	₹81	₹147	₹261
<b>Networth</b>	₹806	₹1,015	₹1,490	₹1,751
<b>Adj BVPS</b>	₹157	₹181	₹226	₹266
<b>P/ABV (x)</b>	2.58	2.02	1.80	1.50
<b>RoA (%)</b>	5.5	5.4	4.5	5.2

\*₹ in Cr

**Zero NPA Record :** SG Finserve has a record of zero NPAs indicating no defaults. This is rare for an NBFC and the reason for this lies in the short term secure funding product which mitigates risk of default. The company is also prudent in lending and loan recovery. Having lent almost INR 46,382 Cr in loans over the last few years, there have been practically no missed payments.

**Secured, Short-Term Book:** About 80% of the loan book is secured by inventory or receivables. Loans are short-term, with an average cycle of 30-35 days, which helps reduce credit risk. The company also has “stop supply” agreements with anchor corporates—if a borrower delays payment, the supplier stops deliveries until dues are cleared. This effectively keeps defaults low. It also serves over 1,000 MSMEs across sectors, creating a well-diversified loan book.

**Re-rating :** SG Finserve was initially classified by the RBI as a Type 1NBFC-ND, but it is now being re-categorized as Type 2 based on its business model and structure. This change will ease regulatory requirements, provide more operational flexibility, and help improve its cost-to-income ratio.

**Scalable Business Model with Leading Anchors :** The company has partnerships with some of India’s leading corporates, including Tata, Adani, JSW, APL Apollo, and Vedanta. Its potential addressable opportunity, based on anchor MOUs, stands at INR 6,400 Cr –significantly higher than its current loan book of INR 2,630 Cr as of Q1 FY26. The platform is expanding rapidly across the country, with clear visibility to grow AUM to INR 4,000 Cr in FY26 and INR 6,000 Cr in FY27, supported by strong anchor relationships and continued investment in technology.





# Sasken Technologies Ltd

## Financial Summary

Particulars	FY24	FY25	FY26E	FY27E
<b>Revenues*</b>	₹551	₹1,137	₹1,318	₹1,555
<b>EBITDA*</b>	₹23	₹69	₹88	₹115
<b>EBITDA Margin</b>	4.00%	6.00%	7.00%	7.00%
<b>PAT*</b>	₹51	₹45	₹60	₹82
<b>EPS</b>	33.3	30	39	54
<b>PE (x)</b>	109.2	76.5	49.9	42.3

\*₹ in Cr



**Strategic Acquisitions Strengthening Semiconductor and Product Capabilities:** 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.

**Expanding Global and Business Footprint:** Sasken is scaling its ODM business with an \$80-90 Mn annualized run-rate and expanding in Japan to drive 8-10% of revenues in 3-4 years, while strengthening its China supply chain and leveraging AI to boost productivity and silicon verification efficiency.

**Margin Outlook Improving with Strategic Investments:** Margins remain subdued due to higher investments in talent, AI, and expansion, but management expects improvement ahead. Services are guided to stabilize at 14-15% EBIT margins on a \$28 Mn quarterly run-rate, and the ODM business at 8-10% on \$80-90 Mn annualized revenue, driving a long-term blended margin target of 12-16%, supported by low attrition of ~7%, the best in six quarters.

**Valuations and Outlook:** 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, company expects margins to improve structurally within the next 6-8 quarters. Our growth estimates for FY26-FY28E 16.9% in USD terms and an EBITDA margin of 2.4%/3.2%/4.1% for FY26E/FY27E/FY28E. We value Sasken at a PE of 32x its FY28E EPS of INR 54.06, resulting in a target price of INR 1,730 per share. We assign a Buy rating on the stock.

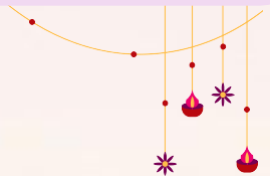


# Somany Ceramics Ltd

## Financial Summary

Particulars	FY25	FY26E	FY27E	FY28E
<b>Revenues*</b>	₹2,658	₹3,030	₹3,290	₹3,578
<b>EBITDA*</b>	₹220	₹286	₹328	₹378
<b>EBITDA Margin</b>	8.30%	9.50%	10.00%	10.60%
<b>PAT*</b>	₹58	₹98	₹112	₹158
<b>EPS</b>	14.1	24	27.5	38.6
<b>PE (x)</b>		18.8	16.4	11.7

\*₹ in Cr



**Recovery post prolonged down cycle:** We expect the Indian ceramic tile industry to witness significant recovery in demand and realizations post a period of subdued demand and elevated cost pressures. Somany ceramics(SOMC) being the 2nd largest tile company is well positioned to benefit from the domestic real estate upcycle. Our view is supported by improving pre-sales volumes for Real Estate companies continue to grow while inventory overhang remains at ~14 Months, signaling imminent construction demand in Real Estate, consequently translating to demand for Tiles.

**Capex cycle to payout hereon:** SOMC added 20 MSM(+45%) during FY22-25. However utilization remained muted due to unforeseen demand slowdown and increased dumping in domestic market from Morbi, due to subdued export. As export continue to improve, we foresee this capex cycle to generate significant ROIC hereon. To cater to any additional demand the company holds decent capacity and further capacity to can be sufficed via outsourcing.

**Natural Gas prices stabilizing:** NatGas and Propane prices are a key input cost for tile manufacturer's (20-25% Sales), with the Russia-Ukraine war and instability near the Red Sea region, gas prices peaked to INR 60/SCM leading to pressure on margins. With reduction in gas prices currently at ~INR 47/SCM we expect margins for SOMC to improve going forward.

**Valuation:** We believe SOMC is well positioned to benefit from the Real Estate upcycle in India, we value the company at a 20x multiple of FY28E EPS of INR 38.6.



# Zuari Industries Ltd

## Financial Summary

Particulars	FY22	FY23	FY24	FY25
<b>Revenues*</b>	₹722	₹955	₹838	₹970
<b>EBITDA*</b>	₹12	₹28	₹52	₹50
<b>EBITDA Margin</b>	2.00%	3.00%	6.00%	5.00%
<b>PAT*</b>	₹-35	₹309	₹713	₹-94
<b>EPS</b>	-12.9	104.3	239.7	-31.3

\*₹ in Cr



**Strong Portfolio Value and Upcoming Consolidation in Fertilizer Holdings** ZIL holds a strategic portfolio worth INR 5,201 cr (June 2025) across Chambal Fertilisers, Zuari Agrochemicals, MCFL, and Texmaco Rail. The PPL-MCFL merger, in advanced stages, will create a coast-based fertilizer platform (Goa, Mangalore, Paradeep) and unlock synergies. Its 30% stake in Texmaco Infrastructure Holdings partnered with Hines India and Conscient for a 9.8-acre Kamla Nagar project enhances monetisation visibility.

**Deleveraging Underway, Driven by Real Estate Monetisation and Dubai Project Cashflows-** ZIL's external debt stands at INR 1,846 crore (ex-WC loans), with deleveraging underway. The fully sold St. Regis Dubai project (top line AED 1.3 bn / -INR 2,950 cr) is targeted for completion by Feb 2026, with proceeds to be repatriated for debt reduction. Monetisation of non-core assets and steady subsidiary cash flows should support a lighter balance sheet from FY26.

**Diversified Growth Engines across Real Estate, Ethanol, and Engineering Businesses-** ZIL's growth outlook is supported by a diversified business model across real estate, engineering, and ethanol. Zuari Infraworld is following an asset-light DM strategy with INR 4,000 crore GDV across Hyderabad and Kolkata, offering steady fee-based income and zero balance sheet risk. Zuari Garden City (Phase IV) is nearing completion, while Zuari Rain Forest (Phase II) is under evaluation. Simon India has secured INR 100 crore of new EPC orders and is adopting a digital-first execution model to boost margins. In ethanol, Zuari Envien Bioenergy (88%-complete JV) will commission a 180 KLPD distillery by Q2 FY26, targeting full utilization by FY27. The company plans to scale ethanol capacity to 1,000 KLPD, providing long-term growth optionality.

**Outlook:** Zuari Industries is entering a structural growth phase driven by real estate monetisation, ethanol capacity ramp-up, and a clear deleveraging roadmap. Supported by stable sugar realizations and improving subsidiary performance, we expect FY26-27 to mark a turnaround in consolidated profitability and valuation unlocking across core and investment portfolios.



# Creative Graphics Solutions India Ltd

## Financial Summary

Particulars	FY22	FY23	FY24	FY25
<b>Revenues*</b>	₹68	₹90	₹132	₹251
<b>EBITDA*</b>	₹10	₹15	₹19	₹33
<b>EBITDA Margins</b>	14.00%	16.00%	14.00%	13.00%
<b>PAT*</b>	₹5	₹9	₹11	₹21
<b>EPS</b>	62.00	115.00	6.00	9.00

\*₹ in Cr



**Company Overview:** Creative Graphics Solutions India Ltd. is a leading flexographic printing and packaging solutions provider catering to pharma, FMCG, and food packaging sectors. The company is now transitioning from an India-centric operation to a global packaging player, supported by robust capacity expansions, margin improvement, and entry into new geographies.

**Multi-Engine Growth Platform – Doubling Scale, Expanding Horizons:** The company is witnessing strong momentum across its Flexography and Pharma Packaging divisions. With new capacities such as the PVDC line and the Oman facility, the company targets to double its topline by FY27.

**Strategic Positioning in a Global Sustainability Wave:** Benefiting from EPR and recyclable packaging mandates, CGSIL is well aligned with the global sustainability shift. The Oman plant strengthens its international footprint across Africa and the Middle East, positioning the company as a scalable, export-driven, sustainability-focused packaging leader.

**Outlook:** The company is poised to double its consolidated revenue within the next two years, building on a strong FY25 performance with revenue of around INR 250 Cr (↑91% YoY), including over INR 100 Cr from its Flexography segment. Capacity utilization in the Warren division is expected to increase from 50% to over 80%, supported by new PVDC coating lines that can add INR 100-150 Cr annually at full scale. With management targeting a topline of INR 2,000 Cr by FY27, supported by a scalable cost structure, solid balance sheet, and regulatory momentum from EPR and recyclable packaging norms, the company is well-positioned for sustained growth. Creative Graphics emerges as a high-conviction, sustainability-focused packaging player poised for significant value creation in the coming years.





# Aelea Commodities Ltd.

## Financial Summary

Particulars	FY22	FY23	FY24	FY25
<b>Revenue*</b>	₹103	₹109	₹142	₹182
<b>EBITDA*</b>	₹9	₹5	₹18	₹8
<b>EBITDA margin</b>	8.00%	5.00%	12.00%	4.00%
<b>PAT*</b>	₹11	₹2	₹11	₹1
<b>EPS</b>	21260	3820	8	1

\*₹ in Cr

**Company Overview:** Aelea Commodities Ltd, incorporated in 2018, is one of India's leading organized cashew processors, operating a fully mechanized 140 MTPD facility in Gujarat. The company caters to marquee B2B clients such as Reliance, Haldiram, and Amul, while expanding its B2C presence through Amazon, Flipkart, and MyShoppe. Alongside cashew processing, Aelea also trades in sugar, onion, rice, and other agro-commodities, ensuring diversification and steady cash flows.

**Strategic Location Advantage:** The Gujarat facility offers a strong logistical edge, positioned between South India (processing hub) and North India (consumption hub). This ensures 24-48 hour delivery timelines to major markets like Delhi and reduces freight costs. The location also supports efficient procurement and export logistics, enhancing overall competitiveness.

**Margin Expansion via CNSL Oil & Sustainability Initiatives:** The upcoming 100 MTPD CNSL Oil unit and bio-charcoal project from cashew shells are key profitability levers. These initiatives will drive margin expansion through by-product monetization while reinforcing Aelea's commitment to sustainable and circular operations.

**Outlook:** The company journey from a startup to a listed mid-cap player reflects its strong execution capabilities, high automation levels, and disciplined financial management. The ongoing Phase 2 expansion comprising the CNSL oil and bio-charcoal units is expected to be a key margin accretive driver, enhancing profitability and diversifying the company's product portfolio. Management has guided for FY26 revenues of INR 400-500 Cr with sustainable EBITDA margins of 7.5-10%, supported by scale, operational efficiency, and by-product monetization. With its strategic location, robust client base, and focus on sustainable growth, company is well-positioned to deliver consistent value creation and margin improvement in the coming years.



# GSM Foils Ltd

## Financial Summary

Particulars	FY24	FY25	FY26E	FY27E
<b>Revenue*</b>	₹41	₹133	₹250	₹450
<b>EBITDA*</b>	₹27	₹152	₹31	₹63
<b>EBITDA margin</b>	6.60%	11.40%	12.50%	14.00%
<b>PAT*</b>	₹1	₹9	₹20	₹44
<b>EPS</b>	1.5	7.5	14	31
<b>PE (x)</b>	147.3	29.5	155.8	70.8

\*₹ in Cr



**Business Model:** GSM Foils is a tier-two pharmaceutical packaging manufacturer that converts aluminum foil into value-added blister and strip foils through coating, lamination, and printing. Its asset-light model focuses on technical expertise, creating high switching costs, and delivers regulatory-compliant packaging solutions across 13 states.

**Capacity Expansion & Operations:** GSM Foils' Vasai facility spans 15,000-18,000 sq. ft. with an installed annual capacity of over 10,000 metric tons, equipped with advanced coating, lamination, and printing machinery. Current utilization is around 68-70%, with planned machinery upgrades aimed at enhancing throughput. A second, identical manufacturing facility in Ahmedabad is under development and expected to commission by December 2025. This greenfield expansion will double the company's manufacturing capacity while offering cost advantages through lower rent, labor, and utility expenses compared to the Vasai facility. Together, they provide 200,000 tons of annual capacity with minimal incremental capex of INR 500-600 Cr, enabling rapid one-day conversion cycles and capital-efficient, responsive growth.

**Strategic Initiatives:** SM Foils is expanding its printing capabilities and direct supply to large pharma clients (currently 35-40% of revenues) while pursuing sustainable R&D, including trials to switch from diesel to biomass/husk pellets, potentially cutting fuel costs by up to 50%.

**Market Dynamics & Strategy:** India's growing pharmaceutical sector and rising drug formulation volumes drive strong demand for specialized aluminum packaging. GSM Foils focuses on high-value blister foils, expands geographically with the Ahmedabad facility to strengthen ties with tier-one pharma clients, and plans to enter regulated export markets like Europe and the US within six months.

**View:** GSM Foils is well-positioned for growth through capacity expansion in Ahmedabad, enhanced printing capabilities, and cost-efficient operations, catering to rising domestic and regulated international demand. Its focus on high-value blister foils and sustainable initiatives supports profitable, capital-efficient, and scalable growth. **We have a Buy Rating with TP of INR 375.**



# Shubhshree Biofuels Energy Ltd

## Financial Summary

Particulars	FY24	FY25
Revenue*	₹94	₹163
EBITDA*	₹5.0	₹11.0
EBITDA margin	5.00%	7.00%
PAT*	₹3	₹8

\*₹ in Cr



**Company Overview:** Incorporated in 2013, Shubhshree Biofuels Energy Limited manufactures and supplies biomass pellets and briquettes as eco-friendly alternatives to fossil fuels. Serving industries such as recycling, textiles, pharmaceuticals, and metals, the company sources raw materials from both in-house operations and external vendors. Its manufacturing facility, equipped with three identical machines, has a total production capacity of 132 tonnes per day.

**Clients:** Reliance Industries, NTPC, Hindalco, Lupin, Mother Dairy, Nabha Power, MAHAGENCO.

**Strong Policy Tailwinds** - The government's push for renewable energy, particularly through biomass co-firing mandates in thermal power plants and incentives for cleaner industrial fuel alternatives, provides a strong growth runway for the company. With increasing emphasis on reducing carbon emissions and promoting circular economy models, the company stands to benefit from sustained policy support.

**Scalable & Integrated Model** - The company operates a well-integrated "farm-to-fuel" model that covers raw material sourcing, manufacturing, and distribution. Its network of over 5,000 farmers across multiple states ensures a reliable feedstock supply, while its expanding production capacity enables the company to cater to the growing demand from large industrial clients.

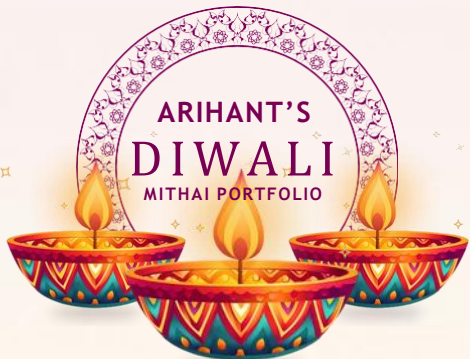
**Outlook** - With India's accelerating transition toward sustainable energy, Shubhshree Biofuels Energy Limited is well-positioned to benefit from rising biomass adoption across thermal power, manufacturing, and industrial sectors. Continued expansion, policy support, and increasing ESG focus among corporates are expected to drive steady volume growth and margin improvement, reinforcing company's leadership in the biofuel segment.

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