

Thank you very much! The overwhelming support of our investors and participating companies was fundamental to the success of Arihant's Bharat Connect conference, which brought together over 35,000 investors representing 225 companies from 5 continents. Your active participation and insightful contributions were invaluable in achieving the conference's objectives: fostering 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 is at an inflection point, with increasingly strong and ambitious corporations driving our progress towards Viksit Bharat by 2047. The recent market correction presents a strategic window for discerning investors to increase their exposure to 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, Anushka, Khushi, Rohan, Kunjal, Natasha, Shweta, Nitisha, Ronak, Deepali, Heli 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.

Abhishek Jain
Arihant Capital

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28	<u>BEW Engineering Ltd</u>
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38	<u>Cineline India Ltd.</u>
39	<u>Concord Control Systems Ltd</u>
40	<u>Confidence Petroleum India Ltd</u>
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42	<u>Control Print Ltd</u>
43	<u>Cosmic CRF Ltd</u>
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45	<u>Datamatics Global Services</u>
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47	<u>DC Infotech & Communications Ltd</u>
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95	<u>Jupiter Wagon Ltd</u>
96	<u>Jyoti Resins and Adhesives Ltd</u>
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100	<u>Kaushalya Logistics Ltd</u>
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102	<u>Kings Infra Ventures Ltd</u>
103	<u>KPI Green Energy Ltd</u>
104	<u>Krishana Phoschem Ltd</u>
105	<u>Krishna Defence & Allied Industries Ltd</u>
106	<u>KRN Heat Exchange and Refrigeration Ltd</u>
107	<u>Krsnaa Diagnostics Ltd</u>
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109	<u>Lumax Auto Technologies Ltd</u>
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190	<u>Sonata Software Ltd</u>
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192	<u>Spencer Retail Ltd</u>
193	<u>SPML Infra</u>
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197	<u>Sunteck Realty Ltd</u>
198	<u>Suprajit Engineering Ltd</u>
199	<u>Supreme Power Equipment Limited</u>
200	<u>Suraj Estate Developers Ltd</u>
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230	<u>Aeronero Solutions Pvt Ltd</u>
231	<u>Bootes Impex Tech Ltd</u>
232	<u>Cargofirst QAHO Corporation Pvt Ltd</u>
233	<u>Garuda Aerospace Pvt Ltd</u>
234	<u>OtherPay</u>
235	<u>Singhal Recyclers Pvt Ltd</u>

Aarti Drugs Ltd

CMP: INR 390 | Mcap: INR 141.45 Bn

Aarti Drugs is focusing on expanding its API and formulation business, with recent developments including two new greenfield projects, US FDA approval for a previously restricted facility, and launch of an oncology vertical. The company expects these initiatives to drive growth and improve margins over the next 2-3 years. While facing challenges like pricing pressures and raw material volatility, the company aims to grow revenues from around 25000 Mn currently to 37,000-40,000 Mn in 3 years. It expects EBITDA margins to improve to 15-16% in 2 years, driven by new projects, regulatory approvals, and stabilization of raw material prices. Aarti Drugs is part of the Aarti group of companies, focusing mainly on API bulk drugs manufacturing.

EBITDA margins historically ranged between 14-16% before starting the formulation business. The company aims to achieve 15.5-16% EBITDA margins in two years.

COVID-19 led to exceptionally high margins (over 20% EBITDA) due to reduced competition from China.

- Russia-Ukraine war caused raw material price fluctuations, impacting margins.
- Recent price corrections have stabilized, with some products like Ciprofloxacin reaching 8-year low prices.
- The company recently commissioned two greenfield projects.
- Received US FDA approval for a facility previously under import alert for 10 years.
- launched an Oncology Vertical and received US FDA and UK MHRA approvals for formulation facilities.
- Pinnacle Life Sciences, a 100% subsidiary, contributes 12-14% to consolidated sales through formulations.
- Export demand has picked up in recent quarters after initial slowdowns due to global elections.
- Exploring anti-dumping duty for salicylic acid due to Chinese price drops.
- New plants are expected to contribute around 600 crores to the total turnover.
- US revenue is projected to be around 80-200 crores out of the total 40,000 Mn revenue in three years.
- Focus on old-age molecules for US FDA approved facilities. European business is expected to grow due to the US FDA approval of the previously import-alerted facility.
- Plan to manufacture single products in large volumes for better asset turnover and overheads.
- Has expanded its Metformin capacity and plans further increases.
- A new project for DMA HCl production is underway, primarily for captive consumption in Metformin production.
- Exploring compressible forms of Metformin to address lumping issues.
- See upticks in sales, potentially indicating some smaller competitors closing down.
- Expects fluoroquinolone prices to increase slightly in the near future.
- Face some teething problems with equipment performance in the first greenfield project.
- Confident about achieving growth targets due to new projects, regulatory approvals, and expansions.

Accuracy shipping**CMP: INR 7.46 | Mcap: INR 1.12 Bn**

- Operational truck fleet expanded to 400 vehicles, enhancing road transportation capabilities and reducing third-party dependency.
- Q3 FY25 revenue split: 76% logistics, 20% commercial vehicles (Ashok Leyland dealership), and 4% petroleum products.
- EBITDA margin improved to 2.9% in Q3 FY25 but remains volatile due to freight rate fluctuations influenced by global factors (e.g., e Russia-Ukraine war).
- Captive petrol pump near Mundra Port reduces transportation costs by INR 2–9 per liter, serving internal fleet needs.
- Reduced reliance on marble/granite (41% revenue) by expanding into rubber (19% revenue), agriculture, and machinery sectors.
- Invested INR 2.8 Mn in a self-developed ERP system for document management and vehicle/container tracking.
- Long-term debt of INR 350 Mn primarily funds for commercial vehicle purchases; working capital drives interest costs.
- 63% of revenue comes from export-import logistics, with freight rates directly tied to global market volatility.
- Focus on increasing LCL (Less-than-Container Load) and air cargo volumes, targeting existing clients for higher share-of-wallet.
- Benefits from initiatives like Sagar Mala (port development) and reduced logistics costs (aiming to cut GDP contribution from 14% to single digits).
- Interlinked businesses (transport, fuel, vehicle sales) create cost efficiencies, e.g., Ashok Leyland trucks ensure spare part availability and service speed.
- Ownership of licenses (customs, MTO), warehouses (180,000 sq. ft. near Mundra), and fleet reduces third-party reliance vs. peers.
- No current focus on e-commerce logistics; core remains third-party logistics (3PL) for industrial clients like Apollo Tires and Reliance.
- Collaborations with CMA-CGM and NKR for rail charters to improve multimodal logistics and margins.
- Dealership inventory (Ashok Leyland vehicles, petroleum) optimized for operational needs rather than speculative stockpiling.
- Prioritizing volume growth in existing sectors (logistics, commercial vehicles) over new verticals; aim for margin stability via freight rate negotiations and sectoral balancing

Active Clothing Co. Ltd**CMP: INR 108 | Mcap: INR 1.97 Bn**

Outlook: Backward integration initiatives, such as in-house dyeing, aim to reduce lead times, working capital needs, and costs. Plans for further capacity expansions to sustain long-term revenue growth beyond INR 500 cr, with a five-year vision to potentially reach INR 1,000 cr. Prioritize scaling the apparel business over footwear due to its higher revenue potential. Invest in advanced technologies like 3D garmenting to reduce sampling lead times and enhance efficiencies.

Company Overview: Active Clothing, based in Mohali, specializes in premium apparel manufacturing, focusing on high-quality flat knitted garments, jackets, circular T-shirts, sweatshirts, technical textiles, and shoe uppers. It caters to global fashion brands such as Levi's, Adidas, and Puma.

Operations and Innovation: Active Clothing employs a design-to-shelf approach and integrates advanced technologies like virtual knitting and digital sampling to boost efficiency, reduce waste, and align with sustainability goals. Ethical manufacturing is central, with eco-friendly materials like BCI and organic cotton yarns and adherence to industry certifications.

Strategic Focus: The company is expanding its market reach by increasing its dealer network and adopting AI-driven design and smart manufacturing processes. It aims for revenue growth by strengthening partnerships with leading domestic and international fashion brands.

Financial Projections: Targeting INR 300 cr in revenue for the current FY, with expectations of 25-30% growth in the next year, reaching around INR 375 cr. Plans for further expansion to reach INR 500 cr by FY27 with additional capacities.

Future Plans: Backward integration with in-house dyeing capabilities to optimize lead times and reduce costs. Expanding manufacturing capacities to cater to growing demand in apparel, while maintaining focus on high-margin, value-added products.

Capacity Expansion: New manufacturing capacities will be operational in 2-3 months, boosting production capabilities. Additional capacity is projected to generate up to INR 500 cr in revenue by FY27.

Margin Improvements: Focus on high-margin, value-added products to enhance operational profitability. EBITDA margin is targeted at 15-16%, with PAT margin around 5%, driven by efficiency improvements and cost optimization.

Challenges and Opportunities: The company benefits from the global shift of supply chains away from China and the disruption in neighboring countries, increasing India's appeal as a sourcing destination. Focus remains on apparel, with footwear contributing minimally to revenues but showcasing technical expertise.

Workforce and Succession Planning: Current workforce is 2,500, set to grow to 3,500 with ongoing expansions. Succession is planned within the family, with the next generation already involved in the business.

Market Positioning: Leveraging India's growing appeal as a sourcing hub due to geopolitical shifts and disruptions in neighbouring countries. Scaling partnerships with leading domestic and global fashion brands while onboarding 2-3 new major clients.

Global Market Focus: Increasing exports as a key growth driver, with current export business contributing 25% of total revenues. Capitalizing on the shift of manufacturing from China to India.

Operational Goals: Enhance operating profit margins through value-added products and efficiency improvements. Shorten working capital cycles by 30-35 days with backward integration.

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Aditya Birla Sun Life AMC Ltd

CMP: INR 637 | Mcap: INR 183.83 Bn

1. Robust AUM Growth & Market Leadership

- **AUM at INR 4 Lakh Cr** (up 23% YoY), with equity AUM surging 32% YoY to INR 1.8 Lakh Cr.
- **Alternate Assets (PMS/AIF/Offshore) scaling fast** (INR 17,000 Cr, +44% YoY) – a high-margin growth lever.
- **Passive AUM at INR 32,000 Cr** (52 products) – positioning for the ETF/index fund boom.

2. SIP & Retail Franchise Strength

- **SIP book at INR 1,382 Cr** (+38% YoY), adding 6.7L new SIPs (3x YoY).
- **1Cr+ folios** (24L added in FY25) – B30 cities contributing 45% of SIPs, a key growth frontier.
- **MFD dominance**: 54% equity AUM from distributors (83,000+ partners).

3. High-Impact NFOs & Product Differentiation

- **Blockbuster NFOs**: Quant Fund (INR 2,500 Cr), Conglomerate Fund (INR 1,400 Cr) – thematic bets with structural tailwinds.
- **Offshore expansion**: GIFT City hub driving NRI inflows (e.g., ESG Engagement Fund).

4. Margin Resilience & Diversified Revenue

- **Yield profile**: Equity (68–69 bps), Debt (24–25 bps), Liquid (12–13 bps).
- **Alternate assets/PMS** (>1% fees) and offshore biz to defend margins amid AUM scaling.

5. Market Share & Performance Turnaround

- **Gaining share in Jan/Feb** – debt inflows + improving equity fund rankings (Q1/Q2 quartile funds rising).
- **Equity mix at 47%** (vs. 24% historically) – targeting industry parity (~58%) for margin upside.

6. Strategic Initiatives for Long-Term Alpha

- **Digital & B30 push**: Virtual RM model, emerging markets focus.
- **Next-gen MFD programs** (Legacy Leap) to deepen relationships.
- **Offshore/GIFT City** as a structural growth driver (NRI/global investor base).

Investment Thesis

- High-quality play on India's MF penetration story (5Cr investors vs. 140Cr population).
- Operating leverage + mix shift (equity/alternate assets) to drive ROA/ROE expansion.
- Valuation re-rating potential as market share stabilizes and performance sustains.

Verdict: A best-in-class AMC with multiple levers (retail, passive, offshore) for sustainable growth.

Affordable Robotic and Automation Ltd

CMP: INR 383 | Mcap: INR 4.3 Bn

Revenue

The company is targeting minimum 10 to 15% plus revenue growth for FY26E, driven primarily by volume expansion rather than price increases. The business exhibits seasonal patterns with stronger performance in Q1 and Q4 due to favorable installation conditions.

Margins

The company maintains a blended EBITDA margin of approximately 8.5%, with automation solutions contributing higher margins of 12-15% compared to 6-8% for car parking systems.

Revenue mix

The company's revenue stream is well-diversified between automation solutions accounting for 60-70% of total revenue and car parking systems making up the remaining 30-40%.

Order book

The order book stood at INR 2.5bn with execution expected within the next 6 to 12 months. The company serves marquee clients including Mahindra for Thar and Scorpio models, Tata for Harrier and Nexon, and has maximum supply agreements with Bajaj for their production requirements.

Growth Drivers and Expansion Strategy

ARAPL is pursuing multiple growth avenues including geographic expansion with new depots in high-demand metropolitan areas like Mumbai, Pune and Delhi. Internationally, the company has established five channel partners in the US and Europe, including a strategic partnership with Toyota Lift Northwest for aftermarket services.

Product expansion remains a key focus with developments in port automation systems and enhanced warehouse automation solutions.

The company is also investing in high-margin adhesive products and in-house battery production capabilities to reduce import dependency.

Working Capital

The company maintains disciplined working capital management with net working capital at 27-29% of sales, targeting reduction to 25% or below.

Receivables are efficiently managed with collection period around 130 days.

Capacity and Capex

Current production capacity stands at 13,500 metric tons per annum with 70% utilization rates.

The company has outlined capex plans of INR 30-50mn for the parent company over the next 1-2 years, while its subsidiary ARAPL RAS will undertake more significant investments for manufacturing setup.

The company currently follows an asset-light outsourcing model within a 100-kilometer radius but plans to transition key component manufacturing in-house by 2026, including controllers and batteries.

Industry

The company operates in high-growth sectors with the global warehouse automation market projected to reach 300 billion dollars by 2032E.

Market share

The company maintains technological leadership as Asia's first autonomous forklift provider and holds an estimated 10-15% share of India's multi-level car parking market.

Competitors

The company's key competitors are Gray Orange, Addverb Technologies and VisionNAV Robotics.

Aimtron Electronics Ltd

CMP: INR 392 | Mcap: INR 8 Bn

Outlook : Aimtron is well-positioned for strong growth, leveraging its niche market focus, design-led manufacturing, and expanding global footprint. With a robust order book, strategic capacity expansions, and stable margins, the company aims to scale operations while maintaining profitability. Its INR 3,000 crore revenue target, backed by organic growth, M&A opportunities, and increasing US business, underscores a long-term vision of market leadership in high-value electronics manufacturing.

Key Highlights

- Company targets a 40-50% CAGR over the next few years, driven by expansion in defense, aerospace, IoT, and telecom sectors.
- Strong order book with sustained growth expectations despite macroeconomic challenges.
- Positions itself as a provider of "American quality on Indian soil with Indian talent", focusing on niche markets to differentiate from larger competitors.
- Expanding US presence through a newly created Texas subsidiary to facilitate direct business.
- Plans to set up a new facility in Bangalore to strengthen domestic operations.
- Exploring inorganic growth opportunities, including potential mergers & acquisitions.
- New SMT line expected to generate INR 100 Cr. per shift, with a full capacity turnover potential of INR 500 Cr. without additional capex.
- Stable EBITDA margins of ~25%, with minor fluctuations of 1-2% as operations scale.
- Aims for an INR 3,000 Cr. revenue target, leveraging both organic and inorganic growth strategies.
- Actively managing working capital and customer payment terms to ensure liquidity and operational efficiency.
- Mobile-friendly SMT line enhances capability to serve communication and IoT markets.
- Balanced approach between high-volume and high-margin product segments.
- Exploring participation in the INR 25,000 Cr. electronic components PLI scheme for further expansion.
- Plans to consolidate US operations under the Indian listed entity to optimize synergies.
- No immediate impact expected from US-China trade tensions, leveraging India's cost advantage.

Ajmera Realty and Infra India Ltd

CMP: INR 799 | Mcap: INR 31.45 Bn

Guidance:

- Ajmera Realty aims to double its revenue in the next 3-4 years with a strong pipeline of projects and new launches.
- The company is focused on enhancing profitability and maintaining a strong balance sheet to support future growth.
- Plans to expand its footprint beyond Mumbai to other key cities in India, including Bengaluru and Pune.
- Intends to achieve pre-sales of INR 20,000 Mn in the next 3-4 years.

Other Key Highlights:

- The company is focused on premium and luxury residential projects catering to high-net-worth individuals.
- Ongoing and upcoming projects are primarily in Mumbai, Pune, and Bengaluru with a focus on high-demand micro-markets.
- Current GDV stands at INR 50,000 Mn with multiple projects contributing to consistent revenue generation.
- The company continues to operate on an asset-light model to optimize returns and reduce financial risk.
- Plans to monetize non-core assets to strengthen the balance sheet and fund growth initiatives.
- Aims to leverage digital platforms for sales and marketing, improving customer reach and experience.
- The company's focus on operational efficiency has driven strong cash flows and improved profitability.
- Redevelopment projects are being evaluated selectively to ensure high profitability.
- Regulatory changes in the real estate sector are seen as an opportunity to drive market consolidation and benefit organized developers.
- Committed to delivering high-quality projects on time to build and maintain a reputation for excellence.

Alldigi Tech Ltd

CMP: INR 951 | Mcap: INR 14.52 Bn

The company is targeting 15-20% YoY growth in CXM, supported by an increase in international contracts and a steady 3-5% QoQ growth. In EXM, revenue conversion is taking longer due to the complexity of payroll migrations, but the company remains committed to maintaining its leadership position. Positioned for long-term growth, the company is backed by strong recurring revenues and significant investments

in AI and digital solutions. Manila headcount has risen by 15% QoQ, driven by growth in healthcare and BFSI clients, with the increase in international headcount aimed at supporting higher-margin business. Domestic sales are anticipated to ramp up from existing customers. Accordingly, we have a "BUY" rating on the stock with the TP INR 1211.

- Recently rebranded from ALSEC Technologies to All DiGi Technologies to reflect its AI-first and digital-first approach.
- Processing about 1.5 Mn payslips per month. YTD sales up to December were almost as good as the full previous FY.
- Manila headcount was up 15% quarter-on-quarter, linked to the CXM business.
- Has footprints in Southeast Asia, particularly Manila and the UAE.
- Have a niche BPO business catering primarily to the US market.

The company has been in business for about 25 years with a strong service delivery record. Delivery capabilities are primarily headquartered in Chennai with over 4,500 seats. The company has tripled its footprint in Manila over the past two years.

EXM services include payroll, HRIS, and payroll-related compliances. Divested a large portion of its statutory compliance business earlier in the financial year.

CXM business has large and vintage customers, some for over 20 years. Investing in AI and digital tools for both internal processes and customer offerings.

Merger with Digitized is expected to bring synergies and opportunities for cross-selling. The demerger aims to separate different business streams with varying revenue and EBITDA profiles.

- Short-term investments in sales and marketing resources may impact margins temporarily.
- Aims to grow margins by 0.5-1% YoY in the long term.
- Client concentration risk is managed through a scorecard method monitoring various factors.
- Payroll business typically has 100% wallet share, while CXM ranges from 50-100%.
- Industry-agnostic in EXM but focuses on BFSI, healthcare, manufacturing, energy, and utilities in CXM.
- Growth is expected to remain in the high double-digit numbers.
- The company believes it's in a unique position without direct listed competitors in both EXM and CXM spaces.
- AI investments are being made to improve efficiency, customer experience, and internal processes.
- The company is introducing AI-based tools like a "Chief Listening Officer" for employee engagement.
- International expansion is ongoing, with recent deals in Europe and Africa.
- The company is balancing growth in existing large accounts with acquiring new customers.
- Future focus includes continued AI integration and expanding sales efforts in both EXM and CXM businesses.

All E Technologies Ltd

CMP: INR 345 | Mcap: INR 69.7 Bn

Outlook: Company is strategically positioned for sustained growth, leveraging its leadership in Microsoft Dynamics solutions, diversified sectoral presence, and an intensified focus on the US market. Management's confidence is evident in its 30%+ revenue growth guidance, supported by a robust order book, growing managed services revenue, and cross-sell opportunities. With a debt-free balance sheet, stable margins, and investments in next-gen technologies.

- The company operates as a leading Microsoft Dynamics partner with offerings spanning ERP (Dynamics 365 F&O & BC), CRM, Power Platform, and Data & AI, targeting SME and mid-market clients globally.
- Geographic mix remains healthy: US (~50%), India (~40%), and rest from APAC; focus remains on expanding US footprint further via direct enterprise connects and partnerships.
- Sectoral exposure is diversified across manufacturing, professional services, real estate, education, and non-profits, with tailored IP products that shorten go-live cycles and improve cost-efficiency for clients.
- Company has built proprietary accelerators like NavOne, RealEstateOne, and EduOne, driving higher gross margins and enabling faster deployments compared to traditional players.
- Recurring revenues (~45–50%) from managed services, AMC contracts, and license renewals are expected to cross 60%+ in the medium term, providing revenue visibility and cash flow stability.
- Operating model is delivery-efficient, with ~70% of resources based in India (primarily Noida), helping maintain strong EBITDA margins in the ~30% range despite global expansion.
- Headcount stands at 500+ and rising steadily; the company is focusing on developing a nearshore delivery model with planned presence in Tier 2 Indian cities for talent optimization.
- Investments are being made in next-gen tech including Microsoft Co-Pilot, Azure OpenAI tools, and automation frameworks to create new offerings around data intelligence and business automation.
- Digital transformation is driving demand from existing clients for analytics and process automation modules, offering significant cross-selling and upselling opportunities.
- Client stickiness is high owing to deep implementation expertise, sector-specific IP, and ongoing managed services support; many clients have stayed on board for over 5+ years.
- The company follows a zero-debt policy and maintains a healthy cash reserve of INR 40–45 Cr., providing financial flexibility for product innovation and selective M&A opportunities.
- The management is actively exploring inorganic growth opportunities, particularly in North America and Europe, to enter new verticals and acquire deep domain teams.
- FY24 revenue growth guidance remains strong at 30%+ YoY, driven by strong order book, deal momentum in the US, and robust repeat business from Indian SMEs.
- Margins are expected to remain stable as new IP-based revenues scale, and offshoring advantages continue; incremental growth to be margin-accretive due to operating leverage.
- The management is confident about sustaining a long-term CAGR of 25–30% in topline with ~20%+ PAT margins backed by scalable delivery, high retention, and annuity-driven model.

Allied Digital Services Ltd**CMP INR: 187 | Mcap: INR 10.54 Bn**

- The company's revenue for the last fiscal year was 6870 Mn, with an EBITDA margin of 12-13%. They are targeting 8000-8500 Mn revenue for the current year.
- Their business is split into two segments: Services (71% recurring revenue) and Solutions (29% project-based revenue). Geographically, 64% of revenue comes from global business and 36% from India.
- The company has completed 14 safe city projects and is implementing 2 more. They are also expanding in the UAE and seeing opportunities in Europe, particularly Germany.
- Target revenue of around 10,000 Mn for next year, aiming for about 250 crores per quarter.
- Two large deals worth over 50 mn each are under final negotiation stages, with potential announcements in April.
- Has two smart cities under implementation currently, with Pune being a large 500 crore project just starting implementation.
- Margins are expected to be around 12-13% for the next few quarters due to new customer acquisition costs and implementation of smart city projects.
- Sees more opportunities in Europe, especially Germany, compared to the US currently.
- The recurring services business makes up about 72% of revenue, with solutions/project business at 28%. The company aims to keep recurring revenue at 70-80%.
- For digital transformation, the company focuses on infrastructure migration rather than application development, which is handled by larger IT partners.
- The company differentiates itself through early mover advantage in smart cities, direct service delivery approach, and track record of successful implementations.
- Operating margins have declined from historical 18-20% levels to 11-12% currently as the company has scaled up, facing more competition.

Alpex Solar Ltd**CMP: INR 567 | Mcap: INR 13.87 Bn****Guidance**

- Company current per megawatt realization for solar modules stands at ~INR 16-17.
- At full capacity utilization of its 1.2 GW solar PV module facility, company expects to achieve ~INR 20 Bn in revenue by FY26. For PAT, company expects 2x YoY growth with phased expansion into EPC and IPP.
- EBITDA margins have improved from historical levels of ~9% to a current range of ~15–16% and expected to further benefit from scale and demand growth.

Diverse Product & Service Portfolio

- Company has extensive portfolio of solar modules ranging from 40W to 700W panels, catering to both domestic and commercial segments.
- It has over 20,000 EPC solar water pumps installed across multiple HP ratings, accounting for ~11% of total revenues.
- Customer base includes major players like Tata Power, Indian Oil, NTPC, SETI, and prominent government organizations.
- Company solar PV modules sales accounts to ~90% of revenues, with ~25% comes from government-related projects reducing risks of delayed receivables.
- Company benefits from favorable government policies such as the ALM initiative and import restrictions on Chinese modules.

Order Wins & New Contracts

- Company has secured a major solar water pump order over 2,000 pumps worth INR 450 Mn from MSEDCL.
- It has also received a tender order worth INR 2.10 Bn for solar PV module, further diversifying revenue streams.

Capacity & Expansion

- Company currently operates a 1.2 GW module manufacturing facility in Greater Noida, which is already in production.
- An additional 1.2 GW module line is set to commence commercial production by Sept-25.
- A 1.6 GW solar cell manufacturing line, scheduled to be developed in phases, with the first 500 MW expected to start production by Dec-25.
- Facility is designed to manufacture both MonoPERC which company is currently focusing on and Topcon cells, with upgrade capabilities built into the infrastructure.
- With the I phase of module expansion is expected to achieve ~80–85% utilization by FY26, with the II phase will operate at ~50%.

Acquisition and R&D facility development

- Chandra Energy Private Limited is a strategic acquisition to support the expansion of EPC and IPP operations under the Alpex Green Energies subsidiary.
- Company's upcoming Kosiko Taman R&D facility in the NCR region, spread into 71,000 sq. is a master complex for value addition and R&D, strengthening long-term competitive advantage.
- Company is investing in aluminum solar frames as part of vertical integration initiatives, with dedicated capacity enhancements already underway.

CAPEX & Investment

- Company has adopted a conservative, step-by-step CAPEX investments, aligned with operational efficiency.
- The 1.6 GW solar cell expansion carries an estimated capex of ~INR 6.42 Bn, with the I phase (costing ~INR 3.50 Bn) funded by a mix of debt ~INR 2 Bn and internal accruals.

Debt & Working Cap

- Company expects debt level to remain well below INR 4 - 4.5 Bn, securing internal cash generation.
- Current working capital days stand at ~45, management expects to hold even after capital requirements grow with expanding revenue volumes.

Industry trends and Demand

- While emerging trends such as HJT technology are being observed globally, the management believes that Topcon (alongside Monoper) remains the most commercially viable option for the Indian market.
- Demand in both the DCR and non-DCR segments is expected to remain robust, supported by government mandates (ALCM approved) that favor domestically manufactured cells.
- Government's renewable energy targets of 500 GW by 2030 provide long-term visibility for sustained demand across utility-scale and private projects.
- Company's early investments and a strong operational foothold provide a competitive edge as new capacities come online and domestic as well as international competition deepens.

Apollo Micro Systems Ltd**CMP: INR 123 | Mcap: INR 37.59 Bn**

- Focus on defense technologies across missile, naval, ground, and avionic systems, with additional verticals in homeland security, automotive, and telecom electronics.
- Two upcoming units, including a 350,000 sq ft facility in Hyderabad for end-to-end defense manufacturing; Unit 2 operational by Q1 FY25.
- Targeting 40-45% YoY growth; order book expected to reach ~INR 2,500 crore by FY24-end (current: ~INR 600 crore as of February 2024).
- Underwater mines: INR 1,500 crore order expected in Q1 FY25 (split with BDL)
- Allocates 7-9% of annual revenue to R&D; 165+ engineers dedicated to core R&D.
- Major clients include DRDO, Indian Army, Indian Navy, and defense PSUs like BEL.
- In-house design-to-production capabilities; AS9100, ISO, and semi-conductor certifications.
- Production phase margins higher than development.
- Consolidated EBITDA margins expected to rise as production scales.
- Current debt ~INR 1500 Mn (primarily working capital); funded Unit 3 expansion via INR 1100 Mn SBI loan and internal funds.
- Actively pursuing opportunities; in talks with international players for technology collaborations.
- Joint IP with DRDO for collaborative projects; proprietary IP for independently developed systems.
- Orders often staggered (e.g., 8-12 months cycle for underwater mines) to align with customer integration timelines.
- Growth Drivers: Key programs include QR-SAM, expendable decoys, and next-gen torpedoes; guided Pinaka contributions ongoing.
- Expansion to meet rising demand for large-scale production (e.g., 500+ systems/year); avoid losing orders to competitors.
- DRDO's privatization push and export policies to boost domestic defense manufacturing.
- Revenue Split: 70% from development, 30% from production; shift toward higher production volumes expected post-expansion.
- Ecosystem collaboration with private players (e.g., Adani, Solar Industries) for component sourcing and system integration.
- New facilities to handle 3-4x current output; focus on qualifying for Tier-1 OEM partnerships.
- Prioritizing scaling high-margin production, capturing export opportunities, and leveraging DRDO partnerships for long-term growth.

Arihant Superstructures Ltd

CMP: INR 382 | Mcap: INR 15.73 Bn

Financial Growth:

- Gross Development Value (GDV) rose from INR 65,000 Mn in FY23 to INR 125,000 Mn in FY25, driven by land acquisitions without equity dilution.
- Revenue guidance: FY25 targets on track, with FY26 expected to grow by 20-25% from FY25 launches.
- Pre-sales projections: INR 14,000 Mn in FY26 and INR 18,000 Mn in FY27.
- Average realization increased from INR 4,000/sq. ft. in 2020 to INR 6,500/sq. ft. today, expected to reach INR 7,500/sq. ft. in two years.

Key Projects:

- World Villas (Chalk): Construction started January 2025 on 88 acres (recently added 11 acres). Phase 1 delivery by December 2026 or March 2027, full completion by 2030. Prices start at INR 25 mn, targeting first and second-home buyers (50:50 split).
- Annuity Projects: Five-star hotel and gymkhana under construction, with rental income from FY29. Capex: INR 1750-2000 Mn(hotel) and INR 1250 Mn (gymkhana), targeting INR 450-500 Mn annual EBITDA.

Other Highlights :

- Navi Mumbai benefits from infrastructure like the Navi Mumbai Airport (expected June 2025), Atal Setu (operational 14+ months), and Reliance Industrial Park (5,500 acres).
- The company owns 175 acres in Chalk, ranking alongside developers like Hiranandani, Adani, and Godrej Properties.
- It holds an 11% market share in Navi Mumbai and 10% in the premium Chalk-Panvel segment. Strong in affordable housing (38% of portfolio) with 12-15% PAT margins.
- No threat from bigger players (e.g., Adani, Reliance) due to Arihant's track record and value-for-money offerings.
- Pursuing green building practices (e.g., hotel to be fully green-certified) and aiming for net carbon neutrality in 5-6 years.
- Current EBITDA margins at 24%, expected to rise to 27% in two years. PAT margins to improve from 14% to 17-18% with newer projects.
- Debt rose for land acquisitions (e.g., Chalk land at INR16 mn/acre in 2023, now INR35 mn/acre), seen as strategic with first-mover advantage.
- No expansion beyond MMR; focus on Navi Mumbai and Thane for the next decade.
- Redevelopment segment (15-20% of revenue) growing, with projects in Washi nearing completion and Thane opportunities in progress. Greenfield projects preferred for higher margins (25-27% vs. 15-17% in redevelopment).

Arkade Developers Ltd

CMP: INR 151 | MCap: INR 28.06 Bn

Guidance

- Current development area under progress is 2 Mn sq.ft., with a strong focus on asset-light models and quick turnaround (24–28 months per project).
- Exploring opportunities in Navi Mumbai and Thane, with potential expansion beyond Maharashtra in 3–5 years. Maintains a "never say no" approach to viable projects.

Expansion & Strategic Focus

- Company expanding into central Mumbai and eastern corridors due to land scarcity in western suburbs. Actively exploring Thane for a land parcel with a INR 20 Bn revenue potential.
- Balancing greenfield as it generates higher margins and redevelopment projects, aiming for a 50:50 portfolio mix.

Strong Order Book & Pipeline

- Ongoing and upcoming projects have a combined revenue potential of INR 75 Bn, with six ongoing projects expected to generate revenue over the next 3–3.5 years.
- Recently acquired land parcels in Mulund and Bandu (20,000 sq.m) launched in FY24, reflecting a "monetize fast" strategy.

Debt Management & Cash Flow

- Maintains a debt-light balance sheet, relying on internal accruals for land acquisitions and operations.

Redevelopment Expertise

- Society redevelopment projects involve collaboration with local brokers and transparent tender processes. Rent payments to tenants during construction vary by location (e.g., Goregaon vs. Bandra).

Operational Efficiency

- Delivers projects 8–10 months ahead of RERA deadlines, enhancing trust. Recent projects completed within 24–28 months despite COVID disruptions.

Margins & Profitability

- Targets 25–30% ROE post-IPO which is down from pre-IPO 40–45% due to doubled net worth. Aims for 25–27% YoY revenue and profit growth.

Market Sentiment & Transparency

- Company focuses of timely project delivery, client engagement (e.g., construction updates), and stringent revenue recognition policies.
- Resolved a recent GST inspection issue (INR 14.8 Mn paid, reimbursed by clients).

Arvind SmartSpaces Ltd

CMP: INR 692 | Mcap: INR 31.41 Bn

Guidance:

- Arvind SmartSpaces aims to double its sales bookings in the next 3-4 years through new project launches and strategic expansions.
- Plans to strengthen its presence in Ahmedabad, Pune, and Bengaluru, focusing on mid-income and premium residential segments.
- Targeting pre-sales of INR 20,000 Mn over the next 3-4 years to drive consistent growth.
- Committed to maintaining a strong balance sheet and a low debt-to-equity ratio while pursuing growth opportunities.

Other Key Highlights:**Project Portfolio & Expansions:**

- Ahmedabad: Expanding its footprint with multiple residential and commercial projects, targeting mid-income and premium segments.
- Bengaluru: Focus on premium and aspirational housing projects catering to tech professionals and urban families. Projects here are designed with luxury amenities and sustainability in mind.
- Pune: Marking entry into a new market with projects catering to aspirational homebuyers, focusing on integrated townships and lifestyle offerings.
- Upcoming projects are primarily residential with some commercial and mixed-use developments.
- Current GDV stands at INR 40,000 Mn, providing strong revenue visibility over the next few years.
- The company plans to launch 2-3 projects annually to ensure consistent growth.

Business Model & Strategy:

- Operates on an asset-light model, emphasizing strategic partnerships and joint developments.
- Focused on premium and luxury residential projects while selectively exploring commercial and retail segments.
- Leveraging digital sales platforms and enhanced customer experience initiatives to drive sales.
- Plans to monetize non-core assets and invest in high-return projects.

Operational Highlights:

- Achieved strong pre-sales growth despite market challenges.
- Consistently delivering on-time project completions with a reputation for quality and reliability.
- Projects are designed with a focus on sustainability, modern amenities, and smart living solutions.

Industry Position & Market Outlook:

- Positioned to benefit from industry consolidation and regulatory changes favoring organized developers.
- Committed to on-time delivery and high-quality standards to enhance brand reputation.
- Expects margin improvements driven by cost optimization and economies of scale.
- Selectively evaluating redevelopment opportunities in key markets.

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Asian Energy Services Ltd**CMP: INR 269 | Mcap: INR 12.06 Bn**

- The company is executing six coal handling projects and aims to capitalize on India's target to produce 1.5 Bn tons of coal by 2030, supported by mandates for mechanized systems in mines exceeding 2 Mn metric tons annually.
- The company has set a revenue target of INR 4500–5000 Mn for FY25, building on FY24's turnover of INR 3100 Mn
- With an active order book of INR 11,500 Mn (50–60% executable within 12–16 months), the company is pursuing tenders worth INR 15,000–20,000 Mn across its segments.
- Gross margins stand at ~30% in seismic services (cyclical) and ~20% in O&M and coal handling (stable), driven by long-term contracts and operational efficiency.
- O&M contracts typically span 4–7 years with renewal options, while coal projects have 12–24-month execution timelines.
- Key competitors include Alpha Geo and Advent in seismic services, and Hemtech Engineering and Samantha Limited in coal handling.
- Government mandates for coal logistics modernization and oil/gas outsourcing trends (e.g., Vedanta, ONGC) create significant growth opportunities.
- The company is exploring mineral beneficiation and processing projects, aligning with India's focus on critical mineral infrastructure.
- A six-month bidding ban imposed by ONGC ended in March 2024, allowing the company to resume participation in new tenders.
- Revenue is recognized through milestone-based billing (seismic), monthly KPI-linked payments (O&M), and percentage-of-completion methods (EPC).
- Growth Drivers: Key drivers include coal infrastructure expansion, mineral processing opportunities, and outsourcing of O&M by oil majors.
- Timely project execution and policy stability (deemed low risk) remain focal points for sustained growth.
- While maintaining seismic capabilities, the company avoids heavy capex in this segment due to its cyclical nature, prioritizing stable O&M and coal projects.
- Management acknowledges global green energy shifts but emphasizes India's reliance on coal (75% of electricity generation) for the next 5–10 years.
- Minimal committed capex; current investments are directed toward projects like a compression system for Assam Gas Company.
- Expecting "very high growth" over the next 2–3 years, backed by a robust order book, policy support, and diversified service offerings.

Astral Ltd

CMP: INR 1,287 | Mcap: 345.85 Bn

Guidance

- The company expects 10-15% volume growth in the next financial year. If polymer prices rise by 5-7%, overall growth could be in the range of 15-20%.
- New geographies, especially Eastern India, will be a focus area for expansion.
- PTMT segment was recently launched and is expected to scale up within 6-12 months.
- UK business has faced challenges but is expected to show improvement from Q1FY26 onwards, with stronger growth expected in Q2 & Q3.

Other Highlights

- Adhesive business has consistently grown at 18-20% CAGR over the last decade. EBITDA margins have improved from 6% to 15-16%.
- The new OPVC segment is expected to contribute to revenue once ISI approval is obtained (anticipated in April 2025).
- Channel inventory is at its lowest levels, with a possible restocking in Q1 if prices rise. The company maintains an average inventory of 60% (RM + FG).
- New adhesive plant utilization is currently at ~25%, with room for scaling up.
- The company is focusing on rural expansion under the Bharat scheme for adhesives and pipes.
- Fire Pro product has enabling global sales, with the first export consignment worth INR 25 Mn.
- CPVC remains strong, though industry-wide demand has been slightly sluggish.
- Fire sprinkler systems adoption in India is slow due to regulatory approvals and metal lobby resistance.
- The company is the second-largest adhesive company in India, with a market share of ~4-5%.
- Bathware segment is progressing well; pricing pass-through happens based on market conditions.
- PVC-based resin anti-dumping duty is still uncertain but expected to be implemented in the near future.
- The TrueBuild waterproofing range is gaining traction, with a dedicated team recently appointed.
- Rural expansion, new product launches, and backward integration are expected to be major growth drivers.

Atam Valves Ltd**CMP: INR 78.3 | MCap: INR 898 Mn****Guidance**

- Company's organic growth expected at 25–30% in the near term, driven by an expanding domestic sales pipeline and dealer network.
- Receiving API certification is a critical, anticipated to boost exports from 3% to ~25%, unlocking markets in the U.S. and Saudi Arabia.
- EBITDA margin compression from strategic investments is expected to stabilize around 15% as efficiencies improve.

Order Book & Execution Pipeline

- Company integrated Amco Industries' sales with Atom Valves has increased order flow; the upcoming merger post April-26 is set to further streamline operations.
- Company's participation in domestic and international exhibitions will drive new orders, especially for OEM-qualified and API-certified products.
- Consistent demand from sectors such as petrochemicals, power generation, and pharmaceuticals supports ongoing order execution.

Capacity Expansion & Investments

- Company has total 500,000+ sq. ft. state-of-the-art facility, featuring in-house CAD/CAM and R&D, supports quality and innovation.
- It is also investing in new machinery and expansion into larger product sizes (up to 72 inches) are set to boost production capacity and working on broaden the product range into plumbing, firefighting, and HVAC segments.
- With strategic focus on API certification and new product development, while temporarily impacting margins, is expected to drive long-term growth and operational efficiency.
- Planned merger with Amco Industries will consolidate additional manufacturing assets, further improving fixed asset utilization.

Sector & Market Update

- Domestic total addressable market for industrial valves and fittings, estimated at over INR 100 Bn, with significant opportunities across key sectors.
- Company competitive pressures from established players have been reducing through a commitment to quality, and regulatory compliance (ISO and API certifications).
- With, evolving regulatory norms and increased demand from high-growth industries such as petrochemicals and power generation are driving market expansion.

Export Strategy & Global Market Expansion

- Achieving API certification will increase the export contribution to nearly 25% of total revenue.
- Company strengthening focus on global markets will target key regions, including the U.S. and Saudi Arabia, by qualifying on OEM lists for major industry players.
- It is also actively engaging in international exhibitions and strategic collaborations will expand the company's global footprint.
- Company introduced competitive stainless-steel ranges aims to counter imported alternatives and boost export growth.

Australian Premium Solar (India) Ltd**CMP: INR 368 | Mcap: INR 7.27 Bn**

- The company operates across three key verticals: Residential Rooftop, Commercial & Industrial (C&I) Rooftop, and Ground-Mounted Projects. In India, its current focus lies in Telangana and Andhra Pradesh, targeting industrial clusters with high solar demand.
- The company's core customer base comprises MSMEs and SMEs, especially in sectors like pharma, textiles, and manufacturing, where solar adoption is rising due to cost sensitivity and increasing ESG commitments.
- The Indian solar EPC market is witnessing strong tailwinds from government policies like net metering, open access reforms, and PM-KUSUM, supporting steady YoY growth in C&I rooftop adoption (estimated 20–25%).
- Management is actively evaluating partial backward integration into fabrication of mounting structures, which currently contributes ~15% of project cost. This is expected to improve margin profile and reduce third-party dependency.
- Revenue mix is dominated by C&I rooftop projects (~60%), followed by ground-mounted systems (~30%) and residential (~10%). The company is seeing growing traction in hybrid systems (solar + battery) for specific industrial use cases.
- Project execution cycle ranges from 3 to 6 months depending on scale, with milestone-linked payments ensuring a disciplined working capital cycle. Receivables are typically collected within 45–60 days.
- Management is exploring geographical expansion into Maharashtra, Gujarat, and Karnataka over the next 12–18 months to reduce regional concentration risk and scale C&I rooftop volumes.
- The company is in early-stage discussions to participate in SECI/State tenders (1–5 MW), with the aim of entering small-scale utility solar EPC while staying capital-light.
- The firm has delivered over 35 MW capacity till date, with current execution pipeline exceeding 12 MW. Order book visibility remains strong, backed by referrals and repeat industrial clients.
- Australian operations contribute ~10–12% of consolidated revenue and are used to test advanced solar components (microinverters, real-time monitoring, IoT-based control systems) before India rollout.
- Gross margins are expected to improve by 150–200 bps over the next 6–8 quarters with increasing project scale, better procurement terms, and selective integration into high-margin components.

Autoline Industries Ltd

CMP INR 69 | Mcap: INR 2.70 Bn

Outlook

The company has successfully turned around its operations by focusing on increased operational efficiency through automation, diversifying its customer base beyond Tata Motors to include Mahindra and Ashok Leyland, and expanding into the non-auto sector, specifically solar components, to mitigate cyclical risks in the automotive industry. The management has provided revenue growth guidance of 20-25% CAGR in the 3 years and expects even stronger performance in FY26 and FY27, driven by new product launches and increased capacity utilization.

Business Overview

Established in 1994 and listed in 2007, Autoline Industries Ltd is primarily an auto stamping company involved in press shop operations with robotic and manual welding and also manufacture proprietary components like parking brakes and pedals. The majority of their revenue comes from auto stamping. Key customers include Tata Motors, Mahindra, and Ashok Leyland.

Other Key Highlights

- Revenue growth of 20-25% CAGR is expected in the 3 years with margin improvement.
- Operating profit has improved significantly, from minus 3% to an average of 10% in Q3.
- FY26 is expected to be a far better proposition for the company.
- Growing trend in product mix from Tata Motors, Mahindra, and Ashok Leyland.
- They are retaining their share in the CV segment with Tata Motors and are involved in future models, including electric versions.
- Mahindra's 3W EV launch is expected in May.
- The company is supplying components for Mahindra's UVs like Thar, Scorpio, and XUV series.
- The company is focusing on capacity enhancement, automation, and better management controls to meet customer demands.
- New plants at Sanand have a high level of automation, including press shop automation and robotic welding.
- Aims to reduce dependency on operators and ensure quality through automation.
- Industry 4.0 implementation is underway at Sanand and Pune, which is expected to significantly increase productivity.
- The company is aiming to attract MNC customers for both domestic and export business.
- Revenue from non-auto business is currently 5-7% of the total revenue and is expected to increase. EBITDA margin for the non-auto business is expected to be ~7% due to higher raw material costs.
- Post commercialization of Pune and Sanand plant, the management expects 6,000 Mn additional revenue.

Axiscades Technologies Ltd.**CMP: INR 898 | MCap: INR 38.36 Bn**

Outlook: Focusing on its core businesses Aerospace & Defence and Electronics, Semiconductors & AI (ESAI) while recalibrating its low-margin, non-core segments. For FY26, they expect EBITDA 1.5x, 50-55% growth with a 300 bps margin improvement, driven by strong order inflows in defense (radars, counter-drone systems, fighter jet upgrades) and expanding ESAI capabilities. We have a Buy rating on stock with TP INR 980.

- Company focused on three core verticals: Aerospace, Defence, and ESAI, which contribute 78% of revenue and 99% of EBITDA. Targets \$1 bn in revenue within the next five years and aims to improve EBITDA margins by 200-300Bps annually over the next couple of years.
- Segment-wise margin guidance Aerospace of 20%+, Defence of 19-20% and ESAI of 22%+
- The company is working on several defence projects, including counter-drone systems, radar subsystems, and missile components. They expect significant growth in defence production revenues in the coming years.
- Its MRO (Maintenance, Repair, and Overhaul) capabilities, including setting up new facilities near Bangalore airport. They aim to make MRO a 1000Mn business in the next two years.
- Company is working on offset deals with major OEMs like MBDA and Thales, which are expected to bring high-margin business (24-25% EBITDA margins) in the defence sector.
- The company aims to reach \$1 bn in revenue in the next five years.
- Has a strong order pipeline in aerospace and defence sectors.
- Involved in counter-drone systems and has supplied 100 units to the Ministry of Defence.
- The company is developing a 20-acre aerospace and defense complex near Bangalore airport.
- The company is recalibrating its strategy for non-core verticals to improve profitability.
- Involved in multiple ongoing projects with DRDO, HAL, and BEL.
- Expect significant growth in defence production revenues in the coming years.
- Working on various drone technologies, including counter-drone systems and killer drones. The company is exploring export opportunities for their counter-drone systems.
- Involved in the LCA (Light Combat Aircraft) program, supplying critical components.
- The company is working on test benches for MBDA and other European OEMs. Positioning itself as a strong offset partner for European OEMs. They are involved in various missile subsystems and critical electronic subsystems.
- The company delivered 100 counter-drone systems and continues to supply radar subsystems for the LCA Tejas, with advanced orders to avoid supply chain disruptions. It is also involved in Project Kusha, supplying telemetry systems and critical subsystems, with significant growth anticipated in defense production revenue by FY26, including parts for the SU-30 fighter jet program by FY27.
- Expanding its capabilities in both commercial and military aerospace sectors.
- The company aims to scale the ESAI vertical to \$30 mn.
- Major involvement in radar subsystems, contributing to 30-50% of radar systems.

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Aztec Fluids & Machinery Ltd**CMP: INR 84 | MCap: INR 1.14 Bn**

- Coding and marking solutions, including Continuous Inkjet (CIJ), Thermal Inkjet (TIJ), and Thermal Transfer Overprint (TTO) printers, inks, and consumables for industrial applications.
- Acquired Jettings Private Limited (Chennai-based) to penetrate southern and eastern India, leveraging its consumables customer base for cross-selling printers.
- Consolidated EBITDA margins expected at 10-12% (Aztec standalone: 12-13%; Jettings: 7-8%) post-integration.
- Current plant utilization at 58-60%; workforce expansion by 50% and 80% automation planned in the next two months.
- New 11,028 sqm facility operational, targeting 50 machines/day production to boost capacity and reduce costs.
- Growth targets 30% CAGR over 3-5 years with PAT margins of 8-9%, driven by recurring revenue from consumables and services.
- Proprietary in-house solution contributes 15-18% of revenue; integrates AI/ML for anti-counterfeiting in pharma and FMCG sectors.
- Only BIS-certified player in the segment; GS1 compliance enhances credibility in regulated industries like pharma.
- <12-hour onsite response for customers within 100 km; 98% customer retention over the last three years.
- FY25 projections of INR 740-750 Mn for Aztec standalone and INR 172.5-175 Mn for Jettings.
- Order book: INR 100 Mn for Aztec and INR 25-30 Mn for Jettings as of the call date.
- Global coding/marketing solutions market to grow to USD 10.5-10.75 billion by 2029-30 (9% CAGR).
- Competes with Control Print, Domino, and Videojet; differentiates via customization, service speed, and compliance.
- Optimized supply chain (85-90-day receivables) moving toward a Just-in-Time model through warehousing partnerships.
- Government/OEM opportunities: Targeting tenders and partnerships to capitalize on anti-counterfeiting mandates and subsidy-linked projects.
- Transitioning Jettings from low-margin trading to OEM solutions to improve profitability.
- Investing in AI/ML integration for predictive maintenance and data analytics to enhance customer productivity.
- Expanding into automotive, textiles, and packaging to align with high-growth GDP-linked industries.

Baheti Recycling Industries Ltd.**CMP: INR 569 | Mcap: INR 5.9 Bn**

- Significant improvement in service reliability and punctuality rates, with noticeable gains on previously underperforming routes.
- Targeted interventions implemented on consistently delayed routes, including rescheduling, real-time traffic management, and infrastructure enhancements.
- Predictive maintenance systems using sensor data introduced to monitor vehicle health, ensuring timely repairs and reducing fleet downtime.
- Fleet expansion plan initiated to meet growing demand, with a focus on underserved regions and expedited vehicle procurement.
- Moderate revenue growth achieved through increased ridership, strategic fare revisions, promotional campaigns, and optimized route planning.
- Cost-cutting measures enforced through vendor contract renegotiation, energy efficiency programs, and streamlining operational processes.
- Additional revenue opportunities explored via public-private partnerships, station space leasing, and targeted advertising initiatives.
- Financial risk analysis presented with comprehensive contingency plans and establishment of emergency reserve funds for operational resilience.
- Safety incidents declined by 15%, supported by enhanced staff training programs and implementation of advanced surveillance systems.
- AI-driven safety monitoring systems under development for real-time hazard detection and rapid incident response.
- Compliance with safety and environmental regulations maintained through rigorous inspections, third-party audits, and process enhancements.
- Workforce morale improved by 10%, driven by expanded benefits, flexible work options, and workplace condition enhancements.
- Phase one of the transit hub expansion successfully completed, with additional funding secured and subsequent phases progressing on schedule.
- Technological advancements adopted, including automated scheduling software for dynamic route optimization, fuel efficiency tracking, and improved fleet management.

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Bajaj Consumer Care Ltd

CMP: INR 157 | Mcap: INR 22 Bn

The company is working on portfolio expansion, new acquisitions, and distribution growth to return to higher growth rates in the medium term, though near-term challenges remain.

Performance & Growth Initiatives

- Achieved key strategic goals, with strong performance in international and organized trade.
- Acquired Banjara for stronger South India presence and category diversification.
- New product launches to reduce reliance on hair oil, while scaling coconut oil to INR 1,000 Mn revenue.

Profitability & Financials

- Gross margins declined from 65-66% to 55% due to higher raw material costs (LLP, mustard oil).
- EBITDA margins fell to 11%, expected to recover to 18-20% within a year.
- Operating margins down to 14-16% but targeting 20% in the medium term.
- ROCE from 40% to 23% over the last decade.

Future Outlook & Strategy

- Aim to return to peak profits of INR 2,200 Mn (FY21) within 2-3 years.
- Hair oil remains a key product, but the company is expanding into personal care and new categories.
- E-commerce & modern trade channels showing strong growth; urban market recovery is still uncertain.
- Banjara growing at 40% annually, with a potential 15-20% CAGR through distribution expansion.
- High ads spend (16-18% of sales) to drive brand visibility and growth.

Challenges & Market Conditions

- Sales CAGR at a moderate 4% over the last decade, requiring stronger diversification.
- Mustard oil prices remain high, expected to soften in Q1FY26 before rising again.
- The hair oil category not growing exponentially, necessitating new product development.
- Management is cautiously optimistic, monitoring urban demand trends for further recovery.

Mergers & Acquisitions (M&A) Approach

- Focus on turning around Banjara before pursuing larger acquisitions.
- Will explore both organic & inorganic growth, prioritizing personal care categories.

Balaji Telefilms Ltd

CMP: INR 60.4 | Mcap: INR 7.23 Bn

Outlook

Balaji Telefilms is undergoing a **strategic shift** to optimize profitability across segments. The company's focus on **de-risking the motion pictures business, reducing cash burn in ALTBalaji, and maintaining a steady television presence** should drive stability. Success in executing the **digital transformation and IP monetization strategy** will be key to long-term profitability.

Financial Performance:

- **Revenue:** INR 387 crore for 9M FY25 (vs. INR 592 crore in FY24).
- **EBITDA:** INR 5.5 crore for 9M FY25 (vs. EBITDA loss of INR 19 crore in FY24).
- **EBITDA Margin:** Expected to improve due to cost controls and digital restructuring.
- **Net Profit/Loss:** Not explicitly mentioned but improving profitability is a focus area.

Business Segment Performance:**Television Segment:**

- Revenue per hour has **declined by 28-30%** compared to pre-COVID levels.
- **Current revenue per hour:** INR 29.14 lakh (vs. INR 37.15 lakh pre-COVID).
- **9M FY25 revenue:** INR 45 crore, EBITDA: INR 1 crore.
- **Current portfolio:** Running 3 shows, with plans to maintain 5-6 shows.
- Industry-wide shift towards **cost-conscious content creation** due to lower ad revenues for broadcasters.

Motion Pictures Business:

- **9M FY25 revenue:** INR 175 crore, EBITDA: INR 6.5 crore.
- Focus on **pre-selling digital and music rights** to reduce risk.
- **Historical yield:** 18% (22% including IP annuity income).
- Emphasis on **sequels and franchise-building** to drive long-term revenues.

Digital Business (ALTBalaji):

- **9M FY25 revenue:** INR 14.5 crore, **EBITDA loss reduced to INR 21 crore.**
- Monthly losses have **shrunk significantly** from INR 120-145 crore per year to **INR 30-35 lakh per month.**
- **Pivot in business model:**
 - Moving away from pure **subscription-based model** to an **ad-led and B2B commissioning model** for platforms.
 - Current **order book of INR 350 crore** from major OTT platforms.

Strategic Initiatives & Fundraising:

- **INR 135 crore capital raise:**
 - INR 50 crore allocated to **motion pictures**.
 - INR 25-30 crore to **digital business**.
 - Remaining funds to **corporate overheads and business expansion**.
- **ALTBalaji to be merged with the parent company** for tax benefits.
- Strengthening the **syndication model** for digital content to expand reach beyond ALTBalaji.

Industry Challenges & Headwinds:

- **Television business under pressure:** Yield erosion due to **changing broadcaster economics** and shift to digital consumption.
- **ALTBalaji's past B2C model failed to scale profitably**, leading to a pivot in business strategy.
- Motion pictures segment faces **execution risks**, given the unpredictable nature of box office performance.

Opportunities & Growth Drivers:

- **OTT content demand remains strong**, with platforms seeking fresh content.
- **Focus on IP monetization:** Creating **franchises and sequels** to maximize long-term value.
- ALTBalaji's **transition to B2B content production** could **stabilize cash flows** and reduce risk.
- Stronger financial discipline with **cost optimization and better capital allocation** across segments.

Basilic Fly Studio Ltd

CMP: INR 240 | Mcap: INR 5.58 Bn

Company Overview

- **Basilic Fly Studio Limited** is a 12-year-old VFX/post-production company based in Chennai with offices in Pune, UK, and Paris.
- Recently listed (Sept 2023) and acquired a 20-year-old UK-based company ("One of Us").
- **Global workforce:** ~800 artists (450+ in India, 300+ overseas).
- **Clients include** Netflix, Amazon, Sony
- **Recent projects:** Wheel of Time Season 3, Doctor Who, The Agency.

Industry Trends & Demand

- **Post-strike (May 2023–July 2024) recovery:** Strong pipeline with 200+ projects in post-production, 200+ in production, and 200+ in pre-production.
- **Sales pipeline:** INR 300 crore (as of Jan 2025, up from INR 220 crore in Oct 2024), to be executed within 9 months (by Sept 2025).
- **Recent execution:** INR 132 crore delivered post-acquisition (since Aug 2024).

Financials & Margins

- **FY25 Guidance:** Revenue INR 150–200 crore; EBITDA margin ~15–16% (H1 standalone margin: 30%, overseas: 5%).
- **FY26 Outlook:** Revenue expected to double FY25; EBITDA margin improvement of 3–4% (driven by cost arbitrage, tech integration, and higher offshoring).
- **Receivables:**
 - Consolidated DSO remains elevated (~INR 105 crore as of Sept 2024: INR 75 crore India, INR 30 crore overseas).
 - India receivables include 45% aged >180 days due to strike-related delays; staggered recovery expected over 1–2 quarters.
 - Overseas receivables within normal 60-day terms.
- **Working capital:** Adequate liquidity; unutilized credit lines available (no immediate need for equity raise).

Operational Highlights

- **Expansion:** Hiring freelancers/contractors to meet surge demand; transitioning work from UK/Paris to India for margin improvement.
- **Tech/AI:** Leveraging AI for de-aging, shot scheduling, and process automation.
- **Synergies:** Integrating One of Us (direct contracts with studios) to boost offshoring and bidding power.

Q&A Takeaways

1. **Receivables:** No bill discounting exercised yet; collections expected to normalize as industry cash flows improve.
2. **Competition:** Among top global VFX vendors (excluding giants like ILM); differentiation via India cost advantage.
3. **Growth Drivers:** Strong order book, demand recovery, and margin expansion from operational efficiencies.

Key Risks

- Delayed receivables resolution (especially India).
- Execution ramp-up challenges (hiring/training).

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Best Agrolife Ltd

CMP: INR 290 | Mcap: INR 6.77 Bn

Guidance

- Company feels confident from new product launches in FY26, capacity expansion, and operational streamlining.
- Balancing rapid branded sales growth (INR 8 Bn to INR 10+ Bn annually) with sustainable scaling strategies.
- Company expects to reach 15–17% EBITDA margins on long-term, driven by higher-margin patented products and operational optimizations.

Strategic Shift & Market Positioning

- Ranked as India's 13th largest agrochemical company, competing with both domestic and multinational players.
- Operates through a structured group of subsidiaries: technical manufacturing done by Best Crop Science, formulation units, and marketing arms (Best Agrolife, Sudarshan Farm Chem), supported by 11,000 dealers across 21 states.

Transition to Branded & Patented Products

- Company shifted focus from generics to patented products, which now contribute 30% of branded sales.
- Expects to increase patented products to 40% of branded sales in FY26, enhancing margin resilience against price volatility.
- Flagship product Ronfen generates over INR 2 Bn annually, with two new patented herbicides/fungicides will be launching in Q1 & Q2 FY26.

Profitability

- Company's 9MFY25 revenue at INR 15 Bn (down from INR 17 Bn YoY) due to reduced B2B sales and 20% price corrections in generics.
- EBITDA margins impacted by high OPEX (salesforce expansion, marketing) but expected to improve as branding efforts mature.

Operational Efficiency & Expansion

- Expanding technical manufacturing capacity at Gajrola plant (operations starting Apr-25) to meet growing demand.
- Reducing inventory days from 200 through better forecasting and regional mergers to optimize salesforce efficiency.
- Addressing high sales returns (due to seasonal factors) with stricter policies and improved demand forecasting.

Market Challenges & Adaptations

- Navigated price pressures from Chinese dumping, maintaining patented product pricing despite 30–40% drops in generics.
- Forex exposure of \$45 million (imports from China) led to currency volatility impacts, but repayments remain stable.
- Refocusing B2B sales on specialty chemicals (vs. generics) to leverage higher margins and stabilize fixed costs.
- Farmer education and demo trials emphasized to drive adoption of patented products.

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BEW Engineering Ltd**CMP: INR 147 | Mcap: INR 1.92 Bn**

BEW Engineering aims to grow revenue to 200-300 crores in the next 2-3 years through capacity expansion, new product development, and targeting export markets, while maintaining 20% EBITDA margins, despite challenges in end-user industries.

Key Highlights

- Revenue expected to surpass **INR 130 crore** in FY24.
- Targets set at **INR 200 crore in FY26** and **INR 300 crore by FY27**.
- EBITDA margins are expected to be **maintained at around 20%**.
- Inventory days to **normalize to 200 days** from current high levels.
- Debt reduction target of **20-25%**.
- **90% completion** of new neighboring land expansion, expected to be operational by **mid-May**.
- Expansion will **nearly double production capacity**.
- Additional capacity to generate **INR 200-300 crore revenue** over the next **2-3 years**.
- **75% revenue** from **chemicals and agrochemicals**, **25% from pharma**.
- Pharma segment driving growth.
- Largest customer **Harman Fenoce** contributes **25% of revenue**.
- Other key customers: **SRF, Piramal, and Cipla**.
- Exports contribute **18-20% of total revenue**.
- Exploring new markets in **Africa, Japan, the Middle East, South Africa, Israel, and Russia**.
- Developing **continuous dryers and filtration systems**.
- A new **continuous dryer** is expected to begin **trials in 2-3 months**.
- Competitive advantage from **superior quality, customization, and diverse product range of 8-10 dryers**.
- Slowdown in **pharma and chemicals** industries impacting growth.
- **Capacity expansion delays** affecting growth targets.
- **High inventory levels** due to specialized raw material stocking.
- Improved **working capital cycle** by purchasing raw materials on immediate payment terms.
- **Order book currently at INR 90 crore**.

Future Outlook & Strategic Initiatives: Focus on **capacity expansion, new product development, and global market reach**, Emphasis on **high-margin and export orders**, Actively exploring **acquisition opportunities in process equipment space**, **Improved cash flow generation and financial efficiency** expected in the coming years, and management remains **optimistic about long-term growth and value creation**.

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BMW Industries Ltd

CMP: INR 47.2 | MCap: INR 10.62 Bn

Business Updates

- Jharkhand/Kolkata plants running at 75-80% utilization, however pipes/tubes segment at 50-60% due to slow market penetration.
- Company has scaled back its 1 MMT plan reduced to 700K MT by FY26 due to slower demand in pipes segment and cash conservation.
- Company's model shift from outsourced manufacturing to proprietary flat steel sales used by automotive, construction industry will improve asset turnover and margins.

Greenfield expansion and New projects

- Company has done Greenfield expansion worth INR 8.03 Bn investment in Bokaro expected timeline is 24-30 months, will manufacture for cold-rolled, galvanized, and color-coated steel.
- Expects first plant to operational by FY26, and reach full capacity by FY28-29.
- New projects yields lower net margins at ~7-8% compared to current it is 12.4%, this is due to scale and input cost of the projects.

PLI Beneficiary

- Company received PLI benefit of 63% of capex INR 5.08 Bn, covered under PLI 1.1, with incentives tied to production from FY26.
- Company will reach INR 30 Bn revenue from manufacturing value-added steel products, aligning with India's focus on reducing imports.

Geographic Expansion

- Domestically company looking to build its strength on the back of SAIL's Bokaro plant for cost-efficient raw material access.
- Company focusing on exports by increasing its reach into Middle East, Africa, and Europe with competitive pricing and quality compliance.
- Bokaro's enables access to logistics network to north/east Indian markets and export hubs.

Debt Management

- Company's 70% of capex is debt-funded ~INR 5.62 Bn with extended loan tenures (12 years vs. 7-8 years historically), remaining is enabled by project cash flows.

Working Capital

- Company's working capital is stable at ~80 days as against industry 90-100 days.
- Plans to reduce via digital invoicing and faster retention release using bank guarantees.

Risk & Challenges

- For reducing risk in steel prices volatility, hedging via fixed-price contracts with SAIL and Tata Steel.
- Tariffs from U.S on steel imports considered negligible impact with <5% revenue exposure. Company is focusing on non-tariff markets like Africa.

Bright Outdoor Media Ltd

CMP: INR 476 | MCap: INR 6.92 Bn

Guidance

- Company plans to capitalize on global trends like programmatic ad buying and impression-based pricing for LEDs.
- It expects to reach 20–30% YoY growth in the digital segment, supported by institutional adoption and tender wins.
- Currently company focused on converting static billboards to digital LEDs, which generate 4-5x higher revenue (generates INR 2.5–3 Mn/month vs. INR 0.6 Mn/month for static).

Market Leadership & Expansion

- Company operates 32 of Mumbai's 75 large digital LED billboards.
- It has a competitive edge as it leads Mumbai's fragmented market with ~400 small players; peers include Signpost and Pioneer.
- Company has strong direct client relationships reducing dependency on agencies, enhancing profitability.

Strategic Partnerships & Clients

- Company collaborates with major government bodies like Indian Railways, BMC, and Mumbai Metro, and serves clients across real estate, entertainment, FMCG, and tech (e.g., Google, Facebook).
- It is expanding into newer services like celebrity endorsements, cinema branding, and mall/multiplex advertising.

Revenue Streams & Diversification

- Revenue split between direct clients (60%), and remaining distributed between agencies (e.g., global media buyers), and vendors (other media owners).
- Company diversifying into complementary sectors like TV, radio, and PR to create a holistic media ecosystem.

Growth Drivers & Industry Trends

- Outdoor advertising industry growing at ~10% annually, outpacing declining TV/print sectors. Digital outdoor ads complement online campaigns, enhancing engagement.
- Post-COVID recovery driven by demand for impactful mediums, with digital LEDs gaining traction.

Capex

- Company doing capex into Digital LED conversion, which requires high capex of INR 12.5–15 Mn per site, but expects to achieve break-even in ~2 years.
- Company will do installation of 20–25 new LEDs in FY25, aiming for INR 1.5–2 Mn/month revenue per digital board.

Market Expansion & Tenders

- Company's primary focus remains Mumbai which accounts to 60% of India's INR 45 Bn outdoor ad market, It is also exploring Thane and Navi Mumbai.
- Won recent tenders like Navi Mumbai Metro and railway over-bridge projects, boosting inventory.

Operational Efficiency & Challenges

- Balances owned and rented inventory, prioritizing high-traffic locations for LED conversions.
- Company plans to optimize working capital cycles and improve margins as digital adoption scales.
- Regulatory hurdles (e.g., BMC permissions) and high capex limit rapid digital expansion outside Mumbai. [Back to Index](#)
- Electricity costs for LEDs (~INR 0.15 Mn/month per site) affect margins but offset by higher revenue.

Canarys Automations Ltd

CMP: INR 25 | Mcap: INR 1.45 Bn

Outlook

The company is focused on growing its technology solutions business, which offers better margins and receivable cycles compared to its water resource management business. It is pursuing both organic growth through new solutions and inorganic growth through acquisitions, with plans to expand further in North America and APAC regions.

Business Highlights

- Two main business segments: Technology Solutions contributes 70% of total revenue and Water Management Solutions contributes 30% of total revenue.
- Company has proprietary products and partnerships with Microsoft, GitHub, and Snyk. They are expanding globally, with a focus on North America and APAC regions.

Water Management Solutions

- Specializes in providing solutions for canal modernization, flood early warning systems, and SCADA gate integration.
- Leverages IoT (Internet of Things) devices for data collection and their proprietary Decision Support System (DSS) software for analysis and decision-making.

Strategic Initiatives and Growth

- The company is in the process of acquiring a majority stake in a North American AI/ML company. This strategic move is aimed at accelerating growth within the North American market and bolstering their AI/ML capabilities.
- Expects the technology solutions segment to progress a faster growth rate compared to the water management segment in the coming years.
- Company is actively working on expanding their global presence.

Financial Performance

- Margins have fluctuated due to ongoing investments in global expansion initiatives and Research Development activities.
- The water management segment experiences high receivables. This is primarily attributed to the long payment cycles associated with government projects.
- The company anticipates an improvement in the receivables cycle within the water management segment due to the implementation of new project structures.

Captain Polyplast Ltd**CMP: INR 81 | Mcap: INR 4.76 Bn**

- Core Business Segments: Operates in micro irrigation systems (MIS) and solar EPC services. MIS contributes ~90% of revenue, while solar EPC is a newer, fast-growing vertical.
- Two existing plants in Rajkot (Gujarat) and Karnool (Andhra Pradesh). A new plant near Ahmedabad (Gujarat) is under construction, expected to start production in Q1 FY26.
- Targeting 100% revenue growth in solar EPC (from a smaller base) and aims to increase its contribution from 9.5% (9M FY25) to 20% of total revenue by FY26.
- Revenue Targets: Blended revenue growth target of 25% annually, driven by 20% growth in MIS and doubling solar EPC revenue.
- Strong thrust from central/state governments for micro irrigation (targeting 20 lakh hectares/year coverage) and solar adoption (PM Suryagar Yojana).
- Expects stable/improved margins due to multi-year low raw material prices (LLDP, PVC). Q3 margins were better than guided; Ahmedabad plant to boost margins post-H2 FY26.
- Raised INR 330 Mn via preferential allotment (Q4 FY25) to reduce working capital debt. Majority debt is tied to working capital cycles.
- Currently exports to Africa, Latin America, and the Middle East (~5% of MIS revenue). Plans to expand into North America in 3–5 years.
- Competes on product quality (comparable to global players like Netafim) and a strong service network (250+ sales/technical staff).
- Holds 5–10% market share in key states (Gujarat, Andhra Pradesh, Tamil Nadu). Focused on tier 2/3 cities for solar EPC.
- ~85–90% of MIS revenue linked to government subsidies (central/state schemes like RKVY). No policy uncertainty foreseen.
- Addressing payment delays via central government's "sparse account" model to expedite subsidy disbursements.
- Minimal direct R&D spend but uses advanced imported machinery (Israel/USA) to maintain global quality standards.
- No long-term supply contracts; relies on favorable resin price trends (LLDP, HDPE, PVC at multi-year lows).
- Targeting residential and small-scale industrial projects (3 kW to a few MW). Empaneled under PM Suryagar in 7 states.
- Ahmedabad facility to add INR 200–300 Mn revenue in 3–4 years, focusing on high-margin accessories.
- Orders executed within 1–2 weeks; no formal order book maintained due to quick turnaround.

Captain Technocast Ltd**CMP: INR 573 | Mcap: INR 6.65 Bn**

- Specializes in investment casting for industries like pumps, valves, firefighting equipment, and chemicals. Expanding into auto and aerospace segments indirectly via vendor partnerships.
- Current production capacity at ~70% utilization; targeting full capacity utilization by 2027. Plans to enhance export market presence post-domestic consolidation.
- 40-50% of revenue from exports to 9+ countries. Aim to increase export contribution to 70% by 2027, focusing on quality consistency and new approvals (23 countries approved).
- Debt-free company with no immediate plans for external borrowing. Relies on internal funds for capacity expansion and R&D investments.
- Operating margins maintained at ~20-25% (domestic) and 2-3% higher for exports. Cost advantages over European competitors due to lower labor and machining costs.
- Prioritizing in-house R&D for quality enhancement and automation to reduce manpower dependency. Targeting latest technology adoption by 2027.
- Strong demand in domestic markets (pumps, valves) due to China trade shifts and Europe's regulatory restrictions on casting/forging.
- High-quality products comparable to global standards (e.g., L&T). Competing on cost-efficiency and quality in low-tier markets before targeting premium segments.
- Diverse clientele across Germany, Switzerland, Spain, and domestic players like SP Group. Focus on recurring orders and expanding dealer networks.
- Aiming for 50% revenue CAGR over 3-5 years. Revenue mix: 30% from pumps, 30% from chemicals/pharma, 20% from auto, and 20% from firefighting segments.
- Benefiting from India's industrial growth, FTA advantages (zero tariffs in EU/US), and China+1 diversification trends.

By 2027, target leadership in precision casting for niche segments (firefighting, pumps) and scale branded finished products to improve margins. No immediate plans for strategic partnerships

Chamanlal Setia Exports Ltd

CMP: INR 307 | Mcap: INR 15 Bn

The company aims to reach INR 20 Bn revenue in the next 1-2 years by expanding packing capacity, while maintaining its asset-light model of buying rice based on orders rather than speculating on paddy prices.

Business Model & Strategic Approach

- The company follows a "satellite model," strategically procuring paddy and semi-finished rice based on market conditions and profitability.
- Demand-driven approach to avoid speculative inventory buildup.
- Diversified export presence across 95 countries mitigates risks and enhances market stability.
- Flexible procurement and sales strategy to optimize margins and sustain long-term growth.

Financial Highlights & Expansion Plans

- 9M FY25 volumes grew by 14-15% YoY, reflecting strong market demand.
- Targeting revenue of INR 20 Bn within the next 1-2 years (FY26-27).
- Historical EBITDA margins of 14-17%; expected to improve due to favorable procurement costs.
- Expanding capacity with 3 new packing units in Karnal and 1 in Gandhidham/Mundra, with a total capex of INR 70-80 Mn.
- The new facilities aim to improve order fulfillment speed and boost quarterly revenues.

Working Capital & Inventory Management

- High working capital intensity due to the commodity nature of the business.
- Inventory peaks in H2 during the procurement season but normalizes by September.
- Efficient working capital management remains a priority to sustain growth.
- Flexible approach to inventory procurement helps mitigate financial strain.

Export Strategy & Competitive Positioning

- 10-12% of the total sales of the company's brand, Maharani, with gradual expansion plans.
- Participation in global exhibitions (e.g., Gulfood, events in Nigeria, Taiwan, Saudi Arabia) to acquire new customers and strengthen market presence.

Outlook & Growth Drivers

- Evaluating potential entry into the domestic branded rice market despite high initial investment.
- Continued global expansion through exhibitions and customer acquisitions.

Chetana Education Ltd

CMP: INR 89.4 | Mcap: INR 1.82 Bn

Company Overview

- **47+ Years** in education sector with 700+ titles across 15 brands
- **75 lakh+ books** produced in FY24, serving K-12 segment (CBSE & Maharashtra State Board)
- **Pan-India presence:** 18 states, 19 branches, 500+ distributors, and international operations in UAE & Sri Lanka
- **Asset-light model:** Partnerships with 400+ authors, outsourced printing, and digital content integration

Technology & Innovation

- **QR-enabled books:** 30,000+ videos for interactive learning
- **EdTech partnership:** Collaboration with Altem Enterprises for digital content
- **Blended learning:** Combines textbooks with QR-based videos, apps, and AI tools

Growth Drivers

- **Market expansion:** Targeting 10+ states; launching new CBSE series "YUGA"
- **Product diversification:** Books for competitive exams (NEET, JEE, CUET)
- **Government tailwinds:** 13% increase in education budget, NEP-aligned content

Strategic Priorities**Talent acquisition:** Expand educator and author network**Tech enhancement:** Scale QR-based learning and digital platforms**Operational efficiency:** Optimize inventory (FY24 working capital cycle: 119 days)**Leadership & Milestones**

- **Experienced management:** 30+ years in education publishing
- **Key transition:** Converted from LLP to Public Limited Company in 2023
- **Recent achievement:** H1FY25 PAT nearing FY24 full-year levels

Choice International Ltd

CMP: INR 493 | Mcap: INR 98 Bn

Choice International aims to continue growing its diversified financial services business, with a focus on expanding distribution channels and fee-based income across broking, wealth management, insurance, NBFC lending and advisory services, particularly targeting tier 3 and smaller cities.

Company Overview & Business Segments

- Operates across three main segments: Broking & Distribution, NBFC, and Advisory Services.
- Expanding into new financial services, including asset management and wealth management.

Broking & Distribution Business

- 10 lakh demat accounts with 2.5 lakh active clients.
- INR 605 Bn in client assets under stockbroking and INR 11 Bn AUM in wealth products (expanded to INR 62 Bn post-acquisition).
- Strong presence in Tier 3 and below cities (68% of clients).
- Revenue split: 69% from online platforms, 31% from offline operations.

NBFC Business & Growth Plans

- AUM of INR 7540 Mn, recording 61% YoY growth due to acquisitions.
- Key lending products: MSME loans, rooftop solar, and used commercial vehicle financing.
- Strong financial metrics: 10.88% net interest margin, 0% NNPA.
- Operating in seven states with 72 branch offices, focusing on Tier 3+ regions.
- Targeting 25% CAGR loan book growth over the next 12-24 months.

Advisory Services & Expansion Strategy

- INR 5,550 Mn order book, with 65% from government advisory (majorly Jal Jeevan Mission).
- 16 ongoing IPO mandates with a total fundraising size of INR 57 Bn.
- Plans to expand advisory services into railways, ports, highways, and oil & gas sectors.
- Expecting advisory segment PAT margins of 20-25%.

Outlook & Strategic Initiatives

- Received SEBI's in-principal approval for AMC and mutual fund business, initially focusing on passive funds.
- Recent acquisitions: Retail lending businesses of two NBFCs and Aretha Capital to strengthen wealth management.
- Continued focus on fee-based income models and inorganic growth in wealth management.
- Expanding physical presence while leveraging technology-driven customer acquisition.
- Expecting financial benefits from RBI rate cuts to reflect by September 2025.

CIE Automotive India Ltd

CMP: INR 401 | MCap: INR 152.16 Bn

CIE Automotive India is expected to maintain moderate growth, driven by strong demand in the Indian market, particularly in the 2W and tractor segments. While the European business has faced challenges due to lower demand in light vehicles and off-highway markets, the company has implemented cost-control measures to protect margins. Margin improvement is expected in India, while European margins are likely to remain ~15-16%, depending on sales recovery. The off-highway market is expected to recover by H2CY25, while the light vehicle segment is projected to grow steadily at 5%. The company has implemented strong cost-control measures to mitigate lower sales in Europe. With strong cash flow and balance sheet, and increasing localization efforts in India, we expect long-term growth despite near-term European headwinds. We have Buy rating on the stock with TP INR 496.

- The company's India business grew by 5% in revenue and 14% in EBIT last year, with EBITDA margins around 17.9%. They expect higher growth but potentially lower margin improvement this year.
- The European business saw declining revenues throughout the year, ending at around 28000 Mn. The company expects continued challenges in Europe for the next 2-3 quarters but aims to maintain margins around 16%.
- The global auto market, especially in Europe, has shrunk from 19-22 mn units to around 16.5-17 mn units annually. This is attributed to factors like EV transition challenges and regulatory pressures.
- The company is focusing on growth in India, including potential M&A opportunities, while maintaining profitability in Europe. They increased their dividend to 7 rupees per share.
- Regarding potential impacts from US tariffs, the company expects limited direct effects on their business but acknowledges there could be some indirect impacts, particularly if Chinese exports are redirected to other markets including India.
- CIE's business is roughly 2/3 India and 1/3 Europe.
- India market growth has been slower than expected, especially in 4m. The company has been tracking market growth in India rather than outperforming it.
- Order book conversion, especially for exports and EV orders, has been lower than expected. European market is facing challenges due to EV transition, cost inflation, and volume drops.
- Europe business has seen a gradual decline in revenues over quarters.
- Focus in Europe is on maintaining margins around 16%.
- Capex is expected to be 5-6% of sales, with 80% in India.

Cineline India Ltd.**CMP: INR 81 | Mcap: INR 2.79 Bn**

Outlook: The management exudes confidence in the long-term prospects of the company, highlighting that it remains resilient and well-positioned to navigate market challenges. Their focus on profitable growth and operational improvements aims to position the company at the forefront of the industry as it emerges from the pandemic

Return on Equity and Profitability: The management expects a ROE guidance of around 15-16%. This is attributed to head office costs being amortized effectively as the number of screens increases. The company anticipates substantial growth in EBITDA numbers every three to four years, with a focus on achieving profitability as a priority in their operational strategy.

Expansion Plans: The company has set a target to expand its footprint significantly, aiming to operate approximately 300 screens by FY25 or FY26. Although the market has faced corrections, the management is strategically identifying profitable properties to add around 20 to 30 screens each year, focusing on movies and markets that are likely to result in increased occupancy and revenue.

Pledge on Shares: The management committed to removing the pledge on their shares by the next quarter, indicating a strong focus on restoring shareholder confidence and solidifying financial stability.

Revenue Segmentation: The company reported that approximately 60% of its revenue comes from movie ticket sales, 30% from food and beverage, and the remaining 10% from ancillary sources like advertising and convenience fees. They project that ticket prices will increase by around 3-4% annually, while food income is expected to grow by 5-8%.

Debts and Cash Position: After completing necessary transactions, the management expects to pay off existing debts, resulting in a net cash position estimated around 100 cr. The plan is to invest this surplus cash into further expansion, particularly in signing new cinema properties under favourable terms due to market conditions.

Market Adaptability: The management acknowledges fluctuations in market dynamics and is preparing for variability in occupancy rates, which they project will stabilize at around 22%. They are committed to adjusting their projections and strategies based on rigorous market analysis and performance metrics.

Concord Control Systems Ltd

CMP: INR 1142 | Mcap: INR 7.2 Bn

Outlook: Management is set to achieve steady growth, backed by its robust order book, expanding export footprint, and planned capacity expansion. Management's focus on product innovation, particularly in AI-based safety systems and indigenous product development, strengthens its competitive positioning. With solid EBITDA margins, a debt-free balance sheet, and favourable sector tailwinds from Indian Railways and metro projects, the company targets a 20-25% revenue CAGR over the next 2-3 years.

- Company specializes in manufacturing electromechanical products for Indian Railways, with a focus on rolling stock and signalling applications including flasher lights, emergency lights, audio-visual alarms, battery chargers, and control panels.
- The company maintains a healthy order book of INR 90–95 Cr. as of FY24-end, ensuring revenue visibility for the next 12–15 months, primarily driven by demand from LHB coaches and Vande Bharat trains.
- Export contribution is steadily rising, with key markets including Bangladesh and the Middle East; exports are expected to contribute 15–18% of revenue over the next 2–3 years.
- The company is operating at ~70% plant utilization and has planned a brownfield expansion adjacent to its current facility with a capex of INR 10–12 Cr., targeted for commissioning by FY26 and funded via internal accruals.
- EBITDA margins remain strong at ~20%, supported by in-house design capabilities, cost optimization efforts, and backward integration in key components.
- Concord invests ~4% of its annual revenue in R&D and has recently developed indigenous products such as driver desk consoles and automatic flasher units, reducing reliance on imports.
- The company is developing AI-based safety systems in collaboration with OEMs to strengthen its position in high-end rail electronics.
- Strong client relationships are maintained with key OEMs like Medha Servo, BHEL, Titagarh, and BEML, along with direct supplies to Indian Railways and emerging opportunities with metro rail corporations and private wagon operators.
- The company operates with a debt-free balance sheet, delivering a robust RoCE of 30%+, consistent cash flows, and a conservative dividend policy prioritizing reinvestment for growth.
- Government-led railway capex, electrification, and Make in India initiatives are expected to be long-term growth drivers, supporting sector tailwinds for the next 5–7 years.
- Management aims to deliver a 20–25% revenue CAGR over the next 2–3 years through product diversification, export expansion, and deeper penetration into the railway ecosystem.
- Strategic focus remains on scaling niche, high-margin safety and control systems that offer differentiation from commoditized competition.

Confidence Petroleum India Ltd**CMP: INR 46.9 | Mcap: INR 15.59 Bn****Guidance**

Target of INR 100 Bn in sales, slightly delayed due to expansion efforts in CNG, auto LPG, and packed LPG segments, expects to reach by FY27.

Company is aggressively scaling its network, targeting 100+ CNG retail stations and ramping up monthly LPG sales from current levels of 18,000–22,000 MT to 25,000 MT.

This ramping up is driven by robust demand in both Horeca and industrial segments.

Business and Operational

- Operating across 25 states, the firm has a widespread distribution network, including 2,500+ dealers and 287 auto LPG stations, positioning it well against PSU competitors.
- Company holding 16% of the 6.5% market share among non-PSU players.
- In-house project and maintenance teams ensure swift decision-making and uninterrupted supply, setting the company apart from the slower-moving PSUs.
- Company's innovative pricing strategies, such as the "Ginkarlo Ginkardo" policy which is charging only for LPG consumed, will enhance customer loyalty and support volume.

Capacity & Capex

- Company's subsidiary managing CNG cylinders has ramped up capacities with two key plants 360,000 and 180,000 cylinders p.a, operating at 70% utilization.
- Company's significant capex is underway for Type 4 cylinder manufacturing. ~700 Mn invested on machinery with a total project cost estimated at 1,200–1,300 Mn.

Future Growth & Expansion Plans

- A pivotal JV with BW Confidence Enterprise and Ganesh Benzoplast is set to develop India's largest LPG terminal at JNPT of ~64,000 MT capacity with an overall investment of ~9 Bn, benefiting from high throughput at India's busiest port.
- This new LPG terminal at JNPT is anticipated to serve not only as a critical storage and distribution hub.

Continental Petroleums Ltd**CMP: INR 132 | Mcap: INR 0.73 Bn**

Continental Petroleums Limited is a diversified company poised for sustainable growth, leveraging strategic investments in high-margin segments like hazardous waste management and R&D-driven product differentiation. The company focuses on maintaining execution timelines, navigating regulatory frameworks, and achieving its ambitious financial milestones.

Business Verticals**1. Lubes and Greases:**

- Contribution: 20-25% of revenue.
- Focus: High-margin specialty greases and import substitutes under the "Contol" brand.
- Initiatives: Developing NABL-certified R&D capabilities to expand multinational contracts.
- Challenges: Intense market competition.

2. EPC (Engineering, Procurement, and Construction):

- Contribution: 50% of revenue.
- Current Order Book: INR 150 crores; bidding for INR 175-200 crores more.
- Goal: INR 700-800 crores order book by FY28.
- Focus: Government-funded projects for reliable payment terms.
- Margins: Average 8-10%; target bidding at 15-18%.

3. Hazardous Waste Management:

- Contribution: 20-25% of revenue; highest margins (>20% EBITDA).
- Growth Driver: New Bilwada plant (INR 10-15 crore capex), operational by Sep 2025, to boost topline by 30%.
- Competitive Advantage: Market leader in Rajasthan with robust contracts.

Financial Highlights: Turnover Target: INR 350 crores by FY28 (25% YoY growth). **Revenue Mix (FY28):** EPC (60%), Lubes and Greases (20%), Hazardous Waste (20%).

Expansion Plans

- **Hazardous Waste Facility:** Doubling capacity post-September 2025.
- **EPC:** Renewable energy focus under Kusum Yojana with long-term PPAs.
- **R&D:** Upgrading to create import substitute chemicals.
- **International Growth:** Acquiring 51% stake in Unique Techno (SEZ, Gujarat) to expand exports.

Strategic Initiatives: Develop import substitute products for multinational companies, Execute solar park installations with 25-year PPAs, and Preferential equity share allotment planned in FY26 for fundraising.

Control Print Ltd.**CMP: INR 634 | Mcap: INR 10.11Bn**

- Company is a niche, technology-driven company specializing in the coding and marking space, offering end-to-end in-house solutions including hardware, consumables, and software.
- With ~85% indigenization and minimal import reliance (~15%), company positions itself as a cost-effective domestic alternative to global competitors.
- The company is shifting from a traditional capex-based model to an opex-driven 'print-per-cost' model, enhancing customer retention, ensuring recurring revenue visibility, and making its solutions affordable for smaller enterprises.
- MSMEs account for approximately 30-40% of CPL's customer base, benefiting from the print-per-cost model, ensuring cost efficiency and service reliability.
- Strong demand is observed across the paints, cables, pipes, and wire sectors, primarily driven by increased industrial activity in Tier 2 and Tier 3 cities.
- The company is leveraging the government's infrastructure spending and the domestic manufacturing push to drive volume growth in packaging-intensive sectors.
- Recent product innovation includes the launch of the Thermal Transfer Overprinter (TTO) designed for high-speed packaging lines, with ongoing trials among key clients.
- Company has expanded into laser printing and continues to build a complete technological ecosystem, demonstrating its commitment to R&D and innovation-led growth.
- Strategic OEM partnerships have enabled the company to white-label CIJ printers, expanding its B2B presence and increasing asset utilization, while creating entry barriers for smaller players.
- Company maintains stable gross margins of around 45%, supported by strong backward integration, control over consumables, and a favourable product mix.
- Management expects further margin improvement through operating leverage and localized sourcing as volumes scale up.
- The company has outlined a capex plan of INR 30-40 Cr. over the next 2-3 years for capacity expansion, product development, and facility upgrades. With current utilization at ~60-65%, short-term scalability remains achievable.
- While exports currently contribute around 3-5% of revenues, company is targeting cost-sensitive and high-potential markets in Africa, the Middle East, and Southeast Asia, with aspirations to raise export contribution to 15-20% over the long term.

Cosmic CRF Ltd**CMP: INR 1,346 | Market Cap: INR 11.03 Bn****Outlook**

The company is expanding its operations and aiming for substantial growth in the railway sector. It is increasing its production capacity through acquisitions and new facilities, with a focus on manufacturing wagons and related components. They've provided a revenue target of ~4,500 to 5,000 Mn for the next year and are working towards further increasing this to 10,000 Mn. The company anticipates EBITDA margins to be around 10-12%, with potential for improvement through increased efficiency and economies of scale.

Business Overview

- Incorporated in 2021 and acquired the current unit in 2022. The initial installed capacity of the unit was 6,000 to 7,000 MT, translating to ~ 450 Mn in top-line revenue.
- The company acquired NS Engineering Projects Pvt Ltd through the NCRT process, with the handover completed by April-end.

Guidance

- The company is expanding its installed capacity to 65,000 MT and anticipates a top-line revenue of ~INR 4,500 to 5,000 Mn in the next year.
- It aims to increase its top line targeting INR 10,000 Mn in the near term.
- EBITDA margins are expected to be healthy, exceeding previous levels, with a forward guidance of 10-12% across the group.

Other Highlights

- It is also signed a BTA with Cosmic Springs and Engineers, a wholly-owned subsidiary focused on manufacturing castings and helical springs for railway bogies.
- The company is in the process of acquiring Amazon Industries Transportation Limited, which has wagon and coach building manufacturing facilities.
- The company is also setting up Cosmic Springs and Engineers, which will contribute an additional 15,000 MT of capacity for manufacturing springs.
- Focuses on manufacturing and aims to avoid arbitrage in raw material pricing.

Credo Brands Marketing Ltd**CMP: INR 125 | Mcap: INR 8.18 Bn**

Outlook: The company emphasizes profitable growth rather than rapid expansion. Credo plans to optimize existing stores and diversify product offerings within the men's wear space, including footwear and accessories. Acquisitions and expansion into new categories (like boys' or women's wear) are being considered for the future but are not immediate priorities. Flexibility to scale operations and adapt to market demand remains a key strategic approach.

Brand Evolution: Over 26 years, Mufti has carved a niche in the Indian fashion market. The brand has undergone a transformation to suit premium demands, focusing on brand identity, retail experience, and diverse casual wear for various occasions.

Market Strategy: Employs three growth levers: same-store sales growth, opening new stores, and leveraging multiple channels (e.g., MBOs, EBOs, online platforms). Plans to double revenue in five years, driven by premiumization and a stronger digital push.

Operational Highlights: Sourcing is predominantly from India, with 7-10% from Bangladesh, depending on the season. Efficient manufacturing processes are outsourced but closely monitored to maintain quality and timely delivery. Robust IT systems track the production lifecycle and ensure timely supplies.

Financial Insights: Credo is a zero-debt company, emphasizing profitable growth. Returns and provisions are accounted for prudently, with no significant inventory write-offs. Working capital appears cyclical, peaking around seasonal demands.

Future Goals and Challenges: Focus on men's wear but exploring footwear and accessories to expand product offerings. Open to acquisitions and entering new categories (e.g., boys' wear or women's wear) in the future. Current target is a 10% growth rate in the near term, adjusting to market conditions.

Margins and Market Outlook: Margins are influenced by market conditions and discounting practices. The long-term goal remains profitable and sustainable growth amidst macroeconomic challenges.

Long-term outlook: The company aims to double its revenue over the next five years, driven by premiumization, strategic store openings, and robust digital initiatives. The company is focused on establishing a legacy brand with a sustainable and profitable growth trajectory while maintaining a presence among the top three mid-premium to premium brands in the Indian market.

Near-term outlook: For the upcoming financial year, Credo has moderated its growth expectations to approximately 10%, citing subdued consumer demand. While maintaining agility to capitalize on market opportunities, the management remains cautious about the macroeconomic environment. The focus is equally on improving profitability and working capital efficiency.

Datamatics Global Services

CMP: INR 636 | Mcap: INR 37.64 Bn

Outlook: Optimistic about Q4 FY25, expecting a seasonally strong quarter. Margins for Q3 FY25 were 12.8%, with expectations that mid-teens EBITDA margins will be achievable going forward. TNQ Tech is expected to perform well in Q4 FY25. Datamatics is focusing on growth through hyperscaler partnerships, account penetration, and an increased presence in Europe. Most of Datamatics' services are AI-enabled, and the company is further deepening AI integration. Clients have shown interest, but macroeconomic uncertainty is slowing decision-making. Technology transformation for enterprises. AFC (Automatic Fare Collection) platform handles the entry and exit of metro systems; hardware is outsourced.

- Datamatics expects margins to improve next year due to cost optimization and the TNQ acquisition. They are targeting 15-16% operating margins.
- AI is making projects faster and more efficient, but this can potentially reduce revenues if still priced on effort. The company is looking to move towards outcome-based pricing.
- Only about 8% of companies globally have implemented AI in production so far, with 22% piloting it. Datamatics sees this as a big opportunity.
- Investing significantly in AI, conducting proof of concepts with customers. The company sees both opportunities and disruption from AI in the market.
- Datamatics recently acquired TNQ, which will be fully consolidated next fiscal year and is expected to be margin accretive by 150-200bps
- Partners with hyperscalers like Microsoft, Google, and Salesforce for AI and cloud solutions, with joint go-to-market strategies.
- Datamatics' Automatic Fare Collection (AFC) business generates about INR 800-900 Mn annually, with projects in India and bidding for US projects.
- AI is changing project execution, making it faster but potentially reducing revenue. The company is working on transitioning from effort-based to outcome-based pricing models.
- Datamatics has three main business areas: digital technologies, digital operations, and digital experiences. They also have a smaller intelligent automation business.
- Acquired TNQ, which will be consolidated starting Q4 of this fiscal year. TNQ is expected to grow faster than its historical 10% CAGR under Datamatics. With acquisitions, Datamatics expects to cross INR 20,000 Mn revenue next year. Margins are expected to improve by 150-200 bps.
- The company has strategic partnerships with Google, Microsoft and Salesforce for AI and cloud initiatives.
- Datamatics is working on AI applications in areas like logistics, retail, contact centers, and automated fare collection systems.
- Employee count is over 15,000 post-TNQ acquisition. ROE is around 18-20%.
- Legacy systems are not being fully replaced by AI yet. AI solutions are starting to be deployed on the periphery of enterprise systems.

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D.B. Corp Ltd.**CMP: INR 231 | Mcap: INR 41.32 Bn**

Outlook: The company is optimistic about continued growth, driven by factors such as increasing disposable incomes and government reforms. They aim to expand their leadership and dominance in multiple states. The company highlighted efforts to maintain profitability by adapting strategies and rationalizing costs. Positive market trends such as disposable income growth and regulatory changes in sectors like radio were key. This guidance reflects a blend of cautious optimism and strategic agility, aiming to capitalize on economic and regulatory opportunities while safeguarding profitability.

Strategic Focus: The company prioritizes markets where they can achieve a dominant position, as being the leading newspaper is highly profitable. Expansion has included targeted surveys to understand consumer preferences, leading to successful launches in new markets like Rajasthan and Gujarat.

Financial Performance: Over the past three years, advertising revenue has seen a CAGR of 20%, while bottom-line growth has been at 45%. Radio business has been profitable with a 35% EBITDA margin and consistent double-digit growth.

Digital Initiatives: They have launched Hindi, Gujarati, and Marathi news apps, with 19.5 million monthly active users (MAUs) as of January. Monetization efforts include paywalls and a "metered wall" system to generate subscription revenue.

Advertising Revenue Growth: The management anticipates consistent growth in advertising revenue, which is highly correlated with GDP growth. If India's GDP grows at around 7-7.5%, it will support high double-digit growth in advertising revenues.

Newsprint Costs: Newsprint, being a significant cost factor, is currently priced attractively at around USD 500 per ton. If this price remains stable, it will positively impact the bottom line.

Tax Reforms and Disposable Income: Recent tax rebates allowing individuals with incomes up to INR 12 lakhs to avoid taxes are expected to increase disposable income, boosting consumption in Tier 2 and Tier 3 towns.

8th Pay Commission Recommendations: Expected to be implemented from January 2025, these reforms could increase government sector salaries by 30-50%, further driving market consumption and advertising spends.

Geographical and Market Expansion: DB Corp aims to move from leadership to dominance in existing markets while maintaining its focus on Tier 2 and Tier 3 towns.

Digital Growth and Monetization: The company is scaling its digital footprint through apps in Hindi, Gujarati, and Marathi. New monetization strategies, such as paywalls and metered content, are being piloted with positive feedback. This is expected to become a significant revenue stream.

Radio Sector Growth: Management is optimistic about the potential of private FM radio, especially if regulatory changes, like allowing news broadcasting, are approved. They foresee significant growth with supportive government policies.

Sustainability in Business Models: Management plans to maintain their cost rationalization strategies learned during the pandemic while ensuring robust growth in both top-line and bottom-line metrics.

DC Infotech & Communications Ltd.**CMP: INR 250 | MCap: INR 3.38 Bn****Company Overview**

- Founded in 1998, initially focused on PC products, later shifted to networking, security, and unified communication solutions.
- Operates in three key segments:
 1. Networking Solutions (50% of revenue)
 2. Unified Communication & Collaboration (UCC) (25%)
 3. Security, Cloud & Cybersecurity Solutions (25%)
- Strong client base across BFSI, media, pharma, manufacturing.

Competitive Edge

- Differentiates through end-to-end consulting (not just product sales).
- Partners with Gartner Leader Quadrant vendors.
- Focus on pre- and post-sales support, leading to sticky customer relationships.

Growth Drivers

- **Data Centers & GCCs:** Rising demand for networking, security, and UCC solutions.
- **Cybersecurity:** Market expected to reach \$691B by 2032 (12.58% CAGR).
- **AI/ML & 5G:** Emerging opportunities in threat detection and automation.

Financials & Margins

- **FY24 Revenue:** ~ INR 450 Cr, aiming for INR 1,000 Cr in the future.
- **Margins:** Currently 4-4.5% (lower than peers due to product-heavy model).
- Plans to double service revenue (higher margins) in 2-3 years.
- **Order Book:** ~ INR 30-40 Cr at any given time.

Expansion Plans

- **Geographical:** Strengthening Pan-India presence, exploring international markets.
- **Product Mix:** Adding high-margin SaaS, cloud security, and SOC services.
- **Capex:** No immediate plans, but open to acquisitions/partnerships.

Key Risks & Challenges

- **Margin Pressure:** Due to product-heavy revenue (vs. services).
- **Competition:** From players like Dynacons, Allied Digital, and D-Link.

Investor Takeaways

- Well-positioned in India's digital transformation wave.
- Focus on scaling high-margin services (security, UCC) to improve profitability.
- Long-term contracts (3-5 years) in cybersecurity provide revenue visibility.

DDev Plastiks Industries Ltd**CMP: INR 256 | Mcap: INR 26.47 Bn**

- Holds ~80% market share in low-voltage (1.1–3.3kV) cable compounds and ~35% in medium-voltage (up to 66kV) segments domestically.
- Targeting HFFR capacity expansion from 5,000 to 20,000 tons by FY27; debottlenecking and greenfield projects to add ~25,000 tons annually in XLP/semicon segments.
- Projects 12–15% CAGR in top-line growth over the medium term, driven by volume expansion and niche product approvals (e.g., 132kV compounds).
- EBITDA margins stabilized at ~10–11% post-product mix improvement; expects margins to remain range-bound despite PVC volume growth.
- Polymer prices bottoming out (FY24 average: ~INR 140/kg vs. INR 176/kg in FY23), reducing future pricing volatility risks.
- Views their Adani and Birla entry as a validation of market potential; expects opportunities to supply PVC compounds to these players during initial operational phases.
- Kalpana Industries handles mechanical recycling of polythene and polypropylene; quality specifics deferred to Kalpana's team.
- 132kV cable compound trials scheduled with customers in April–May 2025; commercialization likely by FY26.
- Gross profit/ton declined to INR 25,000 (9M FY25) from INR 28,500 (FY24) due to export mix shifts and freight disruptions.
- Prioritizing local markets for XLP/semicon sales (80% revenue share) to offset export margin pressures.
- Technical expertise in extrusion processes and approvals for high-voltage compounds differentiate from global peers (e.g., Dow, LG Chem).
- Repurposing 2,500 tons of EP capacity for Semicon production to meet rising demand.
- HFFR demand tied to solar installations; no near-term substitution expected for PVC in building wires.
- Pursuing UL approvals to access U.S. markets directly or via cable exporters.
- Leveraging quick-commerce platforms (Blinkit, Swiggy) for consumer-facing products; 20–25% of consumer revenue from these channels.
- Capacity utilization at ~100% for XLP/Semicon; new machines to be operational by April 2024 to ease bottlenecks.
- Aim to dominate high-voltage (132kV+) segments and replicate low-voltage success in medium-voltage markets over 3–5 years.

DEE Development Engineers Ltd**CMP: INR 242 | Mcap: INR 16.72 Bn**

DEE Development Engineers Ltd is well-positioned to benefit from **India's infrastructure push and global energy transition trends**. While near-term margins may remain under pressure due to capex, the **scaling of modular solutions and export growth** should drive long-term re-rating. We recommend a **BUY** for investors with a **12–18-month horizon**, with key monitors being **order inflows, margin recovery, and timely commissioning of the new facility**. Execution remains critical, but DEE's **technological edge and sectoral tailwinds** justify optimism.

1. Business Overview & Competitive Edge

DEE Development Engineers is a leading manufacturer of **high-criticality process piping solutions** for the oil & gas, power (including supercritical thermal and nuclear), and chemical industries. The company's key strength lies in its **technical expertise in high-pressure, high-temperature piping systems**, particularly in exotic metallurgies like titanium and alloy steel. It is one of only **three Indian players capable of supplying supercritical power plant piping**, giving it a strong moat. With vertically integrated manufacturing facilities in **Palwal, Anjar, and Guwahati**, DEE serves marquee clients such as **BHEL, L&T, and global EPC players**, with a balanced revenue split of **50% domestic and 50% exports**.

2. Financials & Growth Drivers

DEE has historically maintained **gross margins of 35–40% and EBITDA margins of ~20%**, though recent quarters saw pressure due to project delays and capacity expansion costs. The current **order book stands at INR 1,300–1,400 crore**, with another **INR 2,500 crore in advanced discussions**, reflecting strong demand visibility. Growth will be driven by:

- **Modular Piping Expansion:** Targeting 20% of revenue (vs. 4–5% now) as prefabricated solutions gain traction.
- **New 30,000 MT Facility:** Focused on automation and high-value products to improve margins.
- **Sectoral Tailwinds:** Refinery expansions, supercritical power plant retrofits, and emerging opportunities in **green hydrogen and carbon capture**.

3. Key Risks & Challenges

- **Execution Delays:** Recent quarterly volatility highlights vulnerability to client-driven project holdups.
- **Commodity & Forex Exposure:** 50% of raw materials are imported, exposing margins to metal price and currency fluctuations.
- **Customer Concentration:** Reliance on large EPC players and cyclical industries may lead to lumpy revenue recognition.

Dev Information Technology Limited**CMP: INR 111 | Mcap: INR 2.54 Bn**

- The company operates through three primary divisions—cloud/blockchain development, Microsoft Enterprise Solutions (ERP, CRM, Power Platform), and managed IT/security services (MSSP).
- Current presence spans India, North America (US, Canada), Europe, and UAE. Plans include acquiring a US-based firm or establishing an organic team to deepen market reach.
- Growth is driven by organic expansion and strategic acquisitions, such as mindev (blockchain), a Canadian entity (2012), and a US-based consultancy.
- Proprietary products include *Teligence* (AI/ML-driven SaaS for financial insights) and *Byte Signer* (automated digital signature solution).
- FY25 revenue guidance: INR 1.7–1.8 Bn; PAT projected at INR 150–180 Mn
- Targeting 10–15% net profit margins. EBITDA margins improved post-Covid but remain modest (6–8%), with a goal to reach 22% through export-focused strategies.
- Plans to list Devex (managed office solutions provider) via IPO within a quarter post-regulatory approvals.
- Client Base: Strong government contracts (Gujarat, Rajasthan, Central Govt.) and private clients (e.g., Adani Cement, Hester Pharma). Revenue split: 60–65% domestic, 35–40% exports.
- Debt rose to INR 250 Mn (H1 FY25) for talent acquisition. Negative operating cash flow attributed to delayed receivables (90 days in India, 45 days overseas).
- Establishing an AI Center of Excellence (CoE) in Ahmedabad.
- Partnerships with IBM and Microsoft (AI Copilot solutions) to enhance service offerings.
- Secured a SOC (Security Operations Center) order from a US data center; expanding managed security services globally.
- Prioritizing North American expansion, AI/ML, cybersecurity, and IoT solutions. Exploring physical presence in the US via acquisitions.
- Majority revenue from services; products like Teligence aim to boost long-term IP-driven valuation.
- Secured projects with Lok Sabha, Rajya Sabha, and state governments; robust order pipeline for FY25–27.
- Positioned as a horizontal IT service provider for SMBs, offering end-to-end solutions and agility in execution.
- Rising demand for NOC/SOC services in India; leveraging Devex for integrated IT and real estate solutions

Dhabriya Polywood Ltd**CMP: INR 312 | Mcap: INR 3.83 Bn**

Dhabriya Polywood Limited operates in three primary product verticals: PVC profiles, UPVC windows and doors, and modular furniture. The company boasts five manufacturing plants across India. Despite aiming for 25% year-on-year growth, Q3 FY25 was impacted by extended monsoons and restrictions on construction activities in Delhi NCR, which slowed project execution. Nevertheless, the management remains confident about achieving long-term growth targets.

Performance and Margins: Dhabriya Polywood demonstrated resilience by improving margins through the addition of higher-margin products such as fluted and soffit panels. Stable raw material prices for PVC resin further supported this improvement, with current gross margins at approximately 16%. Capacity utilization for PVC profiles is at 55-60%, while UPVC windows operate at around 30% utilization on a single-shift basis.

Revenue Mix: The company's revenue composition is as follows:

- PVC profiles contribute approximately 60%.
- UPVC windows account for 25-27%, expected to grow to 30% in the near future.
- Modular furniture contributes around 13-15%.

Order Book and Operational Outlook: Order book is related to the uPVC & Aluminium windows and Modular Furniture (kitchen, wardrobes & vanities) Products. This order book is for the project related business which is 30-35% of overall revenue of the Company.

Capex and Working Capital: There are no plans for major capital expenditures, as existing capacity is sufficient to meet growth targets. Annual capex remains limited to INR 10-12 crores for routine maintenance and minor expansions. The working capital cycle is efficient, with 60-90 days for project business and 30-40 days for B2B profile operations.

Raw Material and Market Position: The company sources 100% of its PVC resin domestically, ensuring a stable supply chain. Prices are expected to remain steady, supporting future margins. Dhabriya Polywood views the entry of organized players into the UPVC window segment positively, as it helps grow the overall market size.

Growth Prospects: Despite challenges in Q3 FY25, the company remains optimistic about achieving its long-term growth targets. Management's focus on value-added products, geographic diversification, and operational efficiency positions.

Dhruv Consultancy Services Ltd

CMP: INR 71 | Mcap: INR 1.36 Bn

Outlook

The company is diversifying beyond highway projects into railways, metros, airports and international markets to drive growth. The company aims to increase its order book to INR 5000 Mn by next fiscal year and reach INR 10,000 Mn by 2030 with a focus on improving profitability through private sector and international projects.

Business Highlights

- Company has strategic plans to diversify into new infrastructure sectors and expand its presence in international markets.
- The current unexecuted order book stands at around INR 3000 Mn.
- Expects to add another INR 2000 Mn to the order book by the end of FY26 aiming for a total of INR 5000 Mn.
- Company has an ambitious goal to reach an order book size of INR 10,000 Mn by the year 2030.
- By FY26, the company anticipates a revenue split of 70% from government projects and 30% from private sector projects.
- Company recently raised INR 330 Mn through a preferential share issue in October 2024 and the funds raised are intended for equipment procurement, bank guarantees, meeting working capital requirements, and acquiring new office space.
- Company is currently bidding for projects worth INR 5000 Mn and anticipates a conversion rate of 25% on their submitted bids which could add to around INR 1250 Mn in new order inflows.

NHAI Debarment and Mitigation

- The company has been temporarily debarred from bidding on National Highways Authority of India projects for a period of 2 years.
- Management claims that this debarment will have minimal impact on their business as NHAI projects have accounted for only about 10% of their recent order inflows and they have challenged this debarment in court.

International Expansion

- Actively expanding into international markets to tap into new growth opportunities.
- Company secured their first international project in Mozambique.
- Currently bidding for more projects in countries such as the Philippines, Zambia, and Tanzania.

Digikore Studio Ltd

CMP: INR 174 | MCap: INR 1.10 Bn

Diversification & Innovation

- Company plans to diversify into AI-driven music platforms and branded content to reduce reliance on traditional VFX.
- Company's AI products generating recurring revenue through personalized gifting and brand jingles (300+ jingles created in two months).
- Launched VP Sets, offering cloud-based assets for filmmakers, uniquely positioned as the sole global provider, targeting 150+ installations by 2025.
- Company currently employs 400 people, with 250–300 dedicated to VFX, emphasizing collaboration over competition with Indian peers like Phantom and Basilic.

VFX Business Revival

- VFX traction is rebounding, with confirmed orders of INR 80–100 Mn and an active bidding pipeline of ~\$150 million, signaling strong future revenue potential.
- North American sales teams are driving client acquisition, focusing on direct partnerships with major studios to bypass middlemen.

Operational Highlights

- Company improved its debtor but remain partially impacted by industry-wide struggles.
- Company has planned for rights issue worth ~INR 250 Mn to reduce debt and fund growth.
- Expects to achieve INR 1.25 Bn in revenue by FY26. However, delays in projected FY25 branded content estimates may push some revenue into FY26.

AI & Technology Adoption

- AI music platform margins are robust yielding 60–65% EBITDA margins, with potential corporate partnerships under negotiation.
- Automation in music with AI may reduce manual jobs but enhances company efficiency, urging studios to evolve beyond labor arbitrage models.

Branded Content Growth

- Flagship shows like Kaise Banta Hai and Heroes are gaining traction, with plans to scale into long-running franchises. It also owns IPs to ensure recurring revenue.

Industry Challenges

- - Addresses reduced content spending from Netflix/Amazon by targeting emerging platforms (e.g., Korean and European productions) and satellite networks.
- - Virtual production (VP Sets) and AI adoption will reduce some risks from Hollywood disruptions, ensuring competitiveness in a evolving market.

Dodla Dairy**CMP: INR 1,157 | MCap: INR 69.79 Bn**

Outlook: Margins are expected to stay stable in the short term despite rising procurement costs during the lean season. Management remains confident due to pricing strategies and product mix optimization. Dodla Dairy is actively seeking acquisitions in new markets to strengthen its geographic footprint. While some deals were passed due to pricing concerns, the company is open to future opportunities. Dodla Dairy's near-term strategy revolves around managing price adjustments, expanding strategically in Maharashtra, and enhancing value-added product sales. For the long term, management envisions sustained growth via acquisitions, geographic expansion, and resilient supply chain practices.

Overview: Dodla Dairy procures, processes, and distributes milk and milk products, operating mainly as a B2C company. It serves three main areas: India (core market), Africa, and cattle feed.

Price Adjustments and Demand: Rising procurement prices were passed on to consumers, aligning with increases made by peers and cooperatives. The company has managed these adjustments without significant impacts on demand.

Expansion and Capacity in Maharashtra: Dodla Dairy is investing in a 10 LLPD capacity in Maharashtra, with plans to phase utilization. The initiative aims to de-risk operations in other states and balance capacity requirements for future growth. Initial operations will begin with 5 LLPD utilization, expected to scale over two years based on market demand. The Maharashtra plant's phased capacity utilization ensures support for a projected annual volume growth of 10%. This positions Dodla Dairy to meet mid-to-long-term consumption trends.

Africa Operations: Dodla Dairy has faced margin challenges in Africa, partly due to geopolitical issues between Uganda and Kenya. Despite this, the company projects revenue growth in Africa, aiming for INR 400 cr next year (up from INR 250- 300 cr) by strategic sourcing adjustments and volume growth.

Acquisitions and Market Presence: The company actively seeks acquisition opportunities in new geographies. Competitive pricing influenced their decision not to acquire certain companies like Milkmanza.

Value-Added Products: Focus on products like ghee, flavoured milk, and lassi is growing, with seasonal consumption influencing trends. Ice cream production is at 45% capacity utilization, with potential growth seen in branding and distribution. Continued investment in high-margin products like ghee and ice cream, along with market expansion, supports diversification. Modern trade and quick commerce channels are being strategically developed, though they currently contribute 2-3% of revenue.

Procurement and Inventory Strategy: Strategic procurement adjustments during different seasons and maintaining inventory have balanced supply-demand dynamics. Plans for more aggressive procurement in Q1 to match consumption trends.

Impact of Trade Agreements: The company monitors trade negotiations with countries like New Zealand, anticipating limited pressure from international dairy supply due to economic and policy reasons.

Lean Season Outlook: Margins are expected to remain steady with minor fluctuations despite rising milk prices during the lean season.

Geographic Focus: Efforts to grow presence in Maharashtra and maintain balance between product sales in nearby regions like Telangana, Andhra Pradesh, and Karnataka. Enhanced supply chain management by becoming a net seller of powder and fat commodities, which mitigates seasonal shortages.

Resilience Against Global Dairy Supply Pressure: The company is monitoring international trade agreements but expects minimal impact from foreign milk imports due to economic and policy barriers. Management emphasized their adaptability if necessary.

Balanced Approach to Inventory and Procurement: Over the years, Doda Dairy aims to maintain a balance between inventory levels and procurement to ensure cost efficiencies and steady supply, especially during seasonal fluctuations.

Dollar Industries Ltd**CMP: INR 391 | Mcap: INR 22.18 Bn**

Outlook: Continued investment in Project Lakshya to enhance insights into retailer behaviour and increase retailer incentives. Emphasis on sustainable energy solutions, including the installation of a 6 MW solar power capacity, to reduce electricity costs and support green initiatives. Strategic focus on both organic growth and potential inorganic growth opportunities. No new major capex plans post the completion of ongoing projects; however, monitoring for strategic opportunities in retail and new product launches.

Company Overview: Established in 1972, Dollar Industries has evolved into a significant player in the Indian hosiery industry. The company holds a 15% domestic market share and offers a diverse portfolio of innerwear, outerwear, thermals, and athleisure.

Expansion and Branding: Dollar Industries has expanded its product range to cater to women and children with brands like Missy and Dollar Junior. It has partnered with celebrities like Akshay Kumar and Mahesh Babu to boost brand identity.

Supply Chain and Production: Operations are 100% backward integrated, with facilities across India contributing to various product segments. A strong export presence in 15 countries, including the Middle East and Africa.

Project Lakshya Initiative: Designed to optimize retailer operations and insights into buying patterns. Includes a retail bonding program that offers incentives to retailers.

Financial Outlook: Targeting INR 2,000 cr in revenue by FY26 with an EBITDA margin of 13%. Aiming for higher contributions from premium products, projected to increase from 27% in FY24 to 33% in FY26.

Modern Trade and E-commerce: Currently deriving ~10% of revenue from e-commerce and modern trade, with a plan to increase this share. Focus on expanding quick commerce initiatives and sales through its own and third-party websites.

Operational Insights: Inventory days target: ~97-100 by March 2025. Working capital days projected to improve to 120-125 by FY26/27 through better distributor management and optimized inventory systems.

Cotton Prices and Margins: Stable cotton prices (~INR 54,000-55,000 per bale) support steady margins. FY25 EBITDA margin targeted at 11-12%; FY26 expected to reach 13%.

Near-Term Outlook: Cotton prices are stable at around ₹54,000-₹55,000 per bale, which should help maintain consistent product pricing and support stable margins over the next 6-7 months. FY25 EBITDA margin guidance is between 11-12%, with potential gradual improvement as market conditions stabilize. Inventory days target for March 2025 is set at approximately 97-100 days. The company aims for working capital days to range between 150-155 in FY25, with plans to reduce further in subsequent years.

Long-Term Outlook (FY26 and Beyond): Revenue target of INR 2,000 crore by FY26, representing significant growth, supported by the premiumization strategy and new product launches. Premium products' contribution is projected to rise to 33% of revenue in FY26 from 27% in FY24. EBITDA margin is targeted at 13% by FY26, leveraging operational efficiencies, optimized inventory systems, and stable raw material costs. Working capital days are projected to improve to around 120-125 by FY26/27, driven by efficient distributor management and inventory optimization. Expanded focus on e-commerce and modern trade, aiming for these channels to contribute a greater share of total revenue.

Eco Recycling Ltd

CMP: INR 671 | Mcap: INR 12.95 Bn

Business Overview

- **Ecoreco** is India's first listed e-waste recycling company (BSE: 530643), operational since 2005.
- **Current capacity:** 25,200 MT for e-waste and 6,000 MT for lithium-ion battery recycling (black mass production).
- Focus on high-margin segments like IT, telecom, and medical equipment recycling.

Growth Drivers

- **EPR (Extended Producer Responsibility):** Regulations mandate producers to recycle e-waste, but compliance is low (~10% of India's 5.6M MT annual e-waste is recycled).
- **Refinery Plans:** Raising INR 200Cr via QIP to set up a precious metals refinery (targeting PCB/hard disk processing). Expected to boost margins by 25%+ by cutting reliance on international refineries.
- **Lithium-ion Recycling:** Black mass currently exported; plans to expand in-house metal recovery.

Financial Highlights

- **Margins:** ~60-65% EBITDA margins (high due to compliance-driven premium pricing).
- **FY25 Guidance:** PAT of INR 32-35Cr (Q4FY25 performance critical; Q3FY25 impacted by court cases delaying EPR fees).
- **Zero Debt:** Growth funded via internal accruals; no immediate borrowing plans.

Challenges

- **Regulatory Delays:** Producers contesting environmental levies in court, slowing EPR revenue.
- **Capacity Utilization:** Low (half of 1% of India's e-waste), but margins prioritized over volume.

Outlook

- **Industry Potential:** 17% CAGR in e-waste generation; formal recycling penetration to rise with stricter enforcement.
- **Global Benchmarking:** Targets mature market recycling rates (60-90% vs. India's 10%).

Q&A Highlights

- **Competition:** No direct rivalry due to vast untapped market; compliance is key differentiator.
- **Commodity Prices:** Revenue linked to global metal prices (e.g., copper, gold).
- **Investor Focus:** Sustainable margins over top-line growth; refinery to enhance profitability.

Key Metric:

- **Content Value:** ~ INR 100-120/kg in mixed e-waste (ferrous, copper, precious metals).

Upcoming Catalysts:

- QIP completion (Q1 FY25).
- EPR court verdict (April 22 hearing).

Final Call: Ecoreco's niche in compliant recycling and refinery expansion positions it for margin resilience, but regulatory enforcement remains critical for scale.

Effwa Infra & Research Ltd

CMP: INR 166 | MCap: INR 3.85 Bn

Guidance

- Company expects to reach at INR 1.80-1.90 Bn revenue, further targeting over ~INR 3.50 Bn in FY26 driven by ZLD projects and international contracts.
- Expects strong order book of ~INR 3.50 Bn post-FY25 and bidding pipeline of ~INR 18 Bn, with expectations of INR 4 Bn new orders in H1FY26.

Business Updates

- Minimal capex requirements due to asset-light model; relies on subcontractors for civil work. Debt is manageable with sufficient banking limits for INR 3.5 Bn revenue target.
- Working capital cycle improvement planned via releasing retention amounts (8-10% of project value) through bank guarantees.
- ZLD adoption is mandatory for industries to secure operational licenses, driving demand. Growth is sustained by retrofitting existing plants and new industrial setups.

Order Execution & Margins

- Average project cycle spans 12-18 months, with focus on Zero Liquid Discharge (ZLD) systems contributing ~80% of current revenue, expected to reach 100% by FY26.
- EBITDA margins improved to ~14-15% due to higher-margin ZLD projects and cost optimization in design/operations.

International Expansion

- Exports account for 20-25% of revenue, with ongoing projects in Tanzania and Ivory Coast. Actively bidding for a major Nepal project (outcome expected by June/July 2024).

Competitive Edge

- Differentiates through engineering efficiency (reduced chemical/power costs) and credentials for large-scale projects (INR 1-2.5 Bn range).
- Company competes with Thermax, Ion Exchange, and Va Tech Wabag.

Operation & Maintenance (O&M)

- O&M contributes 2-3% of revenue currently; plans to expand this segment with a dedicated division by FY26, targeting higher margins than core projects.

Client Base

- Key clients include Tata Steel (28 projects), ONGC, BPCL, and Adani's Kutch Copper. Expanding into Vedanta and private-sector partnerships.

Technology & Design

- Focus on reducing operational costs (chemicals, power, labor) through optimized layouts and automation. Avoids low-margin municipal projects.

Emerald Finance Ltd

CMP: INR 102 | Mcap: INR 3.43 Bn

Outlook

The company is seeing strong growth in its Employee Wage Access (EVA) product targeting 250 corporate partnerships next year and over 1000 in 3-4 years. The company aims to maintain asset quality while expanding with a focus on keeping delinquencies low and diversifying funding sources to support growth.

EVA Product

- EVA business is experiencing rapid growth currently generating about INR 30 Mn per month in disbursements. Company charges a processing fee ranging from 1.25% to 2% on each EVA withdrawal.
- Company have established partnerships with approximately 60 corporates to offer their EVA product and has set a target to significantly increase their corporate partnerships to 250 corporates in the next year.
- The average withdrawal amount for ticket size for EVA loans is between INR 25,000 to 27,000.
- Company have 8,000 to 9,000 registered EVA clients with around 1,200 clients actively transacting.
- The repeat usage rate among EVA customers is approximately 90% indicating strong user adoption and satisfaction.
- The withdrawal limit for employees through EVA is capped at 50% of their net salary.

Financial Performance and Revenue Mix

- The company's total revenue is generated from interest and processing fees on their lending products and commissions from their distribution business.
- Interest income and processing fees segment contributes 52% of their total revenue while 48% is contributed by the distribution business.
- The company reports zero NPAs in their EVA loan portfolio indicating strong asset quality in this segment.
- Company have recently issued small Non-Convertible Debentures as part of their diversification efforts. Their main funding currently comes from banks at a lower cost of borrowing around 10.95%.
- The company has also raised funds through equity recently further strengthening their capital base.

Guidance

- Company are planning to launch small ticket personal loans specifically for their existing EVA customers in the coming quarters leveraging their established relationships and data.
- The company has established a dedicated business development team to accelerate the acquisition of new corporate partnerships for their EVA product.
- Expects to partner with over 1000 corporates within the next 3-4 years.

Entero Healthcare Solutions Ltd**CMP: INR 1127 | Mcap: INR 49.04 Bn**

Outlook: Aims for 25-30% organized distribution in the healthcare products market in the next 4-5 years. Current payables are around 25 days and receivables around 55 days. Aims to reduce its working capital cycle to 60 days in the next couple of years through inventory management and other efficiencies, though major changes in payables/receivables terms are not expected. We have Buy rating on the stock with TP INR 1,981 per share.

- Some mature markets like Bangalore are already 60-70% consolidated among organized players.
- Supplies to retailers, hospitals and doctors, with daily deliveries and order collection.
- Has 48 legal entities across India, present in 105 warehouses and over 40 cities.
- Expects to be operating cash flow positive by FY26.
- Participates in the GLP1 market as products become available.
- Focus on utilizing IPO proceeds for acquisitions and working capital deployment.
- Continuous working on improving operating efficiencies and warehouse optimization.
- Launched Health Edge, a retail engagement program to empower retailers and increase wallet share.
- About 60-62% of Entero's revenue currently comes from southern cities.
- The company is improving its share in the trade generics segment.
- Entero Healthcare is aiming to grow 1.5-2x faster than the overall industry, targeting 30-35% YoY growth through both organic expansion and acquisitions.
- Direct is an internal app used by the sales team for order processing and collection tracking.
- Health Edge program aims to simplify supply chain management for retailers.
- Entero is reaching about 100,000 retail outlets.
- Expects network effects as it grows larger in scale and revenue.
- Has seen about 30% CAGR over the past 4 years.
- Margin improvement levers include operating leverage and gross margin improvement.
- Product mix improvement and procurement efficiencies are key for gross margin growth.
- Charges manufacturers for providing secondary sales visibility data.
- Focus on increasing revenue from high-margin products like surgical devices.
- Has done 45 acquisitions so far in the past 7 years.
- Sees potential for synergy benefits and integration efficiencies from acquisitions.
- Aims to have strategic warehouse locations to service 90% of the country's requirements.
- Working on improving its presence in the generics and trade generics segments.
- Sees potential for margin improvement through operating leverage as it scales up.

Enviro Infra Engineers Ltd

CMP: INR 122 | MCap: INR 38.97 Bn

Company Overview & Evolution

Established in 1991 as a consultancy firm, They've evolved into a **turnkey EPC leader** in water and wastewater treatment, specializing in **STPs, CETPs, and potable water plants**. Our **in-house design and execution capabilities** set us apart, enabling **faster project delivery** and **cost efficiencies**.

Market Leadership & Order Book

- **Strong Order Pipeline:** Current order book at INR 1,687 crore (execution) + INR 750 crore (O&M).
- **Bidding Momentum:** Submitted bids worth INR 3,000–4,000 crore in Jan–Feb 2025; targeting INR 4,000 crore order intake in FY26.
- **High Success Rate:** 40% bid-win ratio historically, driven by precision costing and in-house expertise.

Financial Strength & Margins

- **Robust Profitability:** EBITDA margins sustained at 22–24%, with CETPs and HAM projects delivering highest margins.
- **Cash Flow Outlook:** Temporary working capital stress due to JJM fund delays; expects OCF positivity by FY26 with ₹9,000 crore Delhi Yamuna projects ahead.

Growth Catalysts

- **AMRUT 2.0 & Namami Gange:** 500+ city projects driving 35–40% revenue CAGR for next 5 years.
- **Yamuna Rehabilitation:** Potential INR 500–1,000 crore opportunity in Delhi's INR 9,000 crore sanitation budget.
- **Renewable Foray:** Exploring solar and beyond, but water infra remains core (80% focus).

Operational Edge

- **In-House Execution:** Controls 55–60% equipment costs via partnerships with Siemens, Kirloskar, and Thermax.
- **Asset-Light O&M:** 10–15-year annuity contracts ensure recurring revenue (INR 75 crore/year).

Investor Takeaways

- **No Dilution Ahead:** IPO funds (50% unused) to fuel growth; no equity raise planned.
- **Global Ambitions:** Actively pursuing international tenders in wastewater treatment.
- **Key Differentiator:** "It's end-to-end control from design to O&M ensures faster monetization and 30% lower cost overruns vs. peers."

Final Outlook

With INR 4,000 crore order visibility, 20%+ margins, and zero debt, the growth is poised to double revenues by FY27 while maintaining industry-leading returns.

ESAF SFB Ltd

CMP: INR 24.6 | Mcap: INR 12.65Bn

Key Highlights

- Operates in 24 states & 2 union territories with 770 banking outlets and 92.3 lakh customers.
- Strong presence in rural and semi-urban markets, driving financial inclusion.
- Robust branch expansion strategy, with a focus on underbanked regions.
- Loan book diversification contributing to stable growth.
- CASA ratio improving, with a focus on increasing low-cost deposits.
- Steady increase in retail deposit base, reducing reliance on bulk deposits.
- 43% of the book secured, with exposure to gold loans, vehicle loans, mortgages, MSME, agri, and corporate lending.
- Microfinance exposure reduced, as part of a strategic shift towards a more secured portfolio.
- Plans to reduce unsecured lending to 30-35% over the next 2-3 years.
- Gold loan book to grow 3-4x over the next 2-3 years, driven by higher demand and better margins.
- Vehicle loans and mortgage lending witnessing steady growth.
- Expanding corporate and MSME lending to improve portfolio quality.
- Focus on agri-financing to cater to rural customers.
- Affordable housing loans gaining traction, supported by government incentives.
- Digital lending initiatives gaining momentum, improving loan disbursement efficiency.
- Average lending yield: 13.6%; Microfinance yield: ~19.5%.
- Net Interest Margin (NIM) improving, supported by better asset mix and CASA growth.
- Target ROA: 1.8%; Target ROE: 18%.
- Focus on cost optimization and digital transformation to improve operational efficiency.
- Strengthening fee-based income streams through cross-selling financial products.
- Improving cost-to-income ratio, backed by operational efficiency.
- Credit costs to normalize by Q3 FY26, with a steady-state credit cost of ~2.5%.
- Collection efficiency improving, with a decline in slippages over the last 6-7 months, except in Karnataka due to local disruptions.
- Microfinance book has contracted in the past 6-7 months due to conservative lending and regulatory limits on over-leveraging.
- Strengthening risk management framework to mitigate asset quality concerns.
- Focus on improving underwriting standards for secured lending products.
- Enhancing digital collections and AI-driven risk assessment models.
- Write-offs and provisioning remain at prudent levels, ensuring a stable balance sheet.

Growth Strategy & Expansion Plans

- Expanding digital banking solutions to enhance customer experience and reduce operational costs.
- Strengthening MSME & Agri-lending portfolio to diversify income streams.
- Leveraging financial inclusion initiatives to scale business growth.
- Increasing CASA share to improve funding costs.
- Deepening penetration in Tier 2 & 3 cities, where demand for small-ticket secured loans is rising.
- Strengthening technology infrastructure to support scalable growth.
- Exploring partnerships with fintech players to drive digital lending.
- Expanding gold loan branches to capture growing demand in rural and semi-urban areas.
- Investing in AI and data analytics to enhance risk assessment and improve operational efficiency.
- Exploring co-lending partnerships to scale lending operations without increasing balance sheet risk.

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Fineotex Chemical Ltd**CMP: INR 289 | Mcap: INR 27.35 Bn****Guidance**

- The company aims to increase revenue from INR 6,000 Mn to INR 10,000 Mn, driven by growth in oil and gas drilling chemicals, expansion in the FMCG segment, and potential inorganic acquisitions.
- The company plans to add new manufacturing capacity, starting with 15,000 tons in Phase 1, with the potential to expand up to 50,000 tons.

Business Overview

- The company is a solution provider across various business verticals, including textile chemicals, FMCG, cleaning and hygiene, oil and gas, and water treatment. It aims to be a single-stop solution provider with a global footprint, capitalizing on future growth opportunities.
- A key strategy is to increase "wallet share" by expanding the number of products sold to existing customers. It has a wide distribution network, including 100+ distributors across India and a strong technical services team.

Other Key Highlights

- The company has a large product portfolio with over 1500 SKUs, catering to various substrates and processes within the textile industry.
- It collaborates with the Sashmira Institute to develop sustainable solutions for the textile industry.
- New manufacturing plant is under construction to support growing demand across segments.
- The company has expanded its manufacturing capacity in Abarnath and has plans for further expansion.
- ICRA has upgraded the company's credit rating outlook from stable to positive, reflecting a strong financial position.
- With 60% of raw materials sourced locally and 40% imported, the company follows a flexible sourcing strategy, working with multiple local and international suppliers. It consistently maintains gross margins above 35%.
- ROCE has historically been strong, and the company aims to maintain high levels.
- An early mover in providing sustainable solutions in both the textile and detergent industries.
- Current plant capacity utilization is around 60%, which management considers optimal. An investment of ~ INR 1,000 Mn is planned to expand capacity to 50,000 tonnes.
- The company has launched AquaStrike Premium, a new generation biotechnology-based mosquito control solution.
- The company is focused on expanding wallet share with existing customers by increasing product usage from 3-4 to 7-8 products per customer. It has introduced an innovative "packet selling" approach, offering complete chemical solutions for fabric finishing.
- The company has developed 30 new products during the quarter.
- With exports to 70 countries, the company has a strong international presence. It has also formed strategic partnerships with global companies like Eurodye and Health Guard Australia.

Finkurve Financial Services Ltd
CMP: INR 106 | Mcap: INR 13.52 Bn

Finkurve Financials Ltd. aims for aggressive growth in the gold loan market, leveraging technology, strategic partnerships, and branch expansion to achieve INR 10,000 crore AUM by 2029, while maintaining financial stability and efficiency.

Business Overview & Strategy

- Finkurve Financials Ltd. is an NBFC operating in the **gold loan and digital lending segments**.
- Focused on becoming a **tech-driven gold loan provider** with a strong digital presence.
- Part of a well-established financial group, leveraging expertise in lending and fintech.
- Aims to **expand AUM to INR 10,000 crore by 2029** through **branch network expansion and tech-driven lending models**.

Financial Performance & Growth Outlook

- Current **AUM stands at ~INR 400 crore**, with total disbursements of **INR 1,700-1,800 crore** to date.
- Revenue growth of **~100% YoY**, supported by expanding loan book and digital lending initiatives.
- **Leverage ratio at 0.8x**, indicating a strong balance sheet compared to industry peers.
- **EBITDA margins and profitability improving** with scale and cost optimization.
- Focus on **high-yield, secured lending products** to drive future profitability.

Technology & Digital Lending Focus

- Investing in **AI, machine learning, and computer vision** for **automated gold quality assessment**.
- In-house **loan management system and customer app** to streamline processes.
- Paperless, fully **digital loan journey** for customer convenience and operational efficiency.
- Expansion into **digital gold loans** to complement physical branch network.

Expansion & Market Positioning

- Currently operates **74 branches**, primarily in **Karnataka, Andhra Pradesh, and Telangana**.
- Plans to **scale to 160-170 branches in the next year** before expanding into new regions.
- Gold loan market in India is **~INR 7.1 lakh crore**, with **63% of it still unorganized**, providing significant growth potential.
- South India remains a key focus, contributing **79% of India's gold loan market**.

Funding & Strategic Partnerships

- Strong **banking and co-lending partnerships**, including RBL Bank and other financial institutions.
- **Recent equity infusion of INR 160 crore**, including **INR 40 crore from promoters via warrants**.
- Actively **seeking inorganic growth opportunities**, including potential acquisitions.

Future Outlook & Risks

- Focused on **scaling AUM, expanding branches, and leveraging technology** for efficiency and customer acquisition.
- Potential **regulatory risks**, such as **changes in LTV norms by RBI**, could impact lending models.
- Competitive landscape includes **large NBFCs like Muthoot and Manappuram**, requiring differentiation through technology and customer service.
- Execution risks in **rapid expansion and maintaining asset quality**.

Flair Writing Industries Ltd

CMP: INR 225 | Mcap: INR 24 Bn

The company expects 14% CAGR growth over the next 3 years, driven by expansion in pens, creative products, and steel bottles while maintaining gross margins around 51-52%.

Growth Projections & Business Expansion

- Targeting 14% CAGR growth across all brands over the next three years.
- Pens segment to grow at 9%, supported by new launches.
- Creative segment to grow 20%+ in FY25, backed by increased in-house manufacturing.
- Steel bottles segment to hit INR 1000 Mn revenue by FY27, with production ramp-up.
- Gross margins stable at 51-52% in the near term, and Margin expansion is expected in 2-3 years with increased in-house manufacturing (especially for the creative segment).

Manufacturing & Capacity Expansion

- Current pen capacity utilization: 75% and steel bottle capacity: 57 lakh bottles annually, expected to reach full utilization in 1.5 years, and creative segment in-house manufacturing to rise from 40-45% to 70% by the next fiscal year.

Product Portfolio & Distribution Strength

- The pen segment remains the key revenue driver, but creative & steel bottles have higher growth potential.
- INR 5 pens contribute only 5-7% of sales, with a focus on INR 10+ price points.
- 21 new pen products launched this year, with more planned across price segments.
- Largest distribution network in the sector, with 8,080+ distributors and 3,30,000+ retailers across 2,468+ cities.
- Exports contribute 15-20% of pen sales and faced challenges in H1 FY25, but business is rebounding.

Capital Expenditure (CAPEX) & Investments

- Total CAPEX program of INR 2300 Mn over FY24-26 to expand manufacturing and capabilities.

Brand Portfolio & Market Positioning

- Flair is the flagship brand, with Hauser acquired in 2014 and Pierre Cardin licensed for India.
- Top 3 player in India's organized writing instruments industry, with nearly 50 years of market presence.

Financial Outlook & Strategic Initiatives

- ROE is expected to rise to 20-25% (from the current 18%), and Q4 typically contributes 28% of annual revenues.
- New JV with Maped to distribute their products in India.

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Focus Lighting & Fixtures Ltd

CMP: INR 78 | Mcap: INR 5.23 Bn

Outlook

The company expects strong long-term growth over 3-5 years with potential for 100-200% revenue increase though short-term results may fluctuate due to project business cycles.

Business Highlights

- Company has established offices in India, the Middle East, and Southeast Asia with ongoing plans for expansion into Europe indicating a growing international presence.
- Key strength lies in their ability to bring European lighting technology to the Indian market at affordable Indian prices offering a value proposition of advanced technology at competitive costs.
- The company's project business is subject to cyclical ups and downs. These fluctuations are primarily driven by delays in government approvals and project execution leading to volatility in quarterly financial results.
- The current order book size is around INR 400 -600 Mn. They have some large infrastructure projects in the pipeline.
- Working capital requirements have increased as the business has grown and expanded into new verticals.

Patented Retail Lighting Technology

- Company has developed patented retail lighting technology. This technology offers a significant advantage by enabling a reduction in the number of light fixtures required by up to 50% compared to conventional solutions. This innovative technology has gained traction with major clients including Aditya Birla Group, Reliance Retail, and H&M, demonstrating its market appeal and effectiveness.
- For retail customers, they often act as lighting consultants in addition to being product suppliers leveraging their technological expertise.

Diversification Strategy

- The company is strategically diversifying across retail, home, and project segments. This diversification strategy aims to create a more balanced revenue stream and reduce the overall business risk associated with the inherent cyclical nature of the project business.
- Company is actively expanding into infrastructure and outdoor lighting projects including the development of products like smart poles for smart city initiatives.

Food & Inns Ltd**CMP: INR 78 | Market Cap: INR 5.69 Bn****Rating: Buy | TP: INR 276**

Outlook- Management has provided an aspirational revenue target of INR 18,000 Mn by FY28, driven by organic growth, category expansion, and geographic penetration in both domestic and export markets. Key growth drivers include strong demand for Indian frozen foods globally, a shift in Japan's import preferences from China to India for vegetables, and import substitution in the tomato and pectin markets. Despite near-term challenges, strong B2B partnerships, global expansion, and operational efficiencies should drive margin growth, while debt stabilization benefits from PLI incentives. We expect the upcoming summer to be encouraging by way of call-offs for the pulp business (domestic juice demand). Their long-standing relationships with marquee customers to act as a strong moat. We maintain our Buy rating with a TP of INR 276.

Other Key Highlights

- The company has developed a pectin extraction technology from mango peel, a significant breakthrough in waste management. The pectin project has been successfully commercialized, with sampling already underway with multinational brands.
- The company operates 6 factories across India - 3 in the southern region (Andhra Pradesh, Chittoor area), 2 in Nashik, and 1 in Gujarat.
- A new Greenfield factory in Ahmednagar has been leased for 15 yrs to support further processing needs.
- The company has increased its capacity, and the focus now is on utilizing full capacity rather than further capital expenditure.
- In the last 15 months, significant capex investments were made, including INR 1200+ Mn for expansion in Gujarat and a new tomato processing facility.
- The company expects to generate INR 200-250 Mn revenue from pectin with high EBITDA margins as mango peel, the raw material, is essentially cost-free.
- The Tetra Recart segment is expected to contribute INR 700-800 Mn in revenue, but awareness and adoption are still in the early stages.
- The company has INR 4,700 Mn in debt, primarily due to capex investments. However, no major increase in debt is expected in the near future.
- The company has an aspirational target of INR 18,000 Mn in revenue by FY28, with major contributions expected from tomatoes, frozen foods, and pectin.
- The company sees strong growth potential in frozen vegetables and snacks, driven by increasing Indian diaspora demand in the US and Europe.
- Japan has started shifting its vegetable imports from China to India, presenting an emerging export opportunity.
- The tomato processing business is poised for 3x growth in the next 5 years, with increased demand from Indian QSR chains and snack manufacturers.
- The company is expanding its spices distribution in key regions like Delhi, UP, Maharashtra, and Gujarat to scale Kusum Spices.
- The Tetra Recart packaging segment has seen slower-than-expected adoption, though long-term potential remains strong.

Forcas Studio Ltd

CMP: INR 72 | Mcap: INR 1.27 Bn

The company aims for 30-35% annual growth over the next 3 years by expanding its affordable fast fashion offerings across online and offline channels, focusing on India's tier 2-4 cities.

Company Overview & Business Model

- Forecast Studio Limited is a men's apparel brand focused on fast fashion for the bottom-of-the-pyramid market.
- Their brand FTX, launched in 2020, targets the INR 199-599 price range.
- The company offers 12+ menswear categories, serving over 21,000 pin codes across India.
- Operates an asset-light manufacturing model, outsourcing production while maintaining quality control.

Financial Performance & Growth Plans

- Strong revenue growth trajectory: FY21 (5-6 months): INR 50 lakh, FY22: INR 50 Mn, FY23: INR 450 Mn, FY24: INR 1120 Mn
- Targeting 30-35% annual revenue growth over the next three years.
- Planning expansion into women's wear and kids' wear categories.
- Exploring quick commerce partnerships with Zepto, Blinkit, and Instamart to enhance Tier 1 city reach.
- Considering influencer marketing and a potential brand ambassador for FTX.

Distribution Channels & Market Penetration

- **Online:** Present on 9+ e-commerce marketplaces, contributing 62% of revenue (H1FY25).
- **Offline:** 13,000+ retail outlets through 300+ distributors, making up 38% of revenue.
- Aiming for an optimized sales mix of 60-65% online and 35-40% offline.
- Exploring international expansion opportunities in Africa and the UAE.

Product Strategy & Competitive Advantage

- Launching 100 new designs monthly in small test batches (100 units each).
- Testing market response across online and offline channels before scaling up production.
- Quick turnaround from trend identification to product launch (14-15 days).
- Experience in serving major retail chains ensures product quality in an outsourced manufacturing model.

Operational Efficiency & Outlook

- Maintaining 60-70 days of inventory, aiming for optimization through data-driven demand forecasting.
- Improving operations, logistics, inventory management, and team structure.
- No major capex plans, growth investments will focus on product range expansion.
- Management remains confident in sustaining growth by leveraging their asset-light model, increasing brand recognition, and expanding product offerings.

Fratelli Vineyards Ltd**CMP: INR 176 | Mcap: INR 7.63 Bn**

Outlook: Enhanced capacity to sustain growth. Focus on premium offerings, agronomic expertise, and maintaining leadership in retail and on-premise channels. Continued investment in marketing and leveraging exports (to 10 countries).

Company Overview: Founded in 2007, with partners from India and Italy. Focuses on being India's most premium wine brand, with operations centered in Akloi, Maharashtra, and a unit in Karnataka. Offers around 50 labels, including super-premium brands like SETI and J'enoon.

Growth and Ambitions: Current revenue: approximately INR 200 cr. Goal: INR 450–500 cr revenue in the next 3–4 years, growing at 25–30% annually. Plans involve capacity expansion and new product launches.

Challenges and Resilience: This year faced hurdles like election dry days, winery transition, and market disruptions in Andhra Pradesh and Telangana. Successfully completed an upgrade of their main winery, doubling its size. Improved operational readiness with a fully upgraded winery that doubles production capacity.

Market Position: India's total wine market size: INR 1,300 cr (domestic: INR 800–850 cr; imported: remainder). Fratelli leads in super-premium wine categories and has a balanced revenue mix across regions.

Strategic Initiatives: Invested significantly in brand-building and new product launches, like RTD wine products (e.g., Shotgun). Expansion in wine tourism with plans for a luxury resort.

Marketing & Branding: Higher marketing investments (currently ~12% of top-line revenue) to support new product launches and brand-building initiatives, expected to stabilize at 7% of revenue next year.

Vision: Maintain leadership as India's most premium wine brand with a focus on super-premium and innovative wine categories.

Wine Tourism Expansion: Plans for a luxury 40-key wine tourism resort to be operational by FY27–28, aiming to enhance brand value and customer engagement.

Global and Regional Market Strategy: Strengthen exports to 10 international markets while maintaining a well-distributed domestic revenue mix across regions. Minimize risks from policy changes by ensuring no over-dependence on any single region.

Sustainability in Growth: Balance operational efficiency with future expansion needs; the new facility infrastructure enables scalable growth with minimal additional capex.

Focus on Premiumization: Leverage agronomic expertise and Italian partnerships to create exclusive wines, further solidifying leadership in the super-premium segment.

Ganesh Green Bharat Ltd**CMP: INR 298 | Mcap: INR 73.90 Bn**

- The company is an integrated EPC player executing sustainable infrastructure and urban development projects with a pan-India presence across 10+ states.
- Offers a diversified portfolio including solar installations, civic beautification, decorative street lighting, LED displays, smart street furniture, and public green spaces.
- Focused largely on the B2G model; ~80% of revenue is derived from municipal corporations, smart city bodies, and urban development authorities.
- Current executable order book stands at INR 595 Cr with revenue visibility over the next 18-24 months.
- Typical project cycle is 6–12 months with milestone-based billing ensuring smoother cash flow management.
- Conservative bidding strategy focused on projects with financial viability and secure payment mechanisms.
- Execution follows an asset-light model by subcontracting non-core activities while retaining control over project design, management, and quality.
- The company has recently applied for international certification to focus on specialized EPC segments and explore international opportunities.
- Company actively aligns with government missions like Smart Cities, Swachh Bharat Abhiyan, and national renewable energy mandates.
- Ongoing investment in technology platforms and project monitoring tools to drive operational efficiency and execution speed.
- EBITDA margins range between 12–14%; management targets gradual expansion through better resource utilization, direct procurement, and reduced rework costs.
- Working capital cycle remains efficient with 30–60 day receivable timelines, largely managed via escrow accounts and back-to-back vendor contracts.
- IPO proceeds being utilized for working capital needs, purchase of construction equipment, and technology upgradation.
- Management aims to double revenues in the next three years, supported by policy tailwinds, growing order book, and entry into high-potential areas like railway station redevelopment and EV infrastructure.

Ganesh Infracore Ltd

CMP: INR 144 | Mcap: INR 6.16 Bn

Revenue

Revenue is expected INR 7.5bn to 8bn in FY25E and INR 11bn to 12bn in FY27E. The growth is driven by a shift toward water infrastructure projects, which now dominate the order book (40% share, up from 20%). The company recently secured ₹300 crore in water infra orders (STP plant and JJM scheme distribution) in Madhya Pradesh and Odisha.

Margins

EBITDA margin is around 10.5%-11% and expected to reach 13%-14% by FY27E.

PAT margin is around 7.5%-8% and expected to reach 9-9.5% by FY27E, supported by higher-margin water projects.

Order book

The order book stood at INR 8.5bn. The order book breakup are water-40%, civil-40% and 20% from electrical

Water Infrastructure Focus

Aligning with the government's INR 5 lakh cr investment plan for drinking water projects (JJM scheme, STPs, distribution). Water's revenue share is targeted to rise from 20% (FY24) to 50% (FY25) and 80% (FY27E).

The company is transitioning from subcontracting to direct tenders via JVs (e.g., in Bihar and Tamil Nadu) by FY26, with full direct bidding under the Ganesh Infracore brand by FY27E.

Working capital

Current working capital cycle are 60–75 days (subcontracting) and expected to extend to 90–110 days for government projects.

IPO Proceeds

Out of INR 1,000mn; INR 500mn are deployed, remaining parked in FDs (INR 350mn) and cash credit (INR 150mn). Full utilization expected by July/August 2024.

Industry and Market Position

The company operates as a subcontractor for major EPC players (e.g, Shapoorji Pallonji, Adani Power, Bajaj Electricals).

The company competes with larger firms like Tech Baba in water projects but leverages agility and JV partnerships for direct bids.

The company is focused on Maharashtra, Uttar Pradesh, Madhya Pradesh, Odisha, Bihar, and West Bengal.

Expansion and Partnerships

The company partnering with experienced firms to bid for government water projects (e.g., Tamil Nadu and Bihar tenders under negotiation).

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Gateway Distriparks Ltd**CMP: INR 60 | Mcap: INR 29.91 Bn**

- Prioritize 2-3 new ICDs in northwest/central India with rigorous pre-approval processes to avoid Jaipur-like delays. Focus on locations near manufacturing hubs and DFC connectivity.
- Maintain net debt-to-EBITDA <1:1; use internal cash flows and staggered capex (INR 1000–1500 Mn per ICD) for expansions.
- Capitalize on JNPT-DFC connectivity (expected late 2025) to boost double-stacking efficiency and reduce transit times.
- Optimize asset productivity (34 trains) via DFC; target 45% double-stack utilization (vs. current 33–40%).
- Hold CFS assets until valuations improve; leverage stable cash flows (~INR 400 Mn dip was accounting-related, not operational).
- Accelerate CNG/electric fleet transition and solar adoption (60% energy needs met) to align with ESG goals.
- Counter regional discounting (e.g., Ludhiana) with service quality and bundled offerings to protect margins.
- Continue leveraging MAT credits to keep effective tax rate at ~5% until FY27.
- Monitor Red Sea crisis impact on container availability and global supply chains.
- Align with government rail freight share (35%)

Key Highlights for Snowman Logistics:

- Expand pallet capacity (150,000+) via 3 new warehouses in FY25; explore build-to-suit models for asset-light growth.
- Grow 5PL (asset-light logistics) to drive volume for core warehousing/transport, despite lower margins (2–5%).
- Limit debt-to-EBITDA to $\leq 2:1$; use internal cash flows (INR 8000–9000 Mn/year) for capex.
- Implement automation (electric forklifts, stackers) to reduce costs and improve cold chain efficiency.
- Expand solar coverage (60%+) and prioritize energy-efficient cold storage tech to cut operational costs.

GHCL Ltd

CMP: INR 612 | Mcap: INR 59 Bn

GHCL appears positive, with stable demand in India, ongoing capacity expansions, and potential benefits from import regulations like MIP.

Industry & Demand Trends

- Global soda ash demand remains weak in Western markets like the US and Europe, leading to increased exports to high-growth Asian markets such as India.
- India's soda ash demand is growing at 5-6% annually, supported by traditional sectors (glass, detergents) and emerging segments like solar glass.
- Solar glass is expected to contribute an additional 100,000-150,000 tons of soda ash demand over the next 1-1.5 years.
- The government has imposed a Minimum Import Price of INR 2,108 per ton on soda ash imports until July 2024, which has created a price floor and stabilized realizations.

Operational Performance & Capacity Utilization

- GHCL operates at over 95% capacity utilization, indicating strong production efficiency and demand for its products.
- The company is actively investing in capacity expansion to meet growing demand and reduce reliance on imports.

Expansion Plans & New Projects**Greenfield Soda Ash Plant**

- A new 1.1-million-ton soda ash plant will be developed in two phases (550,000 tons each).
- The project is expected to be completed over the next three years.
- Management is confident that the additional capacity will be absorbed easily due to India's growing soda ash consumption.

Vacuum Salt Project

- The project is on track and is expected to commence operations by June/July 2024.
- Aims to strengthen GHCL's backward integration efforts and improve cost efficiencies.

Bromine Project

- Phase 1 of the bromine project (2,500-2,800 tons) at the existing salt works is scheduled for commissioning in H2 FY25.
- A new land parcel of 16,000 acres has been allocated for salt and bromine production, expected to be developed over three years. This will enhance the company's presence in specialty chemicals.

Financials & Capital Expenditure

- The company has earned significant capex for expansion: **INR 3,500 Mn** for salt works. And **INR 3,500-4,000 Mn** for the Bromine facility on the new land parcel.
- GHCL remains financially strong and expects stable cash flows to fund these projects.

Near-Term & Long-Term Outlook

- **Short-Term:** Q4 is set to witness strong soda ash demand, driven by India's robust market and stable price realizations post-MIP implementation. Capacity utilization is expected to remain above 95%.
- **Long-Term:** India's annual soda ash demand growth is projected to increase from 5% to 6-7%. GHCL's capacity expansion will support this rising demand, while diversification into salt and bromine will strengthen its product portfolio and revenue streams.

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GHCL Textile Ltd**CMP: INR 72 | Mcap: INR 7 Bn**

The company is focused on operational excellence, expanding capacity, and moving up the value chain through forward integration, while navigating current industry headwinds and positioning itself to benefit from any future upturn.

Business & Operations

- GHCL Textiles was demerged from GHCL Limited in April 2023 and is now a separately listed company, Operates 225,000 spindles and 62 MW of renewable energy assets, Product mix: 55% cotton yarn, 45% synthetic/blended yarn, with exports accounting for 15-18% of sales.

Expansion & Capex Plans

- Committed INR 10 Bn capex over the next few years. Currently expanding by 25,000 spindles, to be completed by June-July 2025. Announced INR 380 Mn capex for knitting expansion. Plans to expand into weaving (INR 2000 Mn capex) and processing in coming years. Aims to forward integrate into the value chain to enhance profitability.

Financial Performance & Targets

- Targeting double-digit ROCE on new capex investment, Long-term EBITDA margin guidance of 15-20% (vs current 8-9%), Asset turnover expected to be 1-1.3x for new expansions, Peak debt-to-equity ratio target of 1:1, currently at 0.4-0.5x.
- Expected blended margins to improve from 15% to 18-20% over 5 years with forward integration.

Industry Outlook & Challenges

- Demand remains subdued but shows some signs of improvement.
- Bangladesh market stabilizing, leading to better order flow.
- Cotton prices have stabilized at around INR 54,000 per candy.
- Yarn spreads have improved by 10-12% compared to last quarter.
- Key challenges include global volatility, weak Western market demand, tariff uncertainties, and competition from Bangladesh in garment exports.

Strategic Priorities & Guidance

- Focus on operational excellence and cost control.
- Leverage renewable energy assets for sustainability and cost benefits, aiming to maintain 70-75% renewable energy use.
- Strengthen forward integration into knitting, weaving, and processing to improve customer relationships and profitability.
- Maintain a strong balance sheet with reasonable debt levels, keeping peak debt-to-equity ratio under 1x.
- Increase the share of made-to-order/specialty yarns from the current 40-50% over time.
- Near-term outlook remains uncertain due to global volatilities, but management is cautiously optimistic about demand recovery and long-term growth.

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Goodluck India**CMP: INR 699 | Mcap: INR 22.88 Bn****Revenue**

Revenue is expected INR 39bn in FY25E and INR 45-46bn in FY26E

Margins

EBITDA margins are expected to improve from 8.25% to 9% in FY26, with aspirations to reach double-digit margins in the future. The defense and hydraulic tube segments are projected to drive higher profitability, with defense EBITDA margins estimated at 25%+.

Utilization

Current capacity utilization at 80–85% across segments, Hydraulic tube plant to ramp up to 30–40% utilization in Q4FY25, reaching full capacity by FY26E, and defense segment utilization will depend on order conversions post-commercialization.

Capex

Defense capex of INR 2.25bn allocated for 155mm shell production, with commercialization expected in Q1FY26E. Hydraulic Tubes capex of INR 2.7bn capex completed, targeting full utilization by Q4FY26E.

Future expansions (post-FY26) will depend on market conditions, with potential capacity additions in hydraulic tubes and defense.

Defence

Defense segment, with a capacity of 150,000 shells annually, is expected to contribute INR 2.75mn at peak utilization. Hydraulic tubes, targeting INR 4bn in revenue by Q4 FY26E, will focus on exports (60–70% of production) and cater to the construction equipment sector.

Working Capital

Working capital stands at INR 6bn+ with an estimated 15% additional requirement per INR 1bn of revenue growth. The company plans to optimize cash flows by reducing working capital dependency through profit retention.

Industry

In Defense, Limited competition due to high entry barriers; strong demand from domestic and export markets (e.g., NATO).

Hydraulic Tubes positioned as an import substitute, competing globally with 2–3 players (e.g., Tube Investments, Marce Galia).

The company is the key player in bullet train projects (22,000 tons order) and RDSO-approved steel bridges, with margins of 10–11%.

Demand

In Automotive Tubes, 70% of production exported to the US, Europe, and Canada, serving clients like Daimler, BMW, and Tesla. In Defense Shells, Export opportunities pending certifications; domestic demand driven by geopolitical tensions.

In Hydraulic Tubes, Robust global demand, with exports prioritized for higher margins (15–16% EBITDA).

GPT Healthcare

CMP: INR 147 | Mcap: INR 12.06 Bn

Overview

GPT Healthcare's capital-light model, regional dominance, and margin resilience make it a compelling play on India's underpenetrated healthcare demand. A 15% earnings CAGR with improving return ratios offers a strong re-rating potential. Accumulate on dips for long-term growth.

1. Strategic Expansion in an Underserved Market

- **Eastern India Focus:** Operates in a high-growth, low-penetration region (14 beds/10,000 vs. national 40).
- **Asset-Light Scalability:** Capex-efficient model (INR 30–35L/bed vs. industry INR 1Cr+) for new hospitals (Raipur, Jamshedpur).
- **1,000-Bed Target by FY27:** Current capacity at 561 beds; Raipur (150 beds) commissioning in April 2024, Jamshedpur (150 beds) by Diwali 2026.

2. Robust Financial Metrics & Cash Flow Visibility

- **Premium Margins:** EBITDA at 22–23% (peers at 18–20%) with ROE/ROC >25%.
- **Favorable Payer Mix:** 90%+ cash/insurance revenue (minimal govt. dependency; low receivables risk).
- **Dividend Policy:** Consistent payouts, rewarding shareholders amid growth.

3. Operational Levers to Drive Upside

- **Occupancy Ramp-Up:** Targeting 70–75% (vs. 55% now) via:
 - Specialty additions (robotic surgeries, oncology).
 - Reduced ALOS (average length of stay) to improve asset turnover.
- **Brownfield Potential:** 100-bed expansion at existing Agartala facility.

4. Near-Term Catalysts

- **Raipur Breakeven:** Expected in 15 months (EBITDA-positive by FY26).
- **Oncology Boost:** Agartala's cancer unit (only facility in Tripura) to drive ARPOB growth.

5. Valuation & Growth Outlook

- **Revenue CAGR: 15%+** (FY25–27E) led by new units.
- **Margin Expansion:** 100–125 bps upside as occupancy scales.
- **Clean Balance Sheet:** Net debt-free; ample room for leveraged growth.

GPT Infraprojects

CMP: INR 119 | Mcap: INR 15.1 Bn

Business Overview

GPT Infraprojects remains confident in its growth trajectory, supported by a strong order book and improved financial stability.

Operational Highlights

- **Credit Rating Upgrade:** CRISIL upgraded the company's rating to 'A Stable', lowering borrowing costs to below 9%.
- **Debt Reduction:** Post-QIP, debt was reduced to INR 100 crores, with plans to further decrease it below INR 75 crores by FY26.
- **Order Book Strength:** The company holds a robust order backlog of INR 3,332 crores (3.3x FY24 revenue), including INR 1,040 crores in new orders for FY25.
- **Segment Performance:** The infrastructure segment contributed 90-95% of revenue, with an order backlog of INR 3,115 crores. The sleeper segment generated INR 42 crores in 9MFY25 revenue, with the Ghana facility set to commence operations soon.

Growth & Challenges

- **Order Pipeline:** The company is actively bidding for large contracts and targets INR 2,000 crores in order inflows for FY26.
- **Temporary Slowdown:** Revenue growth was slightly impacted by disruptions from the Kumbh Mela, affecting projects in the UP region (~45% of the order book).
- **African Operations:** The South Africa business continues to deliver strong margins (20%+ EBITDA), while the Ghana facility is expected to achieve 25% margins. No divestment plans are in place.

Investor Concerns Addressed

- **Margins:** Management confirmed stable margins at 13%, with no significant upside expected in government contracts.
- **Working Capital:** The company is targeting 90-day cycles, with CFO-to-PAT conversion at 80%.
- **Stock Performance:** No immediate plans for buybacks post-QIP; focus remains on operational execution.

GTPL Hathway Ltd

CMP: INR 108 | MCap: INR 12.18 Bn

Guidance

- Company expects to reach 2 Mn+ subscribers for broadband users from 1 Mn now by expanding into new states and improving service quality.
- Company's ~87% of client base is private in the B2C and ~13% is the B2B which is through operator.
- It has reinvested ~INR 14 Bn over the past three years in network expansion and technological upgrades. Plans to maintain similar capex levels to solidify its competitive position.
- Company is targeting growth from 44 mn to 150-200 Mn wired households in 5-7 years as demand for consistent high-speed connectivity intensifies. It is actively purchasing small, local cable operators (called MSOs) to grow its network.

Business Update

- Company is India's largest cable TV provider with 10 Mn+ subscribers and 50,000+ local cable partners across 25 states.
- Expects to maintain 6-17% revenue growth and aim to double its subscriber base with expansion and acquisitions into grow into new states

Expansion and future growth

- Company is targeting growth from 44 mn to 150-200 Mn wired households in 5-7 years as demand for consistent high-speed connectivity intensifies.
- It is actively purchasing small, local cable operators (called MSOs) to grow its network.

BharatNet Execution

- Company successfully completed Gujarat's 17,000 km fiber project worth INR 12 Bn. Bidding for new government contracts tenders worth INR 2-4 Bn.
- Management is closely monitoring regulatory updates on the BharatNet project, with clarity awaited from the Delhi High Court.

Transitioning

- Company is transitioning from legacy systems to FTTH, a more reliable and cost-effective option than satellite broadband, which has high equipment costs (around \$5,000–\$6,000) and unproven performance in India.

Heritage Foods Ltd**CMP: INR 385 | Mcap: INR 35.73 Bn**

Outlook: Heritage Foods has established a strong reputation in the dairy industry, particularly in southern India, with about 90% of its revenue generated from this region. The company focuses primarily on dairy products after exiting the supermarket business in 2017. Overall, we are confident in their operational model, commitment to quality, and strategic growth initiatives that are expected to drive profitability while maintaining strong consumer relations in diverse markets.

Key financial highlights: Achieved revenue of approximately INR 3,045 cr in the first nine months of the current financial year, projecting to exceed INR 4,000 cr by year-end. Positioned itself as a leader in farmer empowerment by ensuring fair pricing and quality standards through its procurement from over 300,000 farmers across 11,000 villages.

Heritage Foods maintains a **unique selling proposition** through its federated structure, ensuring milk remains fresh by chilling at source. They have raised their value-added products' contribution to 32% of total sales and aim for 45% in the coming years.

Sourcing Costs & Pricing Strategy: The management elaborated on maintaining margins despite recent fluctuations in milk procurement prices and the company's goal to balance cost structures while ensuring a premium on product pricing.

Market Competition: Competition from both local cooperatives and national brands but emphasized that Heritage's focus on quality and direct farmer payments has attracted more suppliers.

Expansion Plans: The company is cautiously expanding its footprint in new markets like Maharashtra and West Bengal while leveraging quick commerce platforms to grow sales.

Future Growth Projections: Heritage Foods aims for sustained growth, projecting a CAGR of 14.5% over the past four years and striving for double-digit margins in the coming five years. They remain committed to delivering EBITDA in the corridor of 7-8%, while also indicating that this quarter is expected to outperform previous years due to strategic efforts. Furthermore, the management mentioned their strategy to enhance operational efficiency and cost management. They have focused on margin spread, which balances revenue against procurement and operating costs. This involves optimizing operational costs and ensuring that even if raw milk prices fluctuate, the company can manage to maintain its margins through effective operational practices.

Hariom Pipe Industries Ltd**CMP: INR 333 | Mcap: INR 10.32 Bn**

- Company is a leading vertically integrated steel manufacturer with 17 years of experience, operating four facilities across Southern India (71,232 metric ton annual capacity).
- Secured a 60 MW solar plant in Maharashtra (25-year PPA) to bolster ESG commitments and create annuity-style cash flows.
- Produces ultra-thin pipes (0.4 mm thickness), a rare capability in India, ensuring margin advantages.
- Commands 9.5% market share in India's low-thickness (0.3-2.5 mm) steel pipes, contributing 56% to revenue.
- Revenue CAGR of 64% from FY22–FY24 (INR 1,600 Mn to INR 11,500 Mn) with consistent profitability.
- Aims for 30% volume CAGR over two years via rural market penetration, dealer network expansion, and operational efficiency.
- Debt-to-equity ratio at 0.73 (December 2023); net debt to reduce to INR 670 Mn in two years.
- Reduced Working Capital cycle by 12–14 days in FY24; further improvements expected through scale and channel financing.
- GP coils, MS pipes, and scaffolding systems drive margins; targeting higher share of value-added products.
- Average realization at INR 55,902/ton (9M FY25); expects INR 1,500–2,000/ton rise post-duty hikes.
- Government's 12% import duty on steel curbed Chinese dumping threats, supporting domestic pricing.
- Crossed 2.4 lakh metric tons in FY25 volumes; projects 30–35% growth in FY26.
- Maintained INR 6,900/ton EBITDA in Q3 FY25 despite pricing pressures; cost efficiencies to sustain margins.
- Minimal upkeep costs due to efficient operations; focus on sweating existing capacity.
- Steel demand to grow double-digit, driven by infrastructure, real estate, and irrigation sectors.
- Solar adoption and backward integration reduce power/logistics costs, aligning with India's renewable goals.
- Vertical integration, niche product expertise, and a robust 800+ dealer network create entry barriers.

Hero MotoCorp Ltd

CMP: INR 3,630 | Mcap: INR 726.04 Bn

Retail numbers are lower than last year but are sequentially improving. Demand is expected to pick up closer to Navaratri and the wedding season. Slower GDP growth has impacted the industry. Rural areas have been affected by weaker winter rainfall, while urban areas are facing challenges in job creation and salary increases. RBI tightening has led to some slowdown in financing. The government has provided a consumption-supporting budget.

- The auto industry body SIAM projects a 5-8% growth for two-wheelers next year.
- Hero MotoCorp has several new launches planned, especially in scooters and premium bikes.
- Hero's global business exports are growing at almost twice the industry rate.

The excitement in the EV market has slowed compared to a couple of years ago. OEMs have gained substantial market share in the EV segment. However, the EV industry still faces challenges in pricing and profitability.

- Hero plans to launch a more affordable EV product early next financial year.
- Hero's EV sales have grown from 2,000 to 7,000 units, with a target of 8-10,000 units next year.
- Hero has invested in Euler, an EV three-wheeler company, as an adjacent opportunity.
- Hero is targeting sequential market share improvement.
- New scooter launches (Destiny and Zoom 125) aim to increase urban market share.
- Premium bike launches include the Extreme 250 and 210X Pulse.
- The company is planning to enter new international markets, including Brazil and the Philippines.
- Rural demand recovery is still awaited.
- Hero has been recognized globally for its sustainability efforts, ranking high in DJSI ratings.
- The company plans to maintain its investment in Ather Energy through its upcoming IPO.
- Recent management changes are part of succession planning and the organizational lifecycle.
- Hero aims for 100% carbon-neutral operations by 2030, currently at 40%.
- ESG: Hero targets 100% green dealerships by 2030, currently at 17%.
- Hero FinCorp provides 25-33% of Hero's financing.
- In export markets, Hero is positioned differently based on the market's development level.
- 40% of Hero's export sales are in the premium segment.
- Hero is working on strategies to recover rural market share from competitors like Bajaj and TVS.

HFCL Ltd**CMP: INR 79 | Mcap: INR 114 Bn****Revenue**

Revenue is expected to reach INR 100bn over the next 3 years.

Margins

EBITDA margins vary by segment, with defense products offering mid-20% margins compared to 8-12% for projects and 16% for other products.

Capacity expansion

HFCL maintains manufacturing facilities in Hyderabad, Goa, Chennai, Manisa, and Kosur, with plans to expand fiber production capacity from 14 mn to 34 mn fiber kilometers and cable capacity from 25 mn to 35 mn fiber kilometers in the coming months.

Exports

Export revenues are projected to contribute 40% of total revenue in the next three years.

The company is actively pursuing international markets, particularly the US and Europe, for its telecom and defense products.

Growth drivers

In India, major demand drivers include the BharatNet program, hyperscale data centers, and railway modernization projects.

Passive connectivity solutions

The company has also entered the passive connectivity solutions market, targeting INR 2bn in first-year revenue with aspirations to reach INR 5bn.

Product Portfolio

HFCL has developed a comprehensive range of products including various fiber optic cables, 5G equipment, Wi-Fi access points, routers, and defense electronics like thermal weapon sights and radars.

Industry

The global fiber optic cable market shows signs of recovery after a period of destocking, with the US market alone expected to demand 120 mn fiber kilometers this year.

UBR and Datacenter

HFCL competes with international players like Cisco, Nokia, and Juniper in telecom products while positioning itself as the only Indian manufacturer of certain specialized products like UBRs.

The company manufactures 5,000 UBRs (Uninterrupted Bandwidth Routers) daily and has supplied over 500,000 units to Indian telecom operators.

The company sees significant opportunities in data center connectivity solutions and defense electronics, where it has developed proprietary technologies.

HLE Glascoat Ltd.**CMP: INR 250 | M.Cap: INR 17.09 Bn**

- Capacity Utilization ranges 70-90% across plants. GLE (Anand) at 75-90%, filtration & drying (Maroli/Selwas) at 70-90%, and heat exchangers (Ambarnath) at similar levels.
- Four Indian plants and German subsidiary Thaletech GmbH, a leader in European GLE with proprietary technology.
- Thaletech Growing 7-10% annually with 13-15% EBITDA margins. Facilitated US market entry.
- ~50% share in domestic filtration & drying, 30-33% in GLE; 40-50% in heat exchangers (organized sector).
- INR 6,830 Mn consolidated order book (Dec 2024). Pharma contributes 55-60%, specialty chemicals 15-20%, agrochemicals subdued.
- Filtration & drying margins (currently 13%) expected to rebound to 17-19% as pricing pressure eases.
- Targets 15% contribution for service segment in India (currently 10%); 30-35% in Germany due to older installations.
- High retention via product quality and service. Cross-selling GLE and non-GLE products to expand wallet share.
- Land acquired near Anand for phased capacity addition. Focus on Thaletech's tech to boost GLE competitiveness.
- Pharma (API) near cycle peak; agrochemicals/specialty chemicals expected to recover post-trade uncertainties whereas Dyes/pigments remain stagnant.
- Elevated Working Capital due to record orders but manageable with reputable clients
- No major expansion capex; maintenance focus. Term debt reduced post-March 2024.
- 10-15% of India sales are exports.
- Launched automated filtration/drying solutions for Industry 4.0 integration, enhancing customer stickiness.
- GMM Foud is key competitor in GLE. No new entrants; pricing pressure easing.
- Minimal threat from Chinese capital goods due to comparable pricing and quality.
- Filtration & Drying Market Size: Domestic market ~INR 5,000-5,500 Mn, growing at 10-15%.
- Expanding into non-chemical sectors (e.g., paints, petrochemicals) via Kinam acquisition.
- Strengthen leadership in filtration & drying, leverage Thaletech's IP for GLE growth, and scale service revenue through after-sales networks.

Home First Finance Company India Ltd**CMP: INR 1,014 | Mcap: 91.33 Bn**

Home First Finance Company India Ltd aims for 20,000 crore AUM by March 2027, maintaining 30% annual growth through technology-driven operations, centralized underwriting, focus on affordable housing (10-15 lakh ticket size), expansion in existing and new states, potential ratings upgrade, stable asset quality with 30 bps credit cost, and possible co-lending opportunities due to revised PSL norms.

1. Business Overview:

- Home First Finance is an affordable housing finance company, catering primarily to first-time homebuyers.
- Established in 2010 and listed in February 2021, the company has expanded to 149 branches across 141 districts in 13 states/UTs.
- As of December 2023, the Assets Under Management (AUM) stood at INR 11,900 crore.

2. Growth Targets:

- The company aims to achieve an AUM of INR 20,000 crore by March 2027, maintaining a 30% annual growth rate.
- Plans to open 30-40 new branches every year to enhance market penetration.

3. Technology & Operational Efficiency:

- The company leverages digital platforms for sourcing, underwriting, and collections, ensuring cost efficiency.
- Uses Salesforce and in-house technology for underwriting, which is centralized at the head office.
- No separate collection team; branch staff manage collections, contributing to operational cost leadership.

4. Financial Performance & Asset Quality:

- Reported ROA of 3.4% and ROE of 16.5% as of December 2023, with a targeted spread of 5%.
- Credit cost guidance remains low at ~30 bps, and OPEX/assets ratio is lower than industry peers.
- GNPA at 1.7% (1.4% under earlier RBI norms), with early delinquencies remaining better than industry benchmarks.
- 70% of the loan book comprises customers with monthly incomes between INR 20,000-50,000.

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5. Funding & Capital Strategy:

- Planning a Qualified Institutional Placement (QIP) of up to INR 1,250 crore to reduce leverage and strengthen the balance sheet.
- Management expects a credit ratings upgrade post-fundraise, which could lower the cost of borrowing by 10-15 bps.

6. Product Mix & Competitive Landscape:

- Customer base consists of 70% salaried and 30% self-employed individuals.
- Loan Against Property (LAP) remains an ancillary product but generates yields ~150 bps higher than home loans.
- Faces strong competition from banks and housing finance companies (HFCs), but fintech disruption in housing remains limited.
- Balance transfer rates remain stable at 6-8%.

7. Regulatory Developments & Industry Outlook:

- RBI's PSL limit increase to INR 50 lakh is viewed as a net positive, potentially enabling co-lending opportunities in the INR 35-50 lakh segment.
- Banks' on-lending norms remain unchanged at INR 20 lakh, keeping funding conditions stable.
- Management remains confident about sustained growth due to the structural demand for affordable housing.
- Plans to deepen market presence in existing states rather than aggressive geographic expansion.

HP Adhesives Ltd**CMP: INR 48.2 | Market Cap: INR 4.43 Bn****Margins**

9MFY25 gross margins stood at 37% and the company targets 40%+ going forward.

New product launches

Epoxy adhesives trials are ongoing, PVA adhesives (Fevicol equivalent), silicon sealants (doubling annually).

Epoxy Adhesives are high-margin (40%+) segment; trials completed, launch imminent.

The company is targeting woodworking/furniture market (alternative to Fevicol) for PVA Adhesives.

Solvent Cement

Solvent cement accounts for 55%-60% of revenue and growing at 15% CAGR.

Synthetic rubber adhesives sales led by auto and foam applications.

Distribution Network

The company has 1,500+ distributors and adds 150-200 annually ensuring reach across 150,000+ retail counters. To enhance penetration, a secondary strategy focuses on direct retailer engagement, reducing dependency on distributors.

Exports

Exports contribute 10% of revenue (Middle East, Africa, USA), with a targeted 20%+ growth in international markets.

Targeting South America & Asia, leveraging NSF certification.

Working Capital

Net Working Capital maintained at 27–29% of sales, intending to reduce to ≤25%.

Receivables are tightly managed at <60 days (45–60 days for distributors).

Capacity expansion

Current Capacity stood at 13,500 MTPA (70% utilization), with modular production lines allowing quick scalability.

The capex for epoxy adhesives (~10% capacity addition) and PVA & contact adhesives (25% capacity expansion).

Industry

The industry is growing 8–10% CAGR, driven by real estate/infrastructure; silicon sealants growing at 12–15% CAGR.

Competitors

SRF, Pidilite; differentiated by direct distributor reach and in-house R&D.

Raw materials

Crude-linked solvents/chemicals (~60% of COGS), mostly imported.

Price volatility is managed via long-term supplier contracts; and limited direct crude price correlation.

Inspire Films Ltd**CMP: INR 20 | Mcap : INR 0.28 Bn**

Outlook: The content industry has experienced significant challenges due to a pause in monetization across broadcasters and OTT platforms, which affected various development projects. The company has taken proactive steps by creating a robust pipeline of new projects, demonstrating optimism for the upcoming year with multiple shows in production and development stages. They expect to achieve healthier margins as more projects enter production. The fixed costs associated with production will be spread across a greater number of projects, potentially leading to increased profitability. They anticipate that the year 2025 will be particularly strong, as many delayed projects have now been greenlit and are expected to monetize soon. Overall, despite the short-term challenges with cash flow conversion, the management's outlook reflects confidence in the company's ability to navigate these issues and capitalize on new opportunities in both the television and OTT sectors.

The emergence of new content formats, such as micro dramas, which they see as a key area for growth due to changing viewer preferences for shorter, mobile-friendly content. The company has already initiated projects in this space and expects a broad international reach through strategic partnerships, which further indicates a positive trajectory for future performance.

Introduction and Company Background: Yash Patanik outlined his extensive experience in the media space, emphasizing Inspire Films' impressive portfolio of successful TV shows and OTT content. The company has produced hit series such as "Ek Veer Ki Aazm Veera", "Sadda Haq", and "Kuch Rang Pyar Ke Aise Bhi".

OTT Success: Inspire Films has shifted focus towards OTT platforms, producing high-viewership series like "Dr. ISHQ" for Hotstar and "Zakhmaash" for MX Player. The management highlighted the relevance of their content on platforms like YouTube, appealing to younger audiences aged 18-24.

Current Industry Landscape: The media industry faced challenges due to mergers affecting broadcast and production schedules, but recovery is underway with numerous projects being greenlit for production.

Future Projects: Upcoming projects include a drama series for a major broadcaster, set to begin shooting soon, as well as several micro-drama productions tailored to mobile users. The company is exploring opportunities to leverage AI for dubbing and reaching international markets.

Financial Concerns: There are concerns with the company's cash flow and inventory management. Cash flow challenges exist due to the nature of the industry, where payment is typically received after a significant delay post-aired content. There is no difficulty in collecting payments, as contracts with established broadcasters provide secured investments.

Margins and Profitability: The typical margins for commission-based programs range from 10-18%, with potential increases for long-running series. We expect improved margins with increased project volume, leading to better profitability as they capitalize on their robust pipeline of content.

Intellectual Property (IP): IP ownership largely rests with the broadcasting platforms, though Inspire is negotiating to retain some IP rights in exchange for discounts. They are actively developing their own IP through initiatives like Fresh Mint.

Market Trends: The shift towards digital and mobile content consumption is acknowledged, but the management expressed confidence that traditional television remains crucial for reaching broader family-oriented audiences. We believe television will continue to coexist with digital platforms.

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Interiors & More Ltd

CMP: INR 420 | Mcap: INR 2.94 Bn

Outlook: Company has showed continued growth, driven by its asset-light model, strong export presence, and established relationships with luxury event planners and hospitality clients. Management's focus on product innovation, regional expansion, and enhanced digital capabilities is expected to strengthen its market position. With investments in R&D, virtual showrooms, and sustainable décor solutions, the company is targeting improved margins and revenue growth in the medium term.

- Company is a premium B2B décor and event prop solutions provider specializing in artificial plants, trees, floral arrangements, wedding canopies, thematic installations, and customized display elements tailored to event-specific requirements.
- The company adopts an asset-light model, outsourcing ~70% of its manufacturing to a reliable base of vendors while retaining complex and customized product manufacturing in-house to ensure quality, margin preservation, and design accuracy.
- Export revenue contributes ~55% of total turnover, with major markets including the UAE, Australia, UK, and parts of Europe. The company benefits from high client retention and repeat orders in these markets.
- The domestic business caters largely to large-scale event planners, wedding decorators, and luxury hospitality clients across metro cities. The company serves more than 500 active clients annually.
- The company's product portfolio spans over 5,000 SKUs and is continuously refreshed with seasonal and thematic designs, offering clients full customization capabilities.
- H2 contributes ~60–65% of annual revenue due to the seasonal nature of weddings and events. Q3 is typically the strongest quarter driven by festive and wedding-related demand.
- Company registered revenue of INR 50.2 Cr in FY23 with a 16.9% EBITDA margin and PAT margin of 10.4%, reflecting strong operating leverage and cost efficiency. FY21–23 revenue CAGR stood at ~34%.
- The company maintains high capital efficiency with ROCE at ~40% in FY23, supported by low working capital cycle and minimal fixed asset intensity.
- Management is exploring foray into premium home décor and retail gifting solutions as an adjacent B2C segment leveraging existing vendor capabilities and design expertise.
- The firm is working on digitizing its catalog and creating a virtual showroom for overseas clients, aiming to reduce sampling turnaround time and enhance international conversion.
- Technology upgrades include the potential use of AR/VR tools for client previews and theme simulation to accelerate design approvals and reduce custom order rework.
- Plans are underway to establish regional warehouse hubs in Dubai and the UK to reduce shipping times and improve cost efficiency for international clients.
- The company has initiated vendor development programs to ensure better QC practices and capacity enhancements for complex SKUs, especially those involving intricate designs and materials.
- Increased emphasis is being placed on sustainable materials and reusable products, aligning with global trends in eco-conscious event décor and ESG themes.

IOL Chemicals & Pharmaceuticals Ltd

CMP: INR 61.2 | MCap: INR 17.95 Bn

IOL Chemicals is in a **strategic expansion phase**, with **capacity additions in paracetamol and metformin**, **strong backward integration**, and a **growing export focus**. The **recovery in ibuprofen demand**, **stabilized chemical prices**, and **expansion into regulated markets** provide a **clear growth trajectory**. The company's ability to **scale production**, **maintain cost leadership**, and **execute its expansion plans** will be critical to long-term profitability.

Business Performance & Growth Outlook

- **Revenue Contribution: 30% of revenue from exports**, primarily in **Europe, Latin America, and the Middle East**.
- **Expansion in Regulated Markets: Currently, only 1% exports to the US**, but the company aims to **increase presence in US, EU, and Japan** for long-term growth.
- **Revenue Growth Target: 10-12% CAGR** over the next few years, supported by **capacity expansion and export growth**.

Ibuprofen & Chemical Segment

- **Ibuprofen Business: Market demand is recovering**, and prices have **stabilized** after a correction phase.
- **Production Capacity: Running at 80-85% utilization**, with expectations of **margin improvement over 1-2 years**.
- **Chemical Division: Key products (ethyl acetate & acetic anhydride)** have seen **stable prices for the last 3-4 quarters**, and exports to **Europe** have commenced.

Paracetamol & Metformin Expansion

- **New Paracetamol Plant: 10,800 TPA capacity** with **full backward integration**, ensuring cost advantages. **FY26: 35-40% utilization; FY27: 75-80% utilization**.
- **Revenue Potential: ~INR 300 crore at peak utilization** with **14-15% EBITDA margins**.
- **Metformin Expansion: Existing capacity 600 TPA (running at 90-95% utilization)**; plans to **increase capacity to 11,200 TPA** by converting an old paracetamol plant.

Future Investments & R&D

Land Acquisition: 101 acres acquired for **future expansion**, focused on **existing API and chemical businesses**.

R&D Focus: INR 7-8 crore annual spend (~2-3% of revenue); emphasis on **process improvements** over molecule discoveries.

Product Pipeline: Developing ibuprofen derivatives and improving production efficiency.

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IRB Infrastructure Developers Ltd**CMP: INR 45.2 | Mcap: INR 273 Bn****Order book**

The order book stood at INR 315bn (~4.2x of FY24 revenue). The order book ensures revenue visibility over next 3-5 years.

EPC order book stood at INR 32bn as of Q3FY25.

The order inflows were delayed, especially NHAI-related TOT and BOT projects, and expected a strong rebound over the next 2 months.

InvIT

IRB Infra is moving towards InvIT with an EV of INR 150bn.

Private InvIT dividend stood at INR 540mn in Q3FY25. Overall, the dividend stood at INR 1,900mn in 9MFY25.

InvIT Model Supports Deleveraging, allowing capital recycling for new projects.

Monetization

The monetization process is anticipated to unlock equity capital of INR 80bn, which can be deployed into new projects. The capital allows participation in additional projects of INR 250bn.

Other highlights

The company has a 10% market share in pan-India toll revenue.

IRB's interim dividend stood at INR 600mn in Q3FY25 and INR 1,180mn in 9MFY25.

Western and Southern India continue to be major focus areas. The company is expanding presence in North and Central India to capture new opportunities

Jay Bee Laminations Ltd

CMP: INR 220 | Mcap: INR 4.98 Bn

Outlook: Company is well-positioned to capitalize on the robust demand in the transformer lamination industry, supported by its ongoing capacity expansion and operational efficiency initiatives. The company's efforts to diversify its product mix, increase contributions from assembled cores, and pursue approvals for higher voltage classes are expected to enhance its competitive edge. Additionally, strategic focus on optimizing working capital and managing interest costs should drive margin stability. With a favourable industry backdrop and growth-oriented initiatives, the company is likely to achieve sustainable and improve profitability. The company's current installed capacity stands at 20,000 metric tons, up from 18,000 tons at the beginning of FY2024. Plans are in place to further expand capacity to 24,000 tons by September 2025, supporting anticipated growth in demand.

- Operating at an efficient capacity utilization rate of approximately 85%, reflecting robust order inflows and strong operational efficiency.
- Targeting a significant increase in sales volume to 16,000-17,000 tons in FY25, compared to 9,500 tons in FY24, indicating a solid growth trajectory.
- Expecting revenue growth from INR 300 Cr. in FY24 to INR 370-400 Cr. in FY25, supported by higher volumes and an improved product mix.
- Management aims to maintain EBITDA margins in the range of 10-15% through better operational efficiencies, cost control measures, and a growing contribution from higher-margin products.
- The company has applied for 400 kV class approval from PGCIL and anticipates approval soon. Additionally, plans are in place to apply for 765 kV class approval to enter the high-voltage segment, enhancing its competitive positioning.
- Approximately 70-80% of raw materials are sourced domestically, with 20-30% imported. The recent acquisition of JSW Steel's Nashik plant is expected to boost domestic supply, improving raw material availability and pricing.
- The overall industry demand is expected to rise from 3 lakh tons to 4 lakh tons over the next two years, driven by growing infrastructure projects, increased renewable energy adoption, and investments in transmission and distribution networks.
- Currently, around 75% of revenue is derived from cut laminations. The company is actively increasing its focus on assembled cores for export markets to capture higher margins and strengthen its global footprint.
- High-interest costs are primarily driven by LC discounting and purchase bill discounting. The management is implementing measures to optimize operations, reduce working capital needs, and minimize financing expenses.
- Exploring forward integration opportunities into core coil assemblies and small transformers to increase value addition, enhance margins, and diversify revenue streams.
- Strengthening export market presence by expanding its international client base, with plans to leverage its product quality and timely deliveries to gain a larger market share.
- Implementing automation and process improvements to enhance productivity, minimize waste, and maintain product quality while reducing operational costs.
- Committed to a disciplined capital expenditure strategy for capacity expansion, while maintaining a stable balance sheet and ensuring financial resilience.
- Building on its established market presence, strong customer relationships, and product quality to strengthen its leadership position in the domestic and international markets.

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Jeena Sikho Lifecare Ltd**CMP: INR 2,183 | Mcap: INR 54.26 Bn**

Management discussed the company's focus on Ayurveda, Yoga, and holistic healing, highlighting their extensive network of 48 hospitals and clinics with a current occupancy rate of 70%. They reported significant revenue growth projections, increasing from 130.36 crores in FY21 to an anticipated 325 crores by FY24, with a revenue distribution of 55% from medicines and 45% from Panchakarma services. Strategic plans for international expansion, particularly in Dubai, were outlined, alongside commitments to enhance corporate culture and management at each facility. The call also emphasized product development initiatives, including collaborations with top institutions and the launch of new vitamin products, as well as the strengthening of partnerships with government health schemes and insurance companies. The company aims to improve occupancy rates to 55% and prioritize in-house manufacturing for better quality control of over-the-counter products.

Key Highlights

- The company focuses on Ayurveda, Yoga, meditation, and healing
- 48 hospitals and clinics with 70% occupancy
- Integrated approach: homeopathy, naturopathy, allopathy
- Revenue growth from 130.36 cr in FY21 to projected 325 cr in FY24
- Revenue split: 55% medicines, 45% Panchkarma services
- Average bed revenue: 7,900 per day
- 51% average occupancy, aiming for 55%
- International expansion plans, including Dubai
- Focus on corporate culture and proper management in each hospital
- Revenue generation: 45% from medicines, 55% from services
- 50% of service revenue from government panels
- Developing vitamins B6, B12, and D3
- Collaboration with All India Institute of Medical Sciences
- Emphasis on Panchkarma for detoxification and longevity
- Launch of meditation classes and pet city report
- Treatment for various conditions, including cancer and kidney problems
- Partnerships with government health schemes and security forces
- Panels with health insurance companies
- Focus on in-house manufacturing of OTC products
- Quality control and exclusive agreements for specific products
- Products for sugar, kidney, depression, and anxiety issues
- Increase average occupancy to 55%
- Expand international presence, starting with Dubai centers
- Develop and launch new vitamin products (B6, B12, D3)
- Enhance corporate culture and management in all hospitals
- Strengthening partnerships with government health schemes and security forces
- Focus on in-house manufacturing and quality control for OTC products

Jeyyam Global Foods

CMP: INR 35.2 | Mcap: INR 1.67 Bn

Outlook: Company holds a strong market position in the fried gram segment, supported by efficient procurement strategies and stable margins. With plans to expand into North and West India, the company aims to strengthen its market presence through product innovation and R&D-driven launches. Operational efficiencies and automation further enhance profitability.

- Holds a dominant position in the fried gram market with a 13% market share in India, leveraging its extensive distribution network.
- Tamil Nadu represents 60% of the country's total fried gram consumption, providing a significant market base for the company.
- **Chana:** Raw material sourced from key agricultural states, cleaned, and graded using automated machinery to ensure consistency in quality.
- **Fried Gram (Futana/Dalia):** Produced using a sand puffing process that ensures a moisture-free product, enhancing shelf life and consumer satisfaction.
- **Besan (Gram Flour):** Processed from premium-quality Chana using stringent quality checks, catering to both retail and industrial demand.
- Strong brand presence across the southern states with aggressive plans to strengthen recognition and become a household name nationwide.
- Expansion strategy includes penetrating North and West India, supported by regional distributors and localized marketing efforts.
- Focus on both B2B and B2C channels to optimize revenue streams and capture a larger market share.
- Enhanced procurement strategy with a focus on direct sourcing from farmers, resulting in a 3% sourcing cost advantage.
- Strengthening distributor networks to ensure broader product availability, leveraging strategic partnerships with regional wholesalers.
- Implementing targeted digital marketing campaigns to build brand awareness, using influencer collaborations and e-commerce platforms.
- Efficient procurement from major producing states including Maharashtra, MP, Gujarat, Rajasthan, Punjab, and Haryana, ensuring a steady supply of raw materials.
- Maintains stable gross margins of approximately 8%, supported by operational efficiencies and effective cost management.
- Investments in automation to streamline production processes, reducing wastage and increasing throughput.
- Focus on cost management through effective vendor negotiations, lean inventory practices, and energy-efficient operations to sustain margins despite inflationary pressures.
- Plans to launch 80-90 new products based on ongoing R&D initiatives, including value-added Chana-based snacks and convenience foods.
- Emphasis on geographical expansion to penetrate untapped regions, supported by data-driven market analysis.
- Strengthening supply chain capabilities by integrating technology for real-time tracking and predictive inventory management.
- Focus on increasing brand visibility in both domestic and international markets, targeting ethnic and health-conscious consumers.
- Exploring partnerships and collaborations with regional and international food processors to expand the product portfolio
- Management remains optimistic about growth prospects over the upcoming financial years, backed by strong consumer demand and expanding product lines.
- Continued focus on scaling operations through capacity expansions and entering new markets.

Jindal Saw Ltd**CMP: INR 270 | MCap: INR 172.72 Bn****Guidance**

- Company forecasts a conservative 5–7% YoY volume growth, with value growth tied to the volatility of raw material prices.
- Ebitda margins expected to remain in the 17–18% range, largely maintained by passing stable raw material prices to customers.
- Capacity improvements are underway, particularly in the seamless pipe segment through debottlenecking and maintenance CAPEX.
- Company expected to increase its seamless pipe run rates from 60–65k to 80–90k tons per quarter by FY26.

Business Updates

- Primarily engaged in pipe manufacturing with a capacity of ~2.5 Mn tons across multiple plants in 6–7 states.
- Operates an iron ore mine and beneficiation plant in Bhilwara, Rajasthan with a capacity of 1.65 Mn tons.

Revenue Drivers

- Company's water segment dominates revenue 60–65%, with a focus on supplying helical and ductile iron pipes for irrigation, sanitation, and drinking water infrastructure.
- It produces longitudinal and helical pipes for O&G segment with about 20–25% export exposure, primarily targeting the MENA region due to geographic advantages.

Order Book

- The company maintains a healthy order book between \$1.3 to \$1.5 Bn overall, sufficient to cover production needs for the upcoming nine months.

OCTG Segment

- The OCTG (casing, tubing, and drill pipes) market remains consolidated due to stringent API and customer-specific approval processes.
- Major end-user, ONGC, drives stable and predictable demand in the domestic market.

Expansion & Product Development:

- Company's recent acquisitions have increased capacity to 40% increase in the DI segment. It plans to enhance capacity further, especially in the South division.
- Development of a hydrogen pipe product is in progress, with approvals pending.
- It has already expanded capacity in the DI segment from 5–7 units to 8 units, will enhance the volume growth and support revenue growth.

Capacity Expansion & Utilization

- Management is actively for expansion with decisions are being made cautiously, taking into account future demand over the next 3–5 years.
- Company's overall capacity utilization for stainless steel and seamless segments is at about 60–65%, with expectations of improvement post-debottlenecking.

Geographic Mix

- With ~65–70% of revenue derived from the stable domestic market, the company is less affected by global geopolitical tensions.
- Company remain focus on exports, particularly to the MENA region, continue to be robust, supported by stable oil prices and evolving demand in both oil & gas and water projects.

Competitive Landscape:

- Despite global challenges such as tariffs and competitive pressures from China, stringent approval processes and customer-specific requirements safeguard the company's niche market position.

Other Updates

- NTPC legal matter remains unresolved, with the company actively exploring legal options and promising to update stakeholders as developments occur.
- Hunting joint venture is performing well with an order book of ~INR 1,230 Mn, operating consistently at 70–80% capacity, with plans to support additional seamless pipe production.

Jupiter Wagons Ltd

CMP: INR 368 | Mcap: INR 156.13 Bn

Revenue

Revenue is expected INR 50bn in FY26E and INR 80bn in FY28E. The company is targeting INR 100bn in the next 4-5 years.

Wagons business is expected to grow 10%-15% in FY26E.

Wagon business revenue share is expected less than 50% by FY28E.

Margins

EBITDA margins are expected around 14%-18%, due to operational efficiencies, Shift towards higher-margin products (defense transport, specialized wagons), Cost control measures & supply chain optimizations.

Order book

The order book stood at INR 63.2bn as of Q3FY25. The wagon order book stood at INR 55bn.

Around INR 20bn order book is expected for private wagons.

Wagons

The capacity stood at 10,000 wagons per annum. Wagon volumes are expected to be 9,000 wagons in FY25E.

50% of wagon execution is from private wagons.

Wheelset

Wheelset business revenue stood at INR 2.25bn as of 9MFY25 and is expected to reach INR 3bn by FY25E. The company is focused on achieving INR 6bn revenue from the wheelset business by FY26E. The opportunity size is INR 20bn with substantial exports to Europe.

The total order book stood at INR 5.6bn for the wheelset business, and the company is setting up a wheelset production facility that will increase capacity from 20,000 wheelsets to 1,00,000 wheelsets to reduce India's reliance on imports. The capacity expansion is expected to be completed by Dec 2027.

EV

The company increased its stake from 60% to 75% in Jupiter Electric Mobility. The vehicle is launched, and the company is targeting 500 & 1000 vehicles in the first 1 & 2 years. The company has appointed dealers in 8-10 cities, and The EV vehicles are designed for last-mile connectivity and logistics integration with rail transport. The company is focused on high-capacity battery packs for heavy-duty electric vehicles. Charging stations & battery-swapping models are under evaluation for fleet electrification.

Other highlights

The company has delivered 13,000 brake discs to Indian railways and 10,000 axle boxes.

The company has supplied 230 brake systems to Indian railways for passenger coaches.

The company introduced a service for TEJ, offering a per km battery leasing model that ensures cost parity with ICE vehicles.

Around 80% of revenue is coming from wagon and freight solutions.

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Jyoti Resins and Adhesives Ltd**CMP: INR 1,225 | Mcap: INR 14.70 bn**

- Current monthly capacity stands at 2,000 tons (90% utilization). A brownfield expansion will add 1,500 tons/month over 1.5 years, with greenfield plans post-2025 to reach 3,500 tons/month.
- Gross margins hit 75% recently but are guided to stabilize at 65-70% long-term, factoring in potential raw material (VAM) price volatility of $\pm 10\%$.
- Vinyl Acetate Monomer (VAM), a fully imported raw material, is priced at INR 80-90/kg. Management expects stable medium-term prices, excluding COVID-like shocks.
- INR 50-100 Mn brownfield investments will generate INR 3000 Mn incremental revenue, keeping asset turnover ratios stable.
- Expansion targets include West Bengal, Telangana, Andhra Pradesh, and Chattisgarh, alongside doubling market share in Karnataka (15% to 30-35%).
- OEM contribution rose to 6% of revenue (from 3%), with a target of 15-20% as modular furniture and kitchen demand grows.
- 80% of focus stays on retail, driven by urbanization, real estate growth, and renovation cycles in tier 1-3 cities.
- Brand communication budgets will increase from 2% to 5-6% of revenue to boost visibility and carpenter/dealer engagement.
- The company is debt-free with INR 1500 Mn cash reserves, comfortably covering liabilities (INR 700-800 Mn).
- INR 910 Mn liability reserves adhere to Indian accounting norms, with minimal annual P&L impact (~INR 50 Mn).
- Management anticipates 10-15 years of growth from urban migration, new housing, and repair/renovation trends.
- Gujarat holds 35% market share; similar strategies aim to replicate success in Maharashtra and newer states.
- Premium offerings like waterproof+, fast-drying adhesives, and weatherproof solutions address niche carpenter needs.
- Post-brownfield upgrades, annual revenue from existing plants is projected to reach INR 5500-6000 Mn.
- Raw material hikes are passed to customers after 1-2 quarters, ensuring EBITDA margins stay within 22-25%.
- Management targets 20-25% volume CAGR over 3-5 years to cement dominance in India's synthetic adhesives market.

Kaka Industries Ltd

CMP: INR 223 | Mcap: INR 3 Bn

The company aims to achieve 30% YoY revenue growth for the next three years, expand its dealer network and geographic presence, and improve EBITDA margins to 14-15% over the next two years through backward integration, automation, and influencer marketing.

Financial Performance & Growth Outlook

- 9% YoY growth in net sales for H1, with EBITDA up 35.2% YoY.
- Targeting 30% revenue CAGR over the next 3 years.
- Current EBITDA margin: 12-13%, aiming for 14-15% in 2 years.
- Near-term net profit may be impacted by higher depreciation & interest costs from expansion.

Capacity Expansion & Operational Updates

- Total installed capacity: 54,000 MTPA, with key additions in Hollow PVC, WPC, and UPVC.
- Backward integration strengthened with a 15,000 MTPA compounding unit.
- Resolved electricity supply issues in January, now operating at 80% capacity utilization.
- Full utilization expected by FY27, with a potential peak revenue of INR 4000 Mn.

Product Portfolio & Distribution Strength

- Revenue mix: Hollow PVC (56%), WPC (25%), UPVC (6%).
- 300+ dealers across 25+ states with 4 depots (Delhi, Surat, Ahmedabad, Hyderabad).
- 96 new city expansions this year, with plans to strengthen distribution further.

Strategic Initiatives & Sustainability

- 1 MW rooftop solar installed, with plans for ground-mounted solar.
- 70% of power needs to be met by captive solar once fully implemented.
- Exploring direct engagement with real estate developers for future growth.
- No major CAPEX planned for the next 2 years, post recent expansions.

Kalpataru Projects International Ltd**CMP: INR 975 | MCap: INR 166.55 Bn****Order book**

Company order book stand at INR 614.29 Bn (+19% YoY); including L1 position of ~INR 25 Bn.

Order book breakup

Domestic projects contribute 55-60%, with government-backed infrastructure spending playing a key role.

International projects contribute 40-45%, with key markets in Africa, the Middle East, and Southeast Asia.

Margins

Margins remain in the 10-12% range, supported by cost controls and efficient execution.

Higher margins in international projects due to better pricing and lower competition.

PAT margins are 4-6% range, with cost-saving initiatives supporting profitability. Debt reduction and improved working capital cycle leading to better PAT performance.

Cash Flow & Liquidity

Receivables is expected to reduce with INR 10 Bn in collections to achieve in FY26, including INR 5 Bn from water projects and Indore asset liquidation.

Debt Repayment: INR 2.50 Bn from collections allocated to debt reduction.

Capex

Company has incurred INR 4.50 Bn, expects to reach INR 6.50 Bn in FY25.

For FY26 Capex, company will lower its guidance, as capex would be determined based on growth trajectory.

Company key focus areas is HVDC transmission, industrial projects, and high-growth infrastructure segments.

Kamat Hotels (India) Ltd**CMP: 287 | Mcap: INR 8.46 Bn**

Outlook: Management prioritizes conservative estimates over over-optimism to ensure consistent, sustainable growth. While pursuing expansion opportunities, they aim to ensure profitability through disciplined spending and targeting specific market segments. The company maintains a manageable debt of INR 103 crore and plans to use internal accruals for growth instead of increasing debt.

Business Updates: The Orchid Hotel chain continues to expand rapidly, with recent openings in Dehradun and Rishikesh and plans for further growth in cities across India, including Orissa. The company is primarily focusing on asset-light models such as lease and revenue-sharing strategies. Other brands under Kamat Hotels, like ERA, are also showing strong growth.

Strategic Insights: Expansion involves creating a balanced portfolio of leisure and corporate hotels, targeting family and wellness audiences while avoiding overlapping services. Renovations and updates to properties like Orchid Goa aim to enhance guest experiences, focusing on niche audiences and value-added offerings.

Financial Performance & Guidance: Current revenue targets are INR 360–365 cr with EBITDA margins of 28–30%. Growth projections remain conservative at 5–10%, although management hinted at higher potential with premiumization and property expansion. With premium properties coming online, the company foresees growth exceeding the current 5–10% guidance in the long term, with a higher CAGR anticipated. Management aspires to cross 30% EBITDA margins over the next 2–3 years through premiumization and operational scaling.

Other Highlights: Discretionary spending is being monitored, but the current industry metrics show resilience. Debt levels are manageable (INR 103 cr), supported by strong EBITDA and cash reserves (INR 15–16 cr). New developments, like the Navi Mumbai Airport, are expected to positively impact operations, particularly for the Orchid Pune property.

Asset-Light Model: The focus is on expanding through lease and revenue-sharing arrangements, reducing capital-intensive property acquisitions.

New Launches: Several properties are set to open soon, such as the Orchid in Rishikesh and Chandigarh. These are premium offerings expected to strengthen short-term revenue contributions.

Strategic Property Upgrades: Renovations, like the Orchid Goa's transformation, target niche audiences for better ARR and guest experiences.

Portfolio Diversification: Expansion plans include a healthy mix of leisure, corporate, and city hotels to stabilize growth during varied economic cycles.

Industry Drivers: Developments like the Navi Mumbai Airport and improved connectivity with Pune are expected to boost hotel operations and revenue streams.

Kaushalya Logistics Limited

CMP: INR 70.8 | MCap: INR 1.31 Bn

Guidance

- It has expanded into FTL (Full Truck Load) logistics, expects to reach INR 25–30 Mn/month by FY25 and exploring inorganic growth via acquisitions.
- Company plans to demerge to split logistics from e-commerce/real estate; with board approval in place, final scheme expected by April-25 to unlock pure-play logistics valuation.
- Company is the only pan-India 3PL provider in cement logistics, ensuring compliance, leakage reduction, and conflict-free operations with no ties to cement trade.

Expansion & Growth Drivers

- Company has newly added 29+ depots, taking total to 101+ depots, targeting 150+ depots by end of FY25.
- Company recent clients include ACC and Ambuja Cement, contributing to ~20 depot additions.

Geographic Reach

- Company operates in 8 states (Tamil Nadu, Kerala, Bihar, UP, Haryana, Maharashtra), with aggressive expansion planned in eastern/central India (MP, Jharkhand).
- Its annualized volume expected to reach 2.4 lakh tons in FY25 vs. 1.9 lakh tons in FY24, driven by new depots and client onboarding.
- Company evaluating acquisitions in logistics verticals and has signed NDAs for potential targets.

Operational Performance

- With strong cement logistics, company has dominant CNF agent with 101 depots; volume grew 1.5x post-listing.
- For Real Estate, company holds ~INR 400–500 Mn of assets, yielding rental income.

Market Opportunity

- Cement industry has consolidated with fewer but large competitors, driving demand for 3PL experts; still unorganized sector constitute ~70% of market, offers significant penetration potential.
- With Railway's DFC corridors, will benefit clients as it will enable faster rail logistics but the impact on KLL's depot-centric model would be minimal.
- Company has specialized cement logistics, consolidating fragmented services like clearing, warehousing and transportation building as asset-light model.

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Khazanchi Jewellers Ltd

CMP: INR 580 | Mcap: INR 14 Bn

The company expects 30-35% YoY revenue growth, driven by expansion of retail presence and favorable industry trends, while maintaining its current margin profile.

Financial Performance & Growth Outlook*

- FY25 revenue target: INR 14560 Mn.
- FY26 revenue growth target: 30% over FY25.
- Expecting 30-35% YoY growth.
- EBITDA is projected to increase by INR 200 Mn after the launch of the new showroom.
- Margins expected to improve in FY26.

Retail Expansion & Business Strategy

- Opening a 10,500 sq ft flagship showroom in Chennai.
- Total investment: INR 2000 Mn (INR 80 Mn for construction and furniture).
- Launch delayed from April 2025 to July 2025.
- B2C sales to rise from 10% to 30% post-showroom opening.
- Future expansion plans include 5-6 new showrooms over the next few years.

Business Mix & Product Strategy

- Lightweight jewelry & fast-moving items for B2B, Bridal jewellery focus for B2C.
- 70% design overlap between B2B and B2C; 30% differentiation.
- Expanding into lab-grown diamonds, particularly solitaires.

Market Trends & Digital Initiatives

- Steady demand across daily wear, lightweight, and bridal jewelry segments.
- Growing popularity of fusion jewelry blending traditional and fashion elements.
- Strong sales in the outskirts of Chennai and to traditional jewelers.
- New jewelry purchase plan app launched.
- Plans to expand digital presence post-showroom opening.

Inventory & Gold Price Impact

- Current inventory turnover: 60-70 days.
- No hedging strategy in place yet, but it is under consideration.
- Daily sales and refilling system to maintain stock levels.
- Gold is seen as an appreciating asset; its price is expected to rise 13-14% annually.
- No significant impact on sales due to gold price increase.

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Kings Infra Ventures Ltd

CMP: INR 131 | Mcap: INR 3.22 Bn

Guidance:

- Revenue Growth: Targets significant scaling from INR 920 Mn (9M FY25) to INR 40,000–50,000 Mn in 3–4 years, driven by capacity expansion (4,000 MT annual production) and retail/exports.
- EBITDA Margins: Aims to sustain industry-leading 20% margins (vs. 14–15% industry average) through operational efficiency and premium pricing.
- Monetization: Plans to generate INR 1500 Mn over 3 years from non-core land assets via joint development.

Other Key Highlights:**Operations & Capacity:**

- Current Capacity: 1,800 MT/year, expanding to 4,000 MT/year with Maritech Eco Park (Tuticorin).
- Retail Pilot: "Kings Frigo" (frozen seafood) and "Kings Bento" (ready-to-eat) launched in Bangalore; plans to expand to metro cities.
- Exports: 60% revenue from exports (Europe/China); targeting U.S. and Middle East via subsidiaries (higher-margin markets).

Financials:

- Debt: INR 490 Mn working capital limit (INR 350 Mn utilized) + INR 170 Mn NCDs (50% redemption in FY25).
- Margins: 20% EBITDA margin driven by:
 - Sista360 Protocol: 16–20 tons/hectare yield (vs. 3–5 tons industry average).
 - Premium pricing (7–10% above market) for antibiotic-free, traceable shrimp.

Market Opportunities:

- Ecuador's Decline: Power crisis reduces global supply, benefiting Indian exporters.
- U.S. Entry: Long-term play; addressing regulatory hurdles (FDA, anti-dumping duties).
- Government Support: Aligns with India's "Blue Revolution" for sustainable aquaculture.

KPI Green Energy Ltd

CMP: INR 408 | Mcap: INR 80.43 Bn

Revenue

The company targets a 50-60% YoY growth over the next 3-4 years, driven by its Independent Power Producer (IPP) and Captive Power Producer (CPP) segments.

The IPP segment, contributing 13% of revenue, is expected to grow to 30-35% with the execution of a 1.3 GW order book. The CPP segment, contributing 87%, focuses on end-to-end renewable energy solutions.

Key growth drivers include government tenders, the DREBP scheme in Gujarat, and expansion into new states like Rajasthan, Odisha, and Madhya Pradesh.

Margins and Profitability

The company maintains healthy EBITDA margins of 30-34%, supported by operational efficiency, in-house R&D, and cost-saving innovations like solar panel cleaning bots (reducing costs by 80%).

The IPP segment operates at 80-85% EBITDA margins, while the blended PPA rate for solar projects is INR 3 per unit.

Margins are expected to remain stable despite competitive tariffs, aided by economies of scale and backward integration.

Capex

KPI Green has earmarked INR 50bn for capex over the next few years, focusing on land acquisition (4,200 acres owned/leased), power evacuation infrastructure (2.6 GW capacity), and manufacturing.

It is expanding beyond Gujarat via MOUs with Rajasthan, Odisha, and Madhya Pradesh for 6 GW of projects.

The group's subsidiary, KP Green Engineering, supports vertical integration with solar structures and galvanizing facilities.

Capacity

KPI Green aims to achieve 10 GW of installed capacity by 2030, with a current portfolio of 5.2 GW (1.4 GW operational). Near-term targets include executing its 2.9 GW order book (1.3 GW IPP, 1.6 GW CPP), with INR 50bn and INR 35-45bn revenue potential, respectively.

The company expects to complete 350 MW of IPP projects by April 2024 and the remaining 900 MW by March 2026, ahead of the contractual deadline of September 2026.

Working Capital

The company emphasizes efficient working capital management, with plans to reduce debt collection cycles to 70 days.

Innovation and R&D

In-house R&D focuses on automation (e.g., centralized Network Operation Center for real-time asset monitoring) and sustainability (solar cleaning bots, predictive maintenance).

The company has filed patents for proprietary technologies and is piloting a 1 MW green hydrogen/ammonia plant.

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Krishana Phoschem Ltd

CMP: INR 238 | MCap: INR 14.40 Bn

Outlook: The demand for phosphatic fertilizers is expected to grow, with local manufacturers having significant room for expansion due to high import dependency. The company is well-positioned to capitalize on this demand with its backward integration and cost-efficient operations.

Operational Efficiency: The company has achieved optimal utilization of its NPK/DAP facility, which is expected to continue driving revenue and profitability.

Growth Strategy: Focus on **debottlenecking** existing operations to increase production capacity. Explore **inorganic growth opportunities**, such as acquisitions, if exceptional opportunities arise. No immediate plans for new greenfield or brownfield expansions, but evaluations are ongoing.

Financial Health: Priority is given to maintaining strong financial health, including reducing debt levels. The company aims to leverage improved cash flows for future growth initiatives.

Regulatory Environment: The management is cautious about regulatory challenges, particularly in the context of potential mergers or structural changes within the group.

Market Presence: The company has a robust distribution network, supplying to 9-10 states and connecting with 2,500 wholesalers and 30,000 retailers.

Operational Highlights: Recent expansions include the commissioning of a relocated NPK manufacturing plant in 2023, which is now operating optimally and driving significant revenue growth. Current production utilization for phosphoric acid and NPK/DAP is around 70-80%.

Financial Performance: The company reported strong revenue growth, primarily driven by the operational efficiency of the new NPK facility. EBITDA and return on capital metrics are among the highest in the industry.

Future Strategy: Focus on growth through acquisitions, greenfield and brownfield expansions, and debottlenecking existing operations. Evaluation of opportunities for further capacity expansion, though no immediate plans for new capex unless an exceptional opportunity arises.

Industry Context: Phosphatic fertilizer demand is growing, with 35% of Indian requirements being met through imports, creating room for local manufacturers to expand. Government regulations and subsidies play a significant role in the pricing and operational landscape.

Krishna Defence & Allied Industries Ltd

CMP: INR 674 | Mcap: INR 9.24 Bn

Outlook: Management remains confident about sustaining growth momentum, backed by a strong order pipeline, strategic partnerships, and expanding product lines. Company targets 40% CAGR growth, supported by its strong order book and expanded capacity. With stable EBITDA margins around 15% and growth from Wave Optics and its composite doors JV, the company anticipates significant developments in the next 1-2 years. Efforts to reduce the working capital cycle and a potential main board listing further strengthen its out.

- The company's current order book stands at around INR 300 Cr. as of Feb 24, supported by steady demand in the defense sector. Revenue for the first nine months of FY24 reached INR 145 Cr.
- Core product offerings include bulb bars, welding consumables, ballast bricks, armored profiles for military applications, and Bukhari stoves for the army, catering to both domestic and international defense markets.
- Company recently increased its stake in Wave Optics from 25% to 40%, recognizing the substantial growth potential in the defence electronics space. Wave Optics is expected to grow at a CAGR of 50-60%.
- A joint venture with BAE Composites is underway to manufacture fire-resistant composite doors and hatches for naval ships. With successful trial completions, the JV is in the final stages of approval, targeting both domestic and export markets.
- The company recently doubled its manufacturing capacity, with the potential to achieve INR 400 Cr. in revenue without significant additional capex.
- Operational efficiencies are a focal point, with initiatives to reduce the working capital cycle through advances from customers, shorter manufacturing cycles, and factoring or bill discounting.
- EBITDA margins currently stand at approximately 15%, with management actively pursuing further improvements through cost control and operational optimization.
- Fundraising is not anticipated for existing product lines, with sufficient capacity and cash flow to support current operations. However, the company may consider additional funding for classified defence projects under development.
- Company remains focused on expanding its product portfolio, particularly in the defence electronics and composite materials sectors, positioning itself as a key supplier to armed forces and defence contractors.
- A strategic goal is to apply for a main board listing after completing the mandatory three-year period on the SME exchange.

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KRN Heat Exchanger and Refrigeration Limited

CMP: INR 872 | MCap: INR 54.18 Bn

Guidance

- Company expects 20% YoY growth in FY25, accelerating post-bulk tendering (railways) and new product launches (refrigeration).
- Exports is expected to reach 30-35% of revenue by FY26 (vs. current ~15%), leveraging China+1 demand and competitive pricing.
- EBITDA margins to expand 150-200 bps by FY27 through backward integration, solar cost savings, and export mix.

Order Book & Execution

- - Company received initial 10-unit prototype order from BLW for railway. Expects bulk tendering of around 3,000+ units annually, after successful 6-7 month trials.
- - Company has strong order pipeline with rising demand in HVAC, current existing capacity utilization has reached at ~95% and for refrigeration, proto samples for aftermarket/OEMs will reach market by May-25.
- - Company has introduced new vertical and actively pursuing compressor/heavy machinery clients and export markets (Europe, Middle East).

Capacity Expansion

- Company's new facility bar & plate manufacturing unit is operational, supplying prototypes in 2 weeks, with bulk production will be ready by Q4FY25.
- For refrigeration/other lines are still in progress with proto trials starting April-end and expects full-scale production from Q2FY25.
- Company is automating its process to reduce labor costs by ~10%, with solar to cut power expenses by 15-20% at new plants.
- Company's refrigeration facility ramp-up is slower than expected, will commence in May-June FY25.

Sector & Regulatory Benefits

- Government Incentives like RIPS scheme to provide 1.6% revenue subsidy; PLI application under evaluation.
- Company received from agencies like BLW/DLW for railway electrification, will position as a key supplier providing access to India's ~\$3 Bn annual locomotive demand.

Export Strategy

- - Company is focusing on market penetration in U.S./Europe via price competitiveness (20-25% lower than EU peers) and faster prototyping which is currently in R&D lab cuts approval expected timelines by 12-18 months.
- - From its R&D Lab, company doing third-party testing. Expects to generate revenue of INR 150-200 Mn annually by FY26 and faster OEM approvals will boost export order conversion.

Capex & Funding

- Company has allocated capex of INR 200 Mn for R&D lab expect to be operational by Sep-25 and around INR 150 Mn for refrigeration unit.
- Company is funding via internal accruals; working capital cycle to improve with government contracts (95% advance payment terms).

Profitability Drivers

- Company manages price fluctuations of commodity by quarterly price revisions. Expects its solar and benefit from RIPS scheme to boost net margins by ~3% by FY26.
- With R&D efficiency increasing, it will reduce customer approval time, accelerating revenue recognition for new products.

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Krsnaa Diagnostics Ltd

CMP: 785 | Mcap: INR 25.36 Bn

Outlook

Company is aiming to maintain 20% annual revenue growth through a combination of expanding its PPP contracts and growing its retail diagnostic business. The company plans to invest in new radiology and pathology centers over the next 1-2 years while also focusing on improving margins through retail expansion and better receivables management.

Business Overview

- Company's primary business model revolves around Public-Private Partnership contracts with state governments.
- They also have a growing retail operations segment though it currently contributes a smaller portion of revenue.
- Company operates across 18 states in India with a significant infrastructure footprint including 178 CT and MRI centers and 121 pathology labs and have a network of over 3000 collection centers.

Revenue Mix

- PPP contracts form the major revenue stream contributing 70% of the total revenue.
- The remaining 30% of revenue comes from the private sector including retail operations and partnerships.
- The revenue mix is fairly balanced between modalities with roughly 51% from radiology services and 49% from pathology services in 9M FY25.
- The retail business currently contributes only about 2% of the total revenue indicating a significant area for potential growth.
- PPP contracts typically have long tenures exceeding 10 years for radiology services and 5 years for pathology services.

Financial Performance

- The company currently reports an overall EBITDA margin of 26-27% and current PAT margin stands at 11%.
- Radiology centers achieve strong EBITDA margins of 40-45%.
- Pathology labs have EBITDA margins ranging from 25-35%.
- Company operates with a net debt-free balance sheet indicating a strong financial position.
- Company has a planned capex of INR 1,600 – 1,700 Mn per year for future expansion.

Expansion Plans

- The company has ambitious expansion plans with 45 new CT and MRI centers and 1 new pathology lab currently under implementation.
- Increasing network with 489 new collection centers under implementation.

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Laxmi Organics Industries Ltd

CMP: INR 175 | Market Cap: INR 48.59 Bn

Outlook: Laxmi Organics is in line with their expansion plans and reiterated the guidance for FY28 with the fluoro-intermediates business and brownfield expansion at Dahej driving the growth ahead. They maintain a healthy product pipeline in fluoro-intermediates and other derivatives. The company continues to witness stable demand from end user industries like pharma, packaging and coatings while Agchem is set for recovery. Overall, the company is working on improving operational efficiencies with focus on volume growth. We have a Buy Rating on the stock with a Target Price of INR 449 based on DCF method.

- Maintains a cautious outlook on acetic anhydride spreads, noting they are likely in the bottom quartile similar to ethyl acetate. Fluoro Intermediate project is progressing well, with expectations to generate 800-1000 Mn in revenue in FY26, primarily from 4-5 key products. The company targets 40-50% of peak revenues from this business by FY26.
- In 9MFY25, the specialty business saw a volume growth of about 17%.
- Targets an asset turn of 1-2x for every dollar invested in the specialty business.
- Utilization rates for the essentials business are above 90%, while specialty business utilization is also high but measured differently due to batch processes.
- Dahej capex project is on track, with midpoint of expenditure expected in Q1FY26 and some spillover into Q2FY26. Commercial operations are expected to start contributing revenue from Q4FY26.
- Essentials business is facing muted margins with spreads in the bottom quartile, while the specialty business continues to deliver robust returns with EBITDA in the 20-25% range.
- Focus on operational excellence and has achieved volume growth in the essentials business to offset top-line declines. They aim to reduce reliance on ethyl acetate from 60% of revenues in FY24 to 40% by FY28.
- Maintains a target of 20% ROCE by FY28, with a focus on balancing their essentials and specialty businesses to manage risks and cash flows.
- The company's large capex project at their new site is on track to be completed on time and within budget.
- Margins in the essentials business remain muted, with spreads in the bottom quartile compared to the last 10 years.
- Specialty business continues to deliver robust returns with EBITDA in the 20-25% range.
- Aims to have 20% of specialty revenue derived from new products launched in the last 5 years.
- Merger of subsidiary Yellowstone Fine Chemical Private Limited has been approved by NCLT.
- Maintains high utilization rates, especially in the essentials business (over 90%).
- For the specialty business, they target asset turns in the range of 1-2x for every dollar invested.
- Sees some pressure on spreads in the acetic anhydride business, similar to ethyl acetate.
- Maintain a 70% domestic and 30% export split for its essentials business, while the specialty business has a 50-50 split.

Lumax Auto Technologies Ltd

CMP: INR 534 | Mcap: INR 36.42 Bn

Business Overview:

- Lumax Auto Technologies is a leading auto component manufacturer with tier-1 relationships with almost all OEMs in India.
- Operates through 9-10 joint ventures (9 foreign JVs, 1 domestic JV) and has 28 manufacturing facilities across the country.
- Specializes in gear shifter systems, vehicle interior comfort systems, and offers 12-13 product lines, all EV-agnostic.
- The company is divided into five segments:
 - Advanced Plastics (55% of revenue): Includes recently acquired IAC business.
 - Structure and Control Systems (20% of revenue): Gear shifters and metallics.
 - Aftermarket (12-14% of revenue): Catering to distributors.
 - Mechatronics (3-5% of revenue): Newly formed JVs with aggressive growth plans.
 - Alternate Fuel Segment: Includes Green Fuel Energy (CNG sector).

Guidance:

- Targets revenue of INR 50,000 Mn by FY27, with a CAGR of 15-18%.
- Aims to improve EBITDA margins by 100-150 basis points over the next 2-3 years.
- Expects Green Fuel to contribute INR 3000 Mn annually post-integration, with EBITDA margins of 17-19%.
- IAC business (advanced plastics) is projected to grow 20% annually, driven by Mahindra's EV models.

Other Key Highlights:

- Nine-month FY25 revenue for IAC stood at INR 8000 mn, up 20% YoY. Green Fuel's annualized revenue expected at INR 3000 mn, with 12-15% growth in FY26.
- IAC maintains EBITDA margins of 16-18%, sustainable due to economies of scale. After market segment has higher margins compared to consolidated business.
- 90-95% share in Mahindra's vehicle interior solutions. 30-35% share in CNG delivery systems (Green Fuel).
- Mechatronics JVs (Lumax Alps, Yokovo Ituran, Lumax Fae) expected to show exponential growth, targeting INR 1500 mn revenue per JV in 4-5 years. Capex of INR 3500-3700 mn planned over the next two years to support growth.
- Industry Trends has Shift from 2-wheelers to 4-wheelers; PV segment expected to settle at 55% of revenue, 2-wheelers at 25%. OBD norms (effective April 2025) to boost demand for oxygen sensors in 2-wheelers.
- Muted growth in PV sector, but confidence in outperforming industry trends due to diversified portfolio. Raw material pricing and OEM cost-down pressures managed through operational efficiency.

Outlook:

- Focus on scaling subscale JVs (mechatronics) and integrating Green Fuel for margin improvement.
- Strong order book in advanced plastics and mechatronics to drive growth towards INR 50,000 mn revenue by FY27.
- Optimistic about EV-agnostic product lines and localization of CNG components to capture future demand.

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Macpower CNC Machines Ltd

CMP: INR 792 | Mcap: INR 7.92 Bn

Outlook- CNC Macpower capacity stood at 2,000 machines and an additional 500 machines capacity is expected to be completed by Apr-25. The solar power initiative of 600KW would enhance energy efficiency and reduce costs. Around 50% of critical components are in-house and backward integration would lead to margin improvement going forward. Defence and EMS segment would lead to additional business opportunities.

Guidance

- The order book for FY25 is expected to be strong, with 15-20% orders from the defense sector. The company secured orders worth INR 420 Mn from the IMTEX exhibition in Bangalore.
- Revenue for FY25 is expected to surpass INR 2,410 Mn, with strong demand across industries.
- EBITDA margin is expected to improve from 16-20%, driven by higher-end machine sales, backward integration, and increased production.

Operational Highlights

- The company has 2 manufacturing plants and plans to set up a 3rd plant for further expansion. Manpower CNC has a strong distribution network with 31 branches across 39 cities in India. The current manufacturing capacity is 2,000 machines per year, which will increase to 2,500 machines per year by April-May 2025.
- The top 5 players dominate 90% of the CNC machine market in India, with Manpower CNC being one of them. India currently imports 45-50% of its CNC machines, creating a huge opportunity for domestic manufacturers.

Industry Outlook

- The Indian government's push for indigenization in defense has opened up significant opportunities, as tenders below INR 2,000 Mn are now exclusively for Indian manufacturers.
- The education sector is a key customer, with engineering colleges and IITs mandated to purchase CNC machines for training.

Product Development

- The company launched its first 5-axis CNC machine designed for the domestic aerospace sector. The 5-axis machine has zero backlash and gantry-type structure, offering high precision for aerospace components. Another high-speed drill-tap center was introduced for the EMS sector.
- The company is focused on import substitution, having developed HMCs, double-column machining centers, and high-speed drill-tap centers domestically. It is also exploring automation and robotics integration into its CNC machines.

Other Highlights

- The top competitors include ACE Group (30% market share), Lakshmi Machine Works (LMW), Bharat Fritz Werner (BFW), Jyoti CNC etc.
- The company's machines are 5-7% cheaper than its competitors while offering higher productivity and lower consumable costs. Foreign CNC machines cost nearly double due to import duties, shipping costs, and higher manufacturing costs abroad.
- The company is gradually entering export markets, focusing on Europe and Gulf countries where demand is high. It is in talks with European and Japanese manufacturers for JVs in manufacturing and technology sharing.
- Capex of INR 1,000 Mn (First Phase) every 2 years is planned to support expansion, including foundry integration and defense/aerospace production lines.
- The company expects 70-80% capacity utilization by FY25-FY26, reaching peak revenue potential of INR 4,500 Mn.
- Spare parts and after-sales service contribute to 30-40 Mn in annual revenue, which is expected to increase with a greater focus on services.

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Madhusudan Masala Ltd.**CMP: INR 149 | MCap: INR 2.15 Bn**

Outlook: Maintain flexibility in pricing to manage commodity price fluctuations and adopt strategic procurement practices to mitigate risks. Build strong regional teams and provide competitive margins and credit terms to distributors in new markets. Gradual reduction of unbranded sales to improve margins and establish a stronger brand identity.

Company Background: Founded in 1977 as a ground spices manufacturer, later expanding to blended spices, whole spices, and grocery products. Operates under three brands: Double R, Maharaja, and Mantavya, with Double R covering the entire product range. Manufacturing capacity: 4,800 metric tons in Jamnagar (primary plant) and 600 metric tons in a recently acquired unit.

Geographic Presence: Stronghold in Gujarat (70% of sales) and expanding to Maharashtra and other northern regions. Targeting growth in newer regions like Punjab and Chandigarh with a focus on tier-2, tier-3 cities, and rural areas.

Business Goals: Plan to achieve 30% CAGR growth over the next five years. Aim to establish Double R as a leading pan-India ground spices brand.

Operations and Marketing: Strategic raw material procurement and manufacturing process, including cold storage and natural drying techniques. Focus on growing branded sales (currently 63%) while reducing non-branded sales (goal: 15% by FY28).

Challenges and Strategies: Navigating chili price volatility through strategic procurement. Offering regionalized spice blends tailored to consumer preferences in new markets.

Future Plans: Exploring entry into exports and further capacity expansion near Rajkot. Increasing market share in blended spices and leveraging e-commerce channels. Exploring exports to new international markets post-FY26.

Revenue and Growth: FY25 consolidated revenue target is set at INR 240 cr. FY26 consolidated revenue target is INR 330 cr, with INR 300 cr from Madhusudan Masala and INR 30 cr from its Vitagri unit.

Profitability: Blended EBITDA margin improvement expected from 11-12% in FY25 to 27.5% in FY26, driven by higher contributions from blended spices and efficiencies in operations. Aim to achieve 30% CAGR over the next five years. Goal to make "Double Hathi" a leading pan-India ground spices brand.

Non-Branded Sales Reduction: Targeting a reduction of non-branded sales from 36% in FY24 to 35% in FY25, ultimately aiming for 15% by FY28.

Strategic Focus: Emphasis on increasing branded sales to 85% by FY28. Enhanced e-commerce penetration through platforms like Amazon, Flipkart, and others. Continued development of region-specific spice blends to cater to localized tastes.

Maharashtra Seamless Ltd

CMP: INR 678 | MCap: INR 90.92 Bn

Guidance

- EBITDA per ton guidance has been revised from INR 15,000 to INR 16,500, the current quarter expected to be ~ INR 16,000 per ton aligning with 9M average
- FY24 dispatch volume was ~4 lakh tons. FY25 guidance is 4.35 lakh tons, FY26 expected at 4.5 lakh tons, and FY27 expected to exceed 5 lakh tons.

Other Key Highlights

- The company holds a 55% market share in the Indian seamless pipe industry. It is one of 3 players in India manufacturing OCTG pipes, competing with Jindal Saw and ISMT Ltd.
- The company's Telangana plant capacity is 2 lakh tons, but due to a finishing line constraint, only 1 lakh tons are being utilized. A new finishing line in Telangana is expected to remove a 1 lakh ton bottleneck, becoming operational by December 2025.
- A cold-formed pipe project is under execution and will be completed by the end of the year.
- A 15-day preventive maintenance shutdown is expected in FY25, impacting production slightly.
- 70% of revenue comes from oil & gas, 15% from power & boiler, and 15% from general engineering.
- Demand from the oil & gas sector remains strong, with ONGC and BP expanding drilling activities. The company expects to benefit from increasing oil & gas CAPEX in India.
- Plans to increase premium threading segment to reduce import dependency.
- The rig segment has an investment of INR 8,000-10,000 Mn, generating low returns, with a review planned in the May 2025 board meeting.
- The company sees long-term value creation through a stable market position and prudent financial decisions.
- No major increase in ERW segment share, as the company is focused on seamless pipes.
- Promoters have acquired 1.06 Mn shares (~INR 660 Mn), reflecting confidence in future growth.
- The company's order book operates on a short cycle of 3-4 months, unlike other pipe manufacturers with 8-12 month order books.
- The ONGC-LIC contract renewal process has been finalized, securing a key revenue stream.
- The company is focusing on value-added products such as subsea pipes, drill pipes, and premium connections, which have higher margins.
- No fundamental R&D in inventing new products; rather, the company is leveraging existing technology to expand its product range.
- 90% of Maharashtra operations' electricity requirements are met through renewable energy sources. Telangana plant cannot use open-access renewable energy yet, as the government has not permitted it.
- INR 8,520 Mn capex in Telangana, Nagothane, and Mangao will improve operational efficiency rather than increase total capacity. Capex projects are expected to have a payback period in line with existing EBITDA margins (16-21%).

Mahindra Lifespace Developers Ltd

CMP: INR 309 | MCap: INR 47.97 Bn

Guidance:

- Mahindra Lifespace aims to achieve annual sales of INR 20,000 Mn in the next 3-4 years, focusing on mid-segment and affordable housing.
- Plans to maintain EBITDA margins of 18-20% by optimizing costs and improving efficiencies.
- Targeting a ROCE of 15% through efficient project execution and cash flow management.

Other Key Highlights:**Financial Performance (Q3 FY25):**

- Revenue: INR 2,440 Mn, reflecting consistent growth.
- EBITDA: INR 250 Mn, maintaining profitability.
- Net Profit: INR 160 Mn, showcasing a positive bottom line.
- Sales Value: INR 7,040 Mn, driven by strong demand for residential projects.

Operational Highlights:

- New Launches: Launched two new projects in Pune and Mumbai with a combined area of 0.77 million sq. ft.
- Pre-Sales: Achieved pre-sales of 0.64 mn sq. ft. valued at INR 7,040 Mn during Q3 FY24.
- Collections: INR 3,740 Mn collected in Q3 FY25, reflecting strong cash flow.
- Construction Progress: Steady construction across ongoing projects with timely deliveries.
- Focused on expanding footprint in Mumbai, Pune, and Chennai to cater to rising urban demand. Plans for new launches totalling over 2 mn sq. ft. in FY25.
- Emphasis on affordable and mid-segment housing to drive sales volumes.
- Committed to achieving carbon neutrality by 2040. Green-certified projects continue to drive premium pricing and customer preference. Plans to enhance water and energy efficiency across all projects.

Manaksia Coated Metals & Industries Limited

CMP: INR 82 | MCap: INR 5.83 Bn

Outlook

The company is planning major expansion projects in FY2026. These include upgrading to aluminum-zinc coating technology, increasing solar power capacity, and boosting production of pre-painted steel. These changes are expected to increase revenues by 30-40% and improve EBITDA margins. The company also aims to raise export revenues to make up 45% of total sales. They plan to expand production capacity to 350,000 tons per year in future phases. Management believes there is strong growth potential in the market for value-added steel products, supported by demand from infrastructure and construction in India and opportunities for exports.

Company Overview and Products

- Main manufacturing operations are in Kutch, Gujarat, with additional facilities in Hyderabad, Bhopal, and Guwahati.
- The company has grown at a CAGR of over 18% in the last 5 years.

Export Business and Growth Strategy

- Company holds a Three-Star Export House status with exports accounting for 40% of production primarily targeting European markets.
- Aiming to expand export contribution to 50% of total revenue by FY26 enhancing global market presence.

Financial Performance

- Net profit for 9M FY25 is already 67% higher YoY indicating strong financial momentum.
- Sales Volume Projections: For FY25: 105,000 – 110,000 tons and for FY26: 140,000 – 150,000 tons.

Expansion Plans

- Aluzinc Technology Upgrade - Converting the existing galvanizing line to Aluzinc for enhanced product quality and increasing production from 140,000 tons to 180,000 tons per annum. Capex used for this project is INR 400 Mn.
- Solar Power Plant Installation with 8-10 MW capacity to substitute 70% of conventional energy consumption and Capex used is INR 260 -300 Mn.
- Second Pre-Painted Steel Line expansion from 86,000 tons to 236,000 tons per annum and capex used is INR 450 -550 Mn.
- Future plans include adding a cold rolling mill and a second Alu-zinc line to further increase capacity to 350,000 tons with an estimated capex of INR 1,400 - 1,500 Mn.

Man Infraconstruction Ltd**CMP: INR 149 | MCap: INR 55.92 Bn****Margins**

The margins are **Real Estate: 20–25%**, **EPC (Ports): 18–20%**, and **Own Project Construction (PMC): 10–14%** (including overheads).

Real Estate

The real estate pipeline is **INR 150bn** (7–8 million sq. ft. carpet area) to be executed over 5–7 years.

The company is focused on **luxury/ultra-luxury** segments (Marine Lines, BKC, Pali Hill).

Real Estate Regulatory Impact

Maharashtra's 10% ready reckoner rate hike may marginally affect premiums (15–20% of project cost), but minimal impact on MICL due to the DM model.

International expansion

Three projects in Florida (high-end villas, affordable housing, gated communities).

The first villa project has already sold; the second is to launch in December 2025.

High-end villa **"Tiger Tail"** (USD 15–18 million) to strengthen US presence.

Revenue from US projects is expected in 2–3 years.

EPC (Ports)

Order book stood at **INR 6.8bn** and was executed in 14 months. The company has expertise in dredging, land reclamation, railway lines, and port infrastructure.

BG Limits

BG Limits are **INR 3.75bn**.

Preferential Issue

The company has raised **INR 5.45bn** (INR 1.2bn received; balance by July 2025).

JV

The company has **JV with Tardeo (INR 30bn)**, **Villa Parle (INR 15bn)**, and **Marine Lines (INR 30bn)** – revenue recognized as fees, not top-line.

Manoj Ceramic Ltd

CMP: INR 152 | MCap: INR 1.73 Bn

Guidance

- Company guided 25-30% CAGR over the next three years, driven by global expansion (London, Dubai, US depots), domestic depot additions (Pune, Nagpur), and premium product launches (Marmi Bella for high-end natural stones).
- Company prioritizing physical expansion with domestic and international depots over online sales, citing product hands-on experience.
- Social media team to drive B2C engagement amid shifting consumer demographics focusing on younger, tech-savvy buyers.
- EBITDA margins currently at ~15% and PAT margins currently 5.5-6% will improve through premiumization, focus on export as it is higher margins vs. domestic.
- Company targets converting 5 out of 10 export inquiries into projects within 1.5 years.
- Company expects to double its revenues through entering into untapped markets of North India, Africa and expanding premiumized products.

Business Segments

- Dealer Network is the primary revenue driver with ~60-70% of total, with 1,000+ dealers in Maharashtra, Goa, Tamil Nadu, and Karnataka.
- It also has unique "studio" technology that aids dealers in virtual product visualization.
- Company is also focusing on B2B projects on architects/builders; It has lower margins but command higher volumes.
- For Exports update, recently established London depot (5,000 sq. ft. warehouse); appointed new agents in Africa (Senegal, Angola, Burundi). Dubai display center operational by May 2024.

Product Mix

- Company ceramic tiles product accounts 90% revenue, with tiles adhesive is budding with growth expected to rise as demand for low water-absorption tiles rise.
- Marmi Bella is premium tile segment (imported marbles from Italy/Spain; targets luxury residential/commercial projects).

Operational Highlights

- Supply Chain: 126,000+ sq. ft. warehousing; 24-hour delivery capability across India.
- Studio Tool technology which is an AI-driven virtual visualization platform (mcpworld.com) reduces design-to-sales cycle; contributed to 15-20% margin improvement.
- Company manages its inventory by real-time stock tracking for dealers; testing app for direct dealer bookings.
- To expand its retail business, 6 company-owned stores in Mumbai, Bangalore; plans to renovate stores for enhanced product display.

Market Expansion

- Company has strong domestic presence in tier 2, tier 3 cities; opened depots in Pune and Nagpur depots expected in FY26 to cater to central India.

Global Expansion

- Company plans to strengthen its eastern and western Africa as well as Middle East regions as its Dubai display center is operational.
- For US/Europe: company planned to open depot in Washington by FY26; Its London warehouse expanded to 12,000 sq. ft.

Working Capital

- Company has heavy inventory model with 3-month lead time for new designs; requires sustained capital for retail stock pre-positioning.
- Company stretched working capital cycle due to inventory needs; potential dilution in 1.5–2 years for scaling.

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Markolines Pavement Technologies Ltd

CMP: INR 132 | Mcap: INR 2,902 Mn

The company expects 25-30% revenue growth in FY26, with improved margins, as it expands into new areas like tunneling projects while maintaining its core highway maintenance business.

Business Overview

- Leading provider of highway maintenance services across India.
- Operates in highway maintenance, specialized maintenance, and specialized construction services.
- Presence across India except the Northeast region.
- Key clients include investment funds, state PWDs, and semi-government bodies.

Financial Highlights & Growth Targets

- FY25 is expected to close with strong growth, surpassing last year's performance.
- Targeting 25-30% revenue growth for FY25.
- Aiming for INR 500 Mn net profit within the next two years.
- Current order book: INR 4500 Mn, with a pipeline of INR 5000 Mn.

Business Segments & Expansion

- Highway Maintenance: Preventive & major maintenance services.
- Specialized Services: Micro-surfacing, CIPR (Cold In-Place Recycling), soil stabilization.
- Tunneling: Two active projects in Maharashtra and Jammu & Kashmir.
- Rigid Pavement (Concrete Road) Maintenance: Entered the segment last year, and completed INR 200 Mn worth of work this year.

Future Plans & Strategic Direction

- Operational Efficiency Focus: Improving working capital cycle & execution timelines.
- FY26 Outlook: Management expects an "exciting growth year" with large upcoming orders.
- Independent Tunneling Projects: Post-completion of the first project, will bid independently for larger contracts.
- Stock Exchange Migration: Applied for migration to the BSE Main Board, considering the NSE listing.

Acquisition & Fundraising Plans

- IL&FS Group Company Acquisition: Pending for nearly two years, awaiting CoC & NCLT decision, expecting closure within this fiscal year.
- Fundraising Possibilities: May explore fundraising in FY26, depending on expansion plans.

Marvel Decor Ltd

CMP: INR 92 | Mcap: INR 1.64 Bn

Outlook

The company is aiming for significant growth targeting INR 5000 Mn revenue by 2030 with a focus on expanding their project business and international presence, especially in the UAE and GCC markets. The company manufactures a wide range of customized window furnishing products including blinds and motorized systems, and is working on improving margins and inventory management as they scale up operations.

Business Highlights

- Company is a manufacturer of customized window blinds with factories in India and Dubai serving both domestic and international markets. They offer 16 types of blinds and 10 operating systems.
- Company employs over 1050 individuals reflecting a significant operational scale.
- The company has transitioned from a primarily trading model to focusing on manufacturing customized blinds over the past 7-8 years.
- The company currently maintains high inventory levels and expects their inventory turnover to improve as their overall sales volume scales up leading to more efficient inventory utilization.
- Investing in brand building activities to enhance market recognition and customer preference.

Strategic Focus on Project Business

- Company is strategically focusing on expanding its project business and aims to significantly increase the contribution of project revenue from the current 5% to 30% of the total revenue in the coming years.
- Specifically targeting large projects with a value range of INR 50 – 100 Mn each indicating a focus on higher-value contracts.
- Company has recently launched its own line of motorized blinds. This in-house production of motorized blinds is anticipated to improve profit margins compared to their previous reliance on third-party motor suppliers.

Growth Target and International Expansion

- The company is pursuing a significant 10x goal for growth with the objective of reaching INR 5,000 Mn in revenue by the year 2030.
- Aiming for a YoY improvement of 1% in EBITDA margins.
- The majority of this projected revenue approximately INR 3,750 – 4,000 Mn is expected to originate from their international business.
- Operates its international business through the Callistus brand which functions as a subsidiary based in Dubai.
- The Dubai subsidiary (Callistus) is actively undertaking projects worth INR 140 Mn.
- Actively expanding in GCC countries like UAE and other global markets including the USA, UK and Canada.
- Company experiences better profit margins in its international business compared to the domestic market, primarily due to less intense competition.
- Manufactures components in India and undertakes final assembly in Dubai for international orders, optimizing logistics and potentially tariffs.

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MAS Financial Services Ltd

CMP: INR 246 | Mcap: INR 44.65 Bn

MAS Financial appears to be a well-managed NBFC with a conservative approach, maintaining asset quality and profitability across cycles, while targeting steady growth of 20-25% annually across its diversified loan portfolio, with a focus on MSME and retail segments. Management remains confident in maintaining asset quality while achieving guided growth rates, emphasizing a diversified portfolio and disciplined expansion strategy.

Guidance

- The company has maintained **36% AUM CAGR and 39% PAT CAGR** since listing while ensuring asset quality across economic cycles.
- Aiming to **double AUM in the next 3-4 years**, targeting a **20-25% growth rate** annually.
- Plans to **reduce cost of borrowing by 25-50 bps** by year-end due to anticipated rate cuts.
- Expanding **direct retail distribution to 70-75%** of total AUM, reducing reliance on NBFC partnerships.
- Focus on **MSME, two-wheeler, and commercial vehicle loans**, while salaried personal loans will be capped at **10% of AUM**.

Other Key Highlights

- **AUM stands at INR 11,677 crore** as of Dec 2024, with operations in **13 states** and **200 branches**.
- **MSME loans** contribute **80% of AUM**, with additional products in **two-wheeler, CV, and salaried personal loans**.
- The **housing finance subsidiary** has an AUM of **INR 700 crore**, focusing on **affordable housing** with an **average ticket size of INR 10 lakh**.
- **Well-capitalized** with a **Capital Adequacy Ratio of 25.34%** (Tier 1: 23.13%, Tier 2: 2.21%).
- **Diversified funding mix**: 50% from **term loans**, **20-25% off-book exposure** through **direct assignment and co-lending**.
- The company has **reduced exposure to MFIs** from **INR 1,200 crore to INR 450 crore** over two years due to sector risks.
- **Salaried personal loans segment** growing via **fintech partnerships** but managed with strict risk criteria.
- **Housing finance business** targeted to grow **30-35% annually**, aiming for **INR 1,000 crore AUM next year**.
- Expecting **NIMs to improve to 7.25-7.5%** by year-end while maintaining asset quality.
- The company is **cautiously optimistic about growth**, focusing on quality customers and maintaining profitability in a challenging market.

MBL Infrastructure Ltd

CMP: INR 45 | MCap: INR 5.36 Bn

- Resolved financial stress under IBC 2016; secured bank guarantees (INR 3630 Mn) and working capital facilities to restart bidding for projects.
- Current order book at INR 1254.9 Mn (March 2025); aims to win INR 26,000 Mn in FY26 and INR 28,000 Mn in FY27.
- Standalone debt of INR 1,0577.5 Mn (repayable over 10 years), with 79% at 0.1% interest. Subsidiary debts (INR 3896.1 Mn) under resolution.
- Promoters hold 68.46% stake, increasing to 73.80% by next quarter with INR 24.89 Cr infusion over three years.
- Total claims of INR 32,276.9 Mn; INR 2,447.9 Mn already awarded. Pessimistically expects to recover INR 22,000 Mn.
- Targets INR 20,000 Mn turnover by FY27, driven by 145% growth in FY26 and 188% in FY27.
- Historical EBITDA margins (10-13%) and PAT (7%); near-term PAT margins to benefit from tax loss offsets.
- Revenue recognized via percentage completion method; 25% execution in Year 1, 50% in Year 2, and 25% in Year 3.
- Adequate liquidity from arbitration settlements, new projects, and low cash margins (2.5%) on bank guarantees.
- Provisions of INR 4,550 Mn made for non-operational BOT projects; plans to resolve via IBC/OTS within a year.
- Focus on EPC contracts; avoid independent BOT projects. Partner with investors for BOT ventures.
- Own quarries, bitumen, and concrete divisions; partnerships with IOCL, Tata Steel, and Ultratech for raw materials.
- Phased replacement of old machinery over three years; leverage client advances for new equipment.
- Strong ties with NHI, DMRC, and Airport Authority of India; targeting projects under Bharat Mala Pariyojana.
- Toll projects transitioned to FASTag; resolving legacy BOT issues to improve operational margins by FY26.
- Debt Repayment Plan: Annual repayments structured at INR 89.3 Mn (FY26), INR 102 Mn (FY27), and INR 178.6 Mn (FY29).
- Systematic scaling with a focus on profitability; leveraging govt. infrastructure spending to stabilize growth at 15% post-FY28

MCON Rasayan India Ltd

CMP: INR 124 | MCap: INR 0.91 Bn

Outlook: Continued investment in R&D and quality control, providing cost-effective products to compete with established players. Achieving balanced growth through prudent operational strategies like the franchise model and capacity optimization. Ensuring profitability by enhancing product mix toward high-margin items like tile adhesives and concrete repair products. A focus on affordable, high-quality products to strengthen customer retention and compete effectively in the market. Expansion of franchise networks to cater to different regions, ensuring closer proximity to markets, operational efficiencies, and quicker service delivery.

Overview: MCON Rasayan specializes in construction chemicals and specialty building materials. Headquarters are in Mumbai, with a manufacturing plant in Vapi, Gujarat. Operates through a distributor network across seven states in India with 100+ distributors.

Product Portfolio: Includes products like concrete admixtures, waterproofing systems, tile grouts, paints, concrete repairs, and specialized protective coatings for infrastructure projects like dams and bridges. The company has a dedicated sales team of 56 members.

Growth Plans: Target revenue of INR 80 cr for the current year and long-term vision of INR 500 cr within 6-8 years with additional working capital expected to be raised through a mix of debt and equity as growth progresses. Plans to enhance production capacity through a mix of in-house efforts and franchise-owned, company-operated models. This strategy reduces transportation costs and enhances service delivery.

Key Operational Strategies: Utilization of existing land and facilities for capacity expansion when needed. Focus on enhancing product mix and quality to improve margins. Efforts to reduce transportation costs and optimize the product mix are projected to slightly improve margins.

Franchise Model: The franchise model reduces logistics costs and improves operational efficiency. It is expected to contribute 35% to the turnover, with 65% coming from the main plant.

Financial and Operational Performance: Expected CAGR growth of 40-50% YoY. Efforts to improve margins through product mix and proximity to markets.

Outlook: Continued focus on R&D and quality control to maintain competitiveness. Addressing opportunities in the MHDC project and aiming for 10-12% of the construction chemical supply share.

Competitive Landscape: Competing with established players like Sika, Fosroc, Dr. Fixit, and regional manufacturers. Differentiation through cost-effective products and high-quality offerings.

Capacity Expansion: By the third quarter of the next financial year, production capacity is expected to double, driven by the franchise-owned, company-operated model and the operational efficiency of existing manufacturing facilities.

Medicamen Organics Ltd

CMP: INR 21.7 | MCap: INR 254 Mn

Guidance

- Company expects 60-70% YoY revenue growth in FY26 and a 60% CAGR over the next 3-4 years, driven by African expansion and new subsidiaries coming in place.
- PAT margins targeted to reach 12% in FY26 through premium branded sales and cost discipline.
- Company plans to shift revenue mix to 75% exports (Africa, Southeast Asia, Europe) and 25% domestic by FY26.

Domestic Market

- Company current split is 50-60% government contracts and remaining 30-40% is private clients.
- Working on reducing reliance on low-margin government supplies due to payment delays.

Exports Markets

- Company is has diversified itself in East Africa with its subsidiary in Rwanda; focus on high-volume generics and medical disposables.
- West Africa, company partnering with French distributor for premium branded sales which yields higher margins.
- It is targeting 200 product registrations in Africa over two years.
- Company to expand in Nepal has partnered with Medihub Organics and plans to acquire 30% stake with INR 90 Mn investment; will provide gateway to Southeast Asia and Europe.
- Nepal facility to adhere to European standards, enabling access to regulated markets.

Capacity Expansion

- Company's Haridwar facility expanded by 20%; current utilization at 60-65% as industry ideal operates at 80%.
- Company has outsourced its non-core products (injectable) to third parties to manage capacity.

Strategic Partnerships:

- Company collaborating with marketing agencies in Africa for distribution and brand-building.
- It has raised INR 30 Mn via convertible warrants for working capital; and no immediate dilution plans.

Market Expansion

- Company is mitigating currency devaluation risks by invoicing in euros for West Africa and hedging.
- For its Rwanda plant has highlighted as a stable market with strong legal frameworks.

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Megatherm Induction Ltd

CMP: INR 272 | MCap: INR 5.12 Bn

Guidance

- Current EBITDA margin at ~6.5%, expected to rise to 9% post-backward integration of its in-house transformer components manufacturing facility.
- Company has a minimal debt of INR 30 Mn, For FY27, company plans to invest capex of ~INR 500-700 Mn via internal accruals and equity.

Business Update & Expansion

- It has commissioned new Kharagpur transformer-manufacturing unit in Kharagpur, with a capacity of ~2000 MVA. Targeting to increase to 4,000 MVA by FY31.
- Expected to add an incremental turnover of ~INR 1.20–1.30 Bn to the current base ~INR 3.10 Bn annually.
- Company's induction applications with transformer orders currently contributing ~INR 300–400 Mn.
- Post-CPRI accreditation expected by Apr-26, expects a strong order pipeline, with orders coming in from both domestic and export segments.
- Working capital cycle stable at 3-4 months.

Competitive scenario

- Company gained market share in induction furnace due to energy efficiency (20-30 units/ton lower consumption vs. peers) and faster service.
- Major competitors includes Inductotherm/Electrotherm catering to industries like steel, defense, and railways.

Future Expansion and product development

- Company's upcoming product equipment such as vacuum heating technology are expected to reduce process turnaround from 7 days to just 2–3 days, boosting efficiency.
- Trial orders from Adani Green, Tata Power, Renew Power are being done. With strong demand in solar transformers and green steel applications company is looking to expand into renewables.
- Plans to capture large share in niche multi-winding transformer for renewables and specialized power applications.

Meghmani Organics Ltd

CMP: INR 65 | MCap: INR 16.69 Bn | Rating: Buy | TP: INR 182

Outlook- The company expects demand recovery in agrochemicals, targeting 20% revenue growth in FY25. Its multi-purpose plant utilization is expected to reach 80-85% over the next three years, supporting long-term revenue growth. The company continues to receive registrations and approvals from various markets, especially for their new age high value products in the crop protection segment. The growth momentum is expected to continue going forward as well. TiO₂ is also slowly gaining traction but Chinese dumping is hampering the stabilisation of the product in the market. We remain optimistic and have a positive view on the growth prospects of the company, thereby maintaining our "Buy" Rating with a Target price of INR 182.

Guidance

- The company is targeting its agrochemical segment's EBITDA margin to normalize to 15-17% in the next financial year.
- The TiO₂ segment could contribute additional INR 650-750 Mn in revenue if the anti-dumping duty is implemented.
- Nano Urea is in the early stages, but small-scale trials in 4 countries have started, and commercial orders are expected in FY25.

Key Segment Highlights

Pigments: The company will not invest further in the pigment business. Annual pigment revenue is expected to remain in the range of INR 5,500-6,500 Mn.

Agrochemicals

- The segment is poised for 20% revenue growth in FY25, driven by new products and improved demand. The company has strategically focused on new molecules that have lower competition.
- Capacity utilization of the Multi-Purpose Plant is expected to improve to 80-85% over the next 3 years. At full capacity, the agrochemical division could generate INR 25,000 Mn revenue.
- The company is expanding registrations in Brazil and plans to set up a B2B subsidiary in the country.

Titanium Dioxide (TiO₂)

- Global markets are imposing anti-dumping duties on Chinese TiO₂, which could further support price increases.
- Anti-dumping duty on TiO₂ is expected to be \$460-\$600 per ton, which could improve domestic pricing by INR 40-45/kg over 3-4 months.

Nano Urea

- Initial market reception was weak due to poor marketing and improper usage by farmers. The company is actively conducting field trials to demonstrate effectiveness.
- Export markets offer better pricing potential, as Nano Urea is non-subsidized globally.

Other Highlights

- The company operates 9 manufacturing facilities: 3 dedicated to pigments (30,000 tons per annum capacity), 4 agrochemical facilities (53,000 MT per annum), 1 crop nutrition plant (50 Mn bottles per year capacity), 1 white pigment (Titanium Dioxide) plant (16,500 MT per annum).
- No significant capex planned for the pigment and agrochemical divisions in the next 1-2 years.
- Existing infrastructure is sufficient for the next INR 10,000 Mn revenue growth.
- Future capex will be focused on scaling up Titanium Dioxide and Crop Nutrition segments.
- Pricing pressures will persist due to high supply but gradual improvement is expected in the long term.
- The US has imposed duties on Chinese chemicals ranging from 20% to 45%, benefiting Indian manufacturers.
- The US is expected to announce duties on Indian imports in April 2025, but the impact is expected to be limited (potential range of 4-5%).

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Menon Bearings Ltd

CMP: INR 92.5 | MCap: INR 5.18 Bn

Revenue

Steady revenue growth driven by strong demand across automotive and industrial sectors.

Exports

Exports have been a key growth driver, reducing dependence on the domestic market.

In exports, the company is expanding to North America and Europe through strategic partnerships. It will reduce cyclical domestic market dependence.

Capex

The ongoing capacity expansion to meet increasing demand in domestic and export markets.

The Investments in technology upgrades and automation to enhance manufacturing efficiency.

R&D

The company is focused on R&D-driven product development, which supports long-term sustainability.

The company is focused to develop next-gen friction reduction technologies. The company is focused on products suited for electric and hybrid vehicles, aligning with industry trends.

Demand

The demand is coming from automotive sector led by increasing vehicle production and replacement demand.

Railways and industrial machinery present strong opportunities due to infrastructure growth.

Raw materials

The major raw materials are copper, aluminium. The company can be able to pass the price fluctuations to the customers to some extent.

Other highlights

The company is expanding product portfolio beyond traditional bearings to cater to electric vehicles (EVs) and industrial applications. New product launches and OEM tie-ups contribute to incremental sales

The company is focused on light weight and durable materials to enhance efficiency.

Mitsu Chem Plast Ltd**CMP: INR 84.4 | MCap: INR 1,150 Mn**

- Resolved financial stress under IBC 2016; secured bank guarantees (INR 3630 Mn) and working capital facilities to restart bidding for projects.
- Current order book at INR 1254.9 Mn (March 2025); aims to win INR 26,000 Mn in FY26 and INR 28,000 Mn in FY27.
- Standalone debt of INR 1,0577.5 Mn (repayable over 10 years), with 79% at 0.1% interest. Subsidiary debts (INR 3896.1 Mn) under resolution.
- Promoters hold 68.46% stake, increasing to 73.80% by next quarter with INR 24.89 Cr infusion over three years.
- Total claims of INR 32,276.9 Mn; INR 2,447.9 Mn already awarded. Pessimistically expects to recover INR 22,000 Mn.
- Targets INR 20,000 Mn turnover by FY27, driven by 145% growth in FY26 and 188% in FY27.
- Historical EBITDA margins (10-13%) and PAT (7%); near-term PAT margins to benefit from tax loss offsets.
- Revenue recognized via percentage completion method; 25% execution in Year 1, 50% in Year 2, and 25% in Year 3.
- Adequate liquidity from arbitration settlements, new projects, and low cash margins (2.5%) on bank guarantees.
- Provisions of INR 4,550 Mn made for non-operational BOT projects; plans to resolve via IBC/OTS within a year.
- Focus on EPC contracts; avoid independent BOT projects. Partner with investors for BOT ventures.
- Own quarries, bitumen, and concrete divisions; partnerships with IOCL, Tata Steel, and Ultratech for raw materials.
- Phased replacement of old machinery over three years; leverage client advances for new equipment.
- Strong ties with NHI, DMRC, and Airport Authority of India; targeting projects under Bharat Mala Pariyojana.
- Toll projects transitioned to FASTag; resolving legacy BOT issues to improve operational margins by FY26.
- Debt Repayment Plan: Annual repayments structured at INR 89.3 Mn (FY26), INR 102 Mn (FY27), and INR 178.6 Mn (FY29).
- Systematic scaling with a focus on profitability; leveraging govt. infrastructure spending to stabilize growth at 15% post-FY28.

MMP Industries Ltd

CMP: INR 258 | Mcap: INR 6.6 Bn

Revenue

Revenue is Expected to grow by 16-18% YoY for FY26E, driven by expansions in aluminum powder, cables/conductors, foils.

Revenue is expected to reach INR 10bn by FY27E.

Margins

EBITDA margins is expected to improve from 9% to 11%-12% by FY27E. segment-wise margins are Aluminum powder – 12%-14%, Cables/Conductors – 11%, Aluminum foil – 4%-6%.

Capacity expansion

Aluminum Powder capacity is expected to be add 700 MT/month and revenue potential is around INR 220-230mn per annum.

LT cable project is expected to be complete by Aug-25 and 2nd phase in 18-20 months. Asset turn is expected 3.5-4x.

Aluminum Foil

Aluminum Foil capacity utilization 65%-70% and expected to improve to 85%-90%. Anti-dumping duty is expected to boost sales and realizations.

Capex

Capex for Solar (5MW) and LT Cables is around INR 50-55 Cr

Raw materials

Raw material (ingots) sourced from Nalco, Hindalco, Balco; prices passed through transparently.

Foils monthly pricing based on Hindalco benchmarks; hedging options explored to mitigate volatility.

Market share

Explosives – 70%, AAC Block – 60%-65%, Aluminum Phosphide – 50%,

Exports

Exports revenue share is around 10%.

R&D

Customized AAC powders (10-12 variants) and trials with ISRO.

Modi Naturals Ltd**CMP: INR 339 | Mcap: INR 4.44 Bn**

- Three core segments: Bulk oil refining, branded consumer goods (e.g., Olive Kitchen, Olivana Wellness), and ethanol production under subsidiary Modi Biotech.
- Expanding ethanol capacity to 310 KLPD (kilo liters per day) by Q2 FY26; current capacity at 130 KLPD.
- Targets 10-12% EBITDA margins in ethanol, supported by government blending policies (E20/E25).
- Consolidated EBITDA margins improved from 1-3% to 8-9% post-Covid, driven by stabilized bulk oil prices and ethanol profitability.
- Current debt: ~INR 1500 Mn (mostly working capital). Term debt for ethanol reduced to INR 800 Mn post-March 2024.
- Ethanol cash flows (INR 800-900 Mn/year) to fund consumer business growth.
- Focus on scaling pasta, snacks (Pipo brand), and beverages (Jinx).
- Increased ad spends (e.g., Karishma Kapoor campaign) to boost brand visibility.
- Olive oil is a top-3 premium brand in India, dominating the "goodness of olive oil" segment.
- Expanding distribution via quick-commerce platforms (Blinkit, Swiggy, Zepto).
- Leverages FCI rice and maize; flexible procurement to optimize margins.
- Grain prices expected to stabilize post-FCI policy rollout.
- Target: INR 5000 Mn revenue for consumer business by FY27 with 15% EBITDA margins.
- Post-ethanol expansion, focus shifts entirely to consumer verticals.
- Strong demand due to government blending targets; no overcapacity risks in medium term.
- New launches (e.g., popcorn, peanut butter) under Pipo brand, aligned with consumer adjacencies and distribution strengths.
- Prioritizing digital platforms (Instagram, YouTube, OTT) and influencer collaborations for campaigns.
- Indirect reach via e-commerce (Amazon) and wholesale channels; no direct rural expansion.
- 20-25% of consumer revenue from quick-commerce; pasta now live on Blinkit, Swiggy, and BigBasket.
- Full capacity (310 KLPD) to generate ~INR 3500 Mn annually (3.5x asset turnover).
- Consumer division margins may dip in Q4/Q1 due to ad spends but expected to normalize by Q2 FY25.
- Import duty cuts on edible oils stabilized bulk oil margins post-Ukraine war volatility.
- FCI rice policy ensures stable raw material supply, reducing price volatility risks.
- Ethanol profits to fund consumer business scaling; subsidiary structured for tax efficiency.
- Ethanol to stabilize as a cash cow, while consumer division becomes the primary growth driver over 2-3 years.

Moneybox Finance Ltd

CMP: INR 231 | MCap: INR 7.53 Bn

The management remains confident about Moneybox Finance's growth prospects, emphasizing improvements in collection efficiency, regulatory tailwinds, and strategic expansion plans.

Company Overview: Moneybox Finance Limited, a six-year-old NBFC, started operations in February 2019 and has expanded to 163 branches across 12 states in India. With an AUM of over INR 800 crore, the company focuses on tier 4 and tier 5 towns, catering to underserved financial segments.

Loan Portfolio: The company maintains a balanced loan book with 44-45% secured loans, with plans to increase this to 65%. Approximately two-thirds of its portfolio is dedicated to the livestock sector under Priority Sector Lending (PSL), alongside lending to Kirana stores, retailers, manufacturing, and service-based businesses.

Financial Performance: Moneybox Finance has raised INR 270 crore in equity through six private placements and secured over INR 1,000 crore in debt from 34 lenders, including 12 banks. Despite a historically low credit cost of 1.5%, the current financial year has seen an increase to 3.5-4% due to market conditions.

Asset Quality & Collection Efficiency: The company has maintained a GNPA of around 5.5%, significantly better than the microfinance sector. Collection efficiency is improving, particularly in the 0-90 day overdue segment, with a strengthened in-house and outsourced collection team.

Regulatory Developments: Recent RBI changes have been favorable, reducing the risk weightage from 1.25x to 1x for bank lending to NBFCs, which is expected to improve liquidity and lower borrowing costs.

Growth Outlook & Strategy: Moneybox Finance is targeting a minimum 50% AUM growth, projecting INR 1,500 crore next year. The company aims for a steady-state ROA of 5-6%, focusing on cost optimization, expanding secured loan offerings, and launching new products like salary-based loans.

Challenges & Risks: External factors such as floods, government spending patterns, and evolving regulatory requirements remain key challenges. The company is actively working to maintain asset quality and reduce OPEX.

Funding Plans: With a current net worth of INR 265 crore and an additional INR 85 crore pending through warrants, the company is well-capitalized for growth. Further equity fundraising may be considered in the latter half of next year based on market conditions.

Motilal Oswal Financial Services Ltd

CMP: INR 625 | Mcap: INR 375 Bn

The company expects 25-30% growth in FY25 despite recent market volatility, driven by diversification across businesses, strong distribution revenues, and continued inflows in asset management while maintaining high-profit margins of over 50%. Targeting 25-30% growth in FY25, continuing historical trends. Operating profitability is expected to sustain at 30 %+ CAGR over 2-5 years.

Company Overview

Motilal Oswal Financial Services Limited (MOFSL) is a 38-year-old financial services group, promoted by Mr. Motilal Oswal and Mr. Raamdeo Agarwal, who collectively own 69% of the company. The company has evolved from a brokerage-focused entity into a diversified financial powerhouse, operating across six key business segments: Wealth Management (formerly Broking & Distribution), Asset Management, Private Wealth, Capital Markets (Investment Banking & Institutional Equities), Housing Finance, and Treasury.

Key Business Segments & Performance**Wealth Management (Broking & Distribution)**

- Transitioned from a pure brokerage model to a full-fledged wealth management platform, focusing on advisory-driven broking and cross-selling financial products.
- Brokerage revenues now contribute only 30-35% of total revenue; the rest comes from distribution, net interest income (NI), and advisory fees. Total client assets at INR 3 lakh crore, with 60% of clients having INR 1 crore+ AUM.
- Distribution revenue to double from INR 200 crore to INR 400 crore in FY25, driven by increased focus on mutual fund and insurance sales. Strong distribution team of 600 professionals and 32,000 crore distribution AUM.
- 5,500 crore lending books, mainly to high-net-worth clients for margin funding. 1 mn+ active clients, growing at 25%+ annually. Operates a full-service pricing model (not discount broking) with an ARPU of INR 25,000 (brokerage) and INR 42,000 (total). 9000+ franchisee partners, contributing 60% of revenue.

Asset Management

- INR 1.3 lakh crore AUM, with 43,000 crores in alternate assets (Private Equity, AIFs, and PMS). No exposure to debt funds, remaining a pure equity-focused AMC.
- INR 37,000 crore net inflows in the first 9 months of FY25, capturing 8% market share of incremental equity flows despite holding only 2% total AUM market share. INR 1,100 crore monthly SIP book, growing steadily.
- 95% of AUM outperforms benchmarks, delivering 25% alpha in 9M FY25. A well-diversified distribution network across direct, banking, and independent financial advisors. Net yield at 64 bps; profit yield at 35 bps on average AUM. Launching a new \$1 bn private equity fund, expanding high-yield alternative assets.

Private Wealth

- Serves ultra-HNI and family office clients, with a total AUM of INR 1.5 lakh crore, including INR 35,000 crore in annuity/repeat-revenue assets (ARR). 15,000 families as clients, with 80% of AUM from clients investing INR 25 crore+.
- The rapid expansion of the relationship manager counts from 320 to 600 in three years, improving client coverage. Investing heavily in leadership talent to further boost revenues and profitability. New product offerings include pre-IPO investments, co-investments, and structured finance. The cost-to-income ratio is currently at 55%, with a target to improve profitability over the next 12-18 months.

Capital Markets (Investment Banking & Institutional Equities)

- Strong performance in investment banking and institutional equities. Completed 35 transactions, raising INR 46,000 crore in the first nine months of FY25. An 8-billion-rupee fee pool is mandated for upcoming deals. Expanded team size 2.5x in investment banking, positioning for higher deal execution capacity.

Housing Finance (Motilal Oswal Home Finance)

- AUM expected to reach INR 4,800 crore by FY25-end, with 20% YoY growth. Focused on affordable housing, with an average loan ticket size of INR 10 lakh. 1,300 Relationship Managers (RMs), adding 400+ in FY24. Targeting INR 2,500 crore in disbursements this year. Less than 1% GNPA, with plans to expand its presence nationwide. Aiming for 30%+ AUM growth in FY26-27.

Treasury: INR 8,400 crore book as of Dec, mainly invested in the group's asset management products. 40% CAGR growth, using investments to fund operating businesses. long-term investment approach, ensuring capital preservation and optimal returns.

Financial Highlights: 50 %+ PBT margins, driven by strong profitability across segments. 34% profit CAGR over the last decade, reflecting consistent performance. 38% profit growth in FY24, with 25-30% expected in FY25. 55% of total revenue comes from annuity/trail-based (ARR) sources, reducing market dependency. INR 2 lakh crore+ ARR assets, ensuring stable cash flows.

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Muthoot Microfin Ltd

CMP: INR 126 | MCap: INR 21.52 Bn

Outlook

The company is focused on maintaining profitability by managing its NIM and controlling operating expenses. While credit costs are expected to be elevated in the short term as the company works to strengthen its balance sheet, the long-term outlook remains positive. The company plans to continue expanding its branch network and exploring new partnerships to diversify risk and ensure stable growth. While no specific guidance is provided, the company indicates that growth may be slightly lower in the near term but is expected to improve in the following years.

Business Overview

- Muthoot Microfin Limited is part of the Muthoot Papachand Group, which has a legacy of 138 years. The group has various business interests, with 95% of its revenue coming from the financial service sector which include 4 entities: Muthoot FinCorp Limited, Muthoot Microfin Limited, Muthoot Housing Finance Limited, and a standalone entity focused on vehicle business. The group manages ~450,000 Mn in AUM.
- The company manages ~124,000 Mn assets, serves around 3.4 Mn active clients across the country, operates through ~1,692 branches, and employs ~16,000 staff.
- The company has digitalized most of its processes, including eKYC implementation and a customer app for various transactions and service requests. Digital collections contribute 28-29% of total collections.

Other Key Highlights

- Aims to maintain its NIM in the range of 12.75% to 13% despite reducing lending rates, by focusing on reducing the CoF.
- The company expects to maintain OPEX around 6% and aims to reduce it further with improved productivity and disbursements.
- The company anticipates a normalized ROA of ~4% once the situation normalizes.
- The company anticipates that credit costs will be higher than historical levels, ~ 3-3.5% in the next year but aims to bring it down to 2-2.5% further.
- While past growth has been around 30%, the company anticipates slightly lower growth in the near term but expects to outperform the current FY.
- The company expects improvement in collection efficiency, with overall collection efficiency expected to be better than the previous quarter (93%).
- It plans to continue its branch expansion, with ~200 branches per year once things are normalised, balancing growth between the Southern region and the rest of India.
- The company maintains a comfortable capital adequacy ratio of around 30% and does not currently plan to raise additional equity.
- Natural calamity insurance coverage for a significant portion (95%) of its portfolio to mitigate risks associated with natural disasters.
- The majority (97%) of the company's portfolio is unsecured, with a small portion (3%) being secured.

Nazara Technologies Ltd

CMP: INR 951 | M.Cap: INR 83.30 Bn

Business Overview

- Nazara technologies is a 25 yr old gaming company, operates across 3 primary segments: Gaming (B2C), eSports and advertising technology.
- The company expects to reach a significant milestone of INR 3,000 Mn in the FY27. Each of their segments currently generates positive cash flow, with capital reserved for strategic M&A.

Segment Highlights**Gaming**

- The company looks for gaming properties that have an established intellectual property, at least 3-4 years of operational history, and demonstrable growth potential.
- Preferred acquisition deal size ranges between INR 500-1000 Mn, though they have executed larger deals like the INR 10,000 Mn Pokerbazi acquisition.
- Key gaming properties in their portfolio include Kidopia (children's educational games) and WCC (cricket games).

eSports

- eSports division comprises 2 primary businesses: Nordwind (holding 80% market share in India) and Sportskeeda (a sports content platform).
- Sportskeeda generating over 75% of its revenue internationally and Nordwind deriving ~50% of its revenue from international markets.
- Their near-term profitability strategy for eSports focuses on market reinvestment to establish dominance.
- The company expects modest EBITDA margins of 1-2% for Nordwind in the next 1-2 years.

Advertising technology

- Advertising tech segment, including DataWorks and Space & Time, provide comprehensive digital marketing services.
- Their service offerings include user acquisition solutions for mid-market companies and content monetization strategies for website owners.

Other Key Highlights

- Recent strategic acquisitions include Pokerbazi (Real Money Gaming), Freaks4U (European eSports company), Smash (physical gaming), and Funky Monkeys (kids' soft play chain).
- The company adopts a long-term investment perspective without rigid payback period expectations.
- Primary markets currently are North America, India, and Europe. The company is actively exploring emerging markets including Latin America, the Middle East, and select European regions.
- The poker segment is experiencing strong growth of 30-40% annually.
- It anticipates eSports content will be bundled on mainstream OTT and traditional platforms within the next 1-2 years.
- The company is actively exploring and expanding IP partnerships, recent examples including collaborations with Barbie and Little Angels.
- Kidopia targets the 2-6 year old segment, with over 80% of its revenue coming from the US market and ranking 2-3 in its category.
- Pokerbazi commands an impressive 60-70% market share in the poker segment.
- Sportskeeda generates 50%+ of its revenue from the US market.
- Nordwind dominates with an 80% market share in Indian eSports. Nordwind has expanded beyond pure eSports, creating content like the "Playground" game show that explores gaming culture.
- The company is developing a diverse entertainment ecosystem, including Comic Con events across multiple cities, Music events like H7 Weekender, Multi-game IPs like the KPL.
- They anticipate significant revenue potential from bundling eSports content on mainstream platforms like Star Sports in the next 1-2 years.

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NDR Auto Components Ltd**CMP: INR 721 | Mcap: INR 17.16 Bn**

- Expects to close FY25 with revenue of INR 6,500-7,000 Mn. NDR Auto aims to reach INR 20,000-25,000 mn in revenue over the next 5 years. It also aims to increase its market share in seating from 15-20% to 25-30% in 5 years. The company plans to improve EBITDA margins from the current 9-10% to 11-12% over the next 2 years.
- The company has four integrated sheet metal fabrication and trim manufacturing facilities, with a total capacity of 1.1 mn units. Key customers include Maruti Suzuki, Toyota, Suzuki Motors, and Kia. Maruti Suzuki accounts for 50-60% of revenue, Toyota for 25-30%, and Kia is growing. NDR Auto aims to reduce its dependence on Maruti Suzuki over time.
- It is a zero-debt company with a strong balance sheet. Current capacity utilization is 70-80% across facilities.
- EBITDA margins are expected to improve from 9-10% to 11-12% over the next two years. The company has an order book worth INR 4,500-5,000 Mn for the next two years.
- The company is expanding its Bangalore facility and plans to expand its Gujarat facility next year. It has a collaboration with Toyota for seat insert fabric manufacturing. The company holds a 15-20% MS in seating systems in India.
- It is focusing on the premiumization of seating products. The company expects its seating business to reduce from 90% to 60-70% of revenue in 5 years, as new products grow. NDR Auto has in-house technology and capabilities for seating systems.
- NDR Auto aims to grow at 20-25% annually over the next 5 years. The company is exploring inorganic growth opportunities, particularly in the commercial vehicle space.
- NDR Auto has acquired land in Aurangabad for potential expansion with Toyota, to supply to Toyota's upcoming plant there, which is expected to start production in 2028. The company is diversifying into new products like BIW, sunshades, and seat insert fabrics.
- Working capital is expected to remain in single digits on a consolidated basis. The company currently distributes 10-15% of PAT as dividends.
- Q4 tends to be the strongest quarter for the auto industry. Raw material price changes are passed through to OEMs.
- NDR Auto has a cost advantage over MNC competitors due to scale. It is also looking to expand its product portfolio through technical tie-ups and joint ventures. Additionally, NDR Auto is exploring opportunities in the EV space but remains powertrain agnostic.

Nettlinx Ltd

CMP: INR 36 | Mcap: INR 880 Mn

Outlook: Powering India's Digital Growth with High-Margin ISP Business. A cash-flow positive play on India's digital boom, with upside from retail/data centre monetization, with the goal not to just connect but enabling India's businesses to thrive without interruption.

Market Position & Business Model

- **Established in 1999**, Nettlinx is a leading ISP in South India, specializing in B2B leased lines(60%+ gross margins) for corporates requiring high uptime.
- **Asset-light model:** Procures bandwidth from Tata/Airtel/Jio and redistributes with multi-vendor redundancy (zero downtime guarantee).
- **Expanding into retail broadband** (soft launch by H2 2026) and data centers (ROI target: 15-20%).

Financial Highlights

- **Revenue growth:** 40.5% YoY in Q3 FY25 driven by government contracts (higher margins but longer payment cycles).
- **PAT surge (470% YoY):** Boosted by one-time land sale (₹6.96Cr) in Nettlinx Reality. Core EBITDA margins at 30%+.
- **Strong Balance Sheet:** Negative working capital (corporate clients pay upfront) and low debt-to-equity.

Growth Levers

Government & Corporate Focus: Targeting 10-15% annual growth in high-margin leased lines.

Retail Expansion: Leveraging existing infrastructure to tap underserved markets (scalable with minimal capex).

Ancillary Services: Hosting and data centers to deepen client stickiness.

Key Risks

- **Competition:** Large telcos (Jio/Airtel) pose pricing pressure, but Nettlinx differentiates via 24/7 support and redundancy.
- **Working capital strain:** Government projects delay cash flows despite higher margins.

Leadership & Strategy

- Interim management (led by CFA/FRM Rohit) aims to prune non-core assets and professionalize operations.
- No further promoter selling expected; focus on optimizing capital structure.

Why Invest?

- **Niche dominance:** Trusted B2B ISP with 25+ years of expertise.
- **Scalable model:** Asset-light expansion into retail and data services.
- **Attractive valuations:** Trading at discount to peers despite high-margin, recurring revenue business.

Nelcast Ltd**CMP: INR 83 | Mcap: INR 7.214 Bn**

- Iron casting manufacturing for commercial vehicles (60%), tractors (20%), light vehicles, off-highway, and railways (3-4%).
- Export contribution surged from INR 30 Mn to INR 4,400 Mn over 10 years.
- Current utilization at 30% (Pet plant); targets 75-80% by 2026-27 through new export orders and domestic demand.
- Export revenue (INR 4,400 Mn in FY24) expected to double in 2-3 years, driven by North American and European markets.
- Over \$20 million (INR 1,660 Mn) in confirmed orders; strong RFQ pipeline for upcoming months.
- Minimal exposure to U.S. tariffs as most contracts are DAP/FCA; customers absorb tariffs due to lack of local foundry capacity.
- Higher iron casting content in EV pickup trucks, SUVs, and commercial vehicles offsets engine-block losses; already supplying EV components.
- No major capex planned for 12-18 months; existing cash flows to fund growth. Term debt reduced post-March 2024.
- Aiming to increase renewable energy usage from 65% to 80% to reduce power costs and improve sustainability.
- EBITDA/kg target of INR 15 (currently ~INR 13.5) through operating leverage, better product mix, and cost efficiency.
- Mid-single-digit growth in tractors and commercial vehicles; stable railways (3-4% revenue share).
- Potential Greenfield/Brownfield expansion by FY27 if existing 160,000 MT capacity is fully utilized.
- Supplying brake discs and metro rail base plates; stable but low-growth segment.
- Managing elongated export payment terms via upfront negotiations; domestic cycles remain stable.
- Targeting 50:50 domestic-export split (currently 65:35) in 2-3 years.
- Modernization of Puneri plant to boost export contributions (historically 90% from Gudur).
- No major price volatility expected for iron; monitoring U.S. aluminum/steel tariff spillovers.
- Turnover target of INR 20,000+ Mn in 3 years (50-100% growth) through export-led expansion and operational leverage.

Network People Services Technologies Ltd

CMP: INR 2370 | MCap: INR 46 Bn

NPST is working to recover from recent challenges by onboarding new banks, diversifying its business, and aiming to regain transaction volumes, though it may take some time to fully recover to previous peak levels.

Business Overview & Strategy

- NPST (Network People Services Technologies) is a payment technology company enabling digital transformation across banking and financial services. It operates across three key verticals: A trusted technology partner for banks, providing payment solutions, transaction processing, and banking infrastructure. Offering a SaaS-based payment platform for fintechs and aggregators, enabling UPI, payment gateway, and digital transactions. Timepay, a B2C payment app, facilitates bill payments, collections, and financial transactions.
- The company's revenue model includes Banking services: License-based, subscription-based, and SaaS models, and Payment platform: Revenue generated through transaction volume and value-based pricing.

Competitive Landscape

- In the TSP (Third-Party Solution Provider) space, NPST competes with Mindgate, Olive, RS Software, and Finecus. The payment platform business has limited competition, and NPST claims to have a first-mover advantage, the company is working on strengthening its positioning in digital banking and fintech services to maintain its market leadership.

Growth Plans & Expansion Strategy

- Plans to move to the Main Board of NSE and BSE by mid to late April 2025, which is expected to boost investor confidence and enhance visibility.
- Exploring new revenue opportunities in digital lending, credit lines on UPI, and embedded finance solutions.
- Considering international expansion, with an initial focus on Middle East markets, leveraging India's fintech expertise for cross-border solutions.

Financial Guidance & Performance Outlook

- Q4 FY25 is expected to show improvement, but the company acknowledges that full-year performance will remain impacted due to Q3 and part of Q4 challenges.
- QIP (Qualified Institutional Placement) fundraising plans are currently on hold until financial performance stabilizes.
- The company did not provide specific CAGR guidance for the next 3-5 years, citing market uncertainties and ongoing recovery efforts.
- Management remains focused on rebuilding volumes and diversifying revenue streams in FY24 to mitigate risks and drive long-term growth.

Newjaisa Technologies Ltd

CMP: INR 50 | M.Cap: INR 1.8 Bn

The company is focused on aggressive growth and channel expansion in the near term, particularly building its own direct-to-consumer channels, rather than prioritizing margin improvement, as it aims to capture market share after Amazon's exit from the refurbished electronics space in India.

Business Overview

- Full-stack direct-to-consumer refurbished IT electronics company, focusing on PCs, laptops, desktops, monitors, and accessories.
- Sources used assets from large corporates, refurbishes, and sells directly to end customers.
- Aim to reduce e-waste, extend product life, and drive digital inclusion in India.

Financial Performance

- 30-35% YoY revenue growth, maintaining historical trajectory.
- Bottom-line target of 8-10% net margins in the long run, though near-term margins may remain lower due to growth investments.

Sales Channel Evolution

- Diversifying away from e-commerce dependence (down from 95% initially to 52-53% now).
- Own website now contributes 35-38% of sales, becoming a major channel.
- Key customer segments: Education (5-6% of sales), SMEs (4-5% of sales), and expanding modern trade partnerships.

Amazon Exit Impact & Response

- Amazon discontinuing refurbished sales in India will have an immediate impact on revenues. Sees this as an opportunity to capture Amazon's market share and double down on its platform and other channels to compensate.

Growth Strategy

- Four pillars of growth: Own website, strategic e-commerce partnerships, education sector, and SME sector.
- Exploring expansion into modern trade & franchise retail.
- Potential international expansion in 2-3 years.

Certifications & Compliance

- Fully certified for Indian e-waste handling regulations.
- Expecting R2 certification (global e-waste standard) by April end, enhancing credibility for international expansion.

Sourcing & Competition

- Shifting towards direct sourcing from corporates, improving margins, and securing quality inventory.
- Main competitor in online refurbished electronics: Electronic Bazaar.

Market Opportunity

- Huge market potential: Only 13% of Indians have access to laptops/desktops.
- Exploring exports as a long-term opportunity, positioning India as an alternative to China in refurbished electronics.

Guidance & Future Outlook

- No specific FY26 guidance yet, will reassess post H2 FY25.
- FY25 target: 75,000-80,000 units sold.
- Maintaining a 30-35% annual revenue growth target.
- Short-term margin pressure due to aggressive investments in marketing & new sales channels.
- Long-term net margin goal: 8-10%, once scale and efficiencies improve.
- Reducing reliance on third-party e-commerce platforms, strengthening direct sales.
- New product category additions & potential international entry in the next 6-7 months.

Nisus Finance Services Co Ltd

CMP INR 358 | Mcap INR 8.55 Bn

Nisus Finance continues to expand its real estate investment footprint, achieving robust growth, strategic exits, and international expansion. With a strong pipeline and regulatory approvals, the company is poised for sustained performance in both India and the UAE.

Financial Performance & Business Growth:

IPO & H1 Performance: The company went public in December and has posted strong momentum in earnings and business growth.

- **Fund Portfolio:** Manages two funds –
 - **Real Estate Credit Opportunities Fund:** Corpus of INR 500 crore.
 - **Special Opportunity Fund:** Corpus of INR 1,700 crore.
- **Transaction Advisory:** Maintains a 1/3 advisory and 2/3 fund management income ratio.
- **Revenue & Profit:**
 - FY24 Revenue: INR 43 crore, EBITDA: INR 24 crore.
 - H1 FY25 Revenue: INR 34.63 crore, EBITDA: INR 18.84 crore.

Key Investments & Exits:

- **Real Estate Focus:** Strong urban infrastructure financing with marquee investments in India & UAE.
- **Strategic Exits:**
 - Shapoorji Pallonji Pune investment exit at **18.74% IRR**.
 - Self-redevelopment project in Mumbai exit at **21% IRR**.
- **UAE Expansion:**
 - Two key property acquisitions in Dubai's JVC & Furjan area with high rental appreciation potential.
 - UAE investment pipeline of **\$200M-\$300M** in advanced closure stages and they have a curated pipeline of almost 6.5 crore rupees of exposure in India.

Future Strategy & Market Outlook:

- **Global Expansion:**
 - **Target Fund Deployment:** INR 2,200 crore in India & INR 4,000 crore in UAE.
 - London roadshow attracted global investors for the UAE Fund (\$500M target raise).
 - SEBI's new Category 2 AIF regulation allows investments in rated listed papers, opening new opportunities.
- **Regulatory Approvals & Expansion:**
 - RBI approval for NBFC paid-up capital infusion of INR 25 crore, increasing stake to **80.96%**.
 - DIFC & Mauritius licensing underway.

- **Exit Strategy:**
 - 1. Reset the rent and REIT it out: They mentioned there is strong interest from firms like Capital Land and Blackstone to buy their portfolio of high-yield assets after they reset the rents.
 - 2. Sell to a single-family office or strategic investor: After resetting and refurbishing a building, they may sell the entire building to a single buyer like a family office or strategic investor.
 - 3. Exit between 12-30 months: They mentioned exits can happen between 12 months (like their first building exiting within 12 months) up to 2-2.5 years.

Key Highlights:

- **Leverage Strategy:** Dubai investments leverage 1:1 debt-to-equity for capital efficiency.
- **NBFC Role:** Functions as a fund sponsor, providing anchor capital and leverage opportunities.
- **Risk Management:** Focuses on late-stage, cash-flow-backed real estate investments to mitigate downturn risks.
- **Special Situations Fund:** Engaged in rescue financing for distressed real estate assets at deep discounts.
- **Tax Efficiency:** UAE operations expected to lower overall tax rate (~5% blended corporate tax).

Niyogin Fintech Ltd**CMP: INR 45.3 | MCap: INR 4.3 Bn****Guidance**

- Company's lending book is expected to grow to INR 5,000-6,000 Mn in FY25 and INR 8,000 Mn in FY27. They plan to expand its fintech partnerships to scale the lending business further.
- iServeU is expected to turn profitable in FY26 and achieve net revenue of INR 1,500+ Mn by FY27.
- Legacy loan book challenges are being addressed, with recoveries expected to bring GNPA down from 5.5% to 3% in the next year.

Business Overview

- The company was established in 2018 with an initial capital of INR 3,000 Mn. operates as a NBFC and focuses on lending to SMEs. It follows a digital-first approach and does not have physical branches, instead relying on a partnership-based lending model to acquire and service customers. The company provides loans ranging from INR 50,000 to INR 0.8-1 Mn, catering to businesses that are beyond micro finance but still require financial support.
- Niyogin has several subsidiaries, including iServeU Technologies, a deep-tech company acquired in 2020 that offers BaaS and SaaS solutions. Niyogin AI, a subsidiary focused on OCR technology, particularly for insurance companies. Moneyfront, a digital wealth management platform, where company holds a 60% stake. A health-tech subsidiary, which is still under development and expected to play a role in the fintech ecosystem.
- The company has announced a demerger of its NBFC business and iServeU Technologies, allowing both entities to operate independently and raise capital separately. The demerger process is expected to take 12-15 months for full completion.

Other Key Highlights

- iServeU Technologies, Niyogin's deep-tech subsidiary, has seen rapid growth, with revenues increasing from INR 150-INR 200 Mn at acquisition to INR 2,000 Mn in FY25. iServeU is expected to turn EBITDA positive in Q4FY25, but overall EBITDA will end up in a marginal loss. From next year onwards, the company expects to turn profitable.
- Looking ahead, the net revenue of iServeU is projected to grow from INR 350-400 Mn in FY25 to INR 700-800 Mn in FY26, and further to INR 1500+ Mn in FY27.
- iServeU processed transactions worth INR 450,000 Mn in FY24 through its BaaS platform.
- The BaaS business operates on thin margins (~4-5 bps net margin), while the SaaS business provides higher profitability. Over time, the revenue mix will shift, with SaaS contributing 70% of total revenue by FY27, compared to 60% from BaaS in FY24.
- GNPA currently stand at 5.5%, with a goal to reduce them to 3% in the next year.
- The partnership-based lending model has been highly effective in risk management, with credit costs remaining below 2% for the partnership-driven book.
- The demerger was initiated because iServeU's ability to raise funds was restricted due to Niyogin's 51% majority stake. Following the demerger, iServeU will become a separately listed entity, while Niyogin will retain the NBFC, AI, and Moneyfront businesses. Shareholders of Niyogin will receive 1 share of iServeU for every 2 shares of Niyogin they hold.
- The company currently has 10-12 active partnerships, with another 10-12 in the pipeline.
- The company specializes in EDI Lending, which differs from the conventional EMI model. More than 50-60% of company's loan book follows the EDI structure, enabling faster risk identification and better default management. Key EDI partnerships include Aadhaar Loans (INR 750-800 Mn exposure) and NinjaCart.
- The company supplies soundboxes to PSU banks as well as private banks. The company has secured confirmed orders for 1.2 Mn sandbox deployments in FY26.
- The CapEx model involves banks purchasing devices at \$11-12 per unit, while the OpEx model generates recurring revenue of INR 40-60 per device per month.
- The gross margin on sandbox devices is around 40%, while recurring revenue provides a 60-70% margin. Future innovations include biometric-enabled soundboxes and integrated POS solutions.

Northern ARC Capital Ltd

CMP: INR 169 | MCap: INR 27.22 Bn

- The company has maintained profitability for 60 consecutive quarters, demonstrating consistent financial stability and operational efficiency.
- Achieved a 29% CAGR in balance sheet size and a 38% CAGR in profit over the past few years, reflecting robust growth.
- The direct-to-customer business is expanding rapidly at over 60% annually, serving as a key growth driver.
- **Lending Business:** Focused on MSME, consumer, and rural sectors, contributing 50-54% of the total balance sheet, with a secured lending approach.
- **Credit Solutions Business:** Offers structuring, placement, fund management, and tech solutions, enhancing revenue diversification.
- Maintains a strong asset quality with an overall GNPA of 0.9%, direct lending GNPA at 1.3%, and intermediate retail finance GNPA at 0.7%.
- The secured MSME lending portfolio has an average ticket size of INR 10 lakhs, a 19.5% yield, and a 50% loan-to-value (LTV) ratio, ensuring attractive risk-adjusted returns.
- Proprietary risk models leverage 40 Mn data points, alongside real-time monitoring across 600+ districts, for effective risk management.
- Limited direct exposure to the MFI sector at less than 10% of the balance sheet, with total exposure, including indirect, at around 19%.
- Growth targets include a 24-25% increase in AUM over the next few years, supported by the expansion of both lending and credit solutions businesses.
- The placement business is projected to generate 2.5-3x the balance sheet size, contributing fee income of 25-30 bps.
- In the funds business, the company aims to reach an AUM of INR 8,000-9,000 Cr. in the next 2-3 years, with an expected fee income of 100-110 bps.

Nuvoco Vistas Corporation Ltd

CMP: INR 297 | MCap: INR 106.13 Bn

Guidance:

- Nuvoco Vistas aims to achieve revenue of INR 150,000 Mn in the next 3-4 years, focusing on growth in core markets.
- Plans to maintain EBITDA margins in the range of 18-20% by improving operational efficiencies and optimizing costs.
- Targeting a ROCE of 15% by focusing on premium products and value-added services.
- Plans to reduce net debt by INR 10,000 Mn over the next 2 years through efficient cash flow management.

Other Key Highlights:**Business Strategy & Expansion Plans:**

- Focused on expanding capacity to 30 MTPA from the current 25 MTPA over the next 3 years.
- Plans to increase the share of premium cement to 40% of sales by FY27.
- Aims to strengthen market presence in the East and North regions while optimizing logistics.
- Plans capital expenditure of INR 5,000 Mn for capacity expansion and modernization over the next 2 years.
- Vadraj Cement Acquisition: Successfully integrated Vadraj Cement's 6 MTPA capacity, enhancing market reach in the Western region. This acquisition is expected to contribute INR 15,000-20,000 Mn in revenue annually going forward.

Financial Performance & Revenue Growth:

- Achieved revenue of INR 108,500 Mn in FY24, with a target to reach INR 150,000 Mn by FY27.
- Reported EBITDA of INR 19,500 Mn in FY24, with plans to increase to INR 30,000 Mn by FY27.
- Net debt stands at INR 46,000 Mn, aiming to reduce it to INR 36,000 Mn by FY26.
- Plans to achieve PAT growth of 20-25% CAGR over the next 3 years.

Market Position & Industry Outlook:

- Positioned among the top 3 cement companies in the East region with a strong market presence.
- Plans to leverage synergies from recent acquisitions, including Vadraj Cement, to strengthen market share.
- Benefiting from government infrastructure spending and housing demand in key markets.
- Focused on increasing premium cement sales to drive margins.

Operational Efficiency & Cost Optimization:

- Focused on reducing power and fuel costs by 5% through alternative fuel usage and efficiency measures.
- Plans to achieve 20% green energy consumption by FY27.
- Aims to reduce logistics costs by INR 300-400 Mn annually by optimizing supply chain and distribution.

Product Portfolio & Premium Offerings:

- Strong focus on premium cement brands such as Duraguard and Infracem.
- Plans to introduce new premium products to cater to evolving customer needs.
- Premium products contributed 30% to overall sales in FY24 with a target of 40% by FY27.

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Om Infra Ltd

CMP: INR 117 | MCap: INR 11.27 Bn

Outlook

The company is involved in water infrastructure projects including hydropower, pump storage, and water distribution with a strong order book of around INR 8,500 Mn added this year and expectations of INR 10,000 Mn order additions next year driven by government focus on water and power infrastructure development across India.

Market Opportunities and Government Initiatives

- Company sees significant opportunities in government initiatives focused on hydropower projects with a potential capacity addition of 50,000 MW.
- Company identifies substantial prospects in pump storage projects also with a government target of 50,000 MW capacity.
- Anticipates opportunities arising from river interlinking schemes being undertaken by the government.

Order Book and Recent Performance

- Company has successfully added INR 8500 Mn worth of new orders in FY25.
- The new orders are a combination of Jaljeewan Mission projects and orders for hydromechanical equipment.

Bandra SRS Project

- Company is involved in the Bandra Slum Rehabilitation Scheme project and anticipates receiving significant proceeds upon their exit from this real estate venture.
- There is consideration for allocating approximately 50% of these proceeds towards the engineering business and the remaining 50% for inorganic growth initiatives or distribution to shareholders as dividends.

Other Financial Highlights

- Q4 FY25 is expected to be muted due to funding delays but strong growth is expected from FY26 onwards.
- Company has access to approximately INR 6,300 Mn in bank guarantee limits with about 50% currently utilized.
- Expects EBITDA margins of around 8 - 10% on Jaljeewan Mission projects.

OnMobile Global Ltd

CMP: 45 | Mcap: 4.77 Bn

Company Overview & Leadership

FC Sirois, CEO of OnMobile Global, alongside CFO Radika, outlined the company's 25-year legacy in mobile entertainment and its strategic pivot to cloud gaming. With deep roots in telecom (150+ venture deals, Infosys collaboration), OnMobile is leveraging its global infrastructure (2,500 servers across 60+ operators) to dominate the \$400B gaming market. They're transforming sunk costs into high-margin growth—scaling gaming to 50%+ of revenue while cash-flowing legacy. The \$400B prize is within reach.

Gaming: The Growth Engine

- **Explosive Traction:** Signed 120+ telco deals in 3 years—unprecedented in OnMobile's history. Gaming now contributes 45% of revenue (up from 15% in Q2'23).
- **Subscriber Boom:** 9.26M paying subscribers (target: 20M by FY27); MRR to double to \$2M/month by FY26 via optimized marketing (CAC down from 75% to 50% of revenue).
- **Innovative Products:**
 - **HTML5 Casual Games:** 6M subscribers.
 - **ONMO (TikTok for Gaming):** 3.29M users; pivoting to ad-supported free tiers to boost engagement.
 - **Interactive App Store:** Licensing platform to help telcos monetize carrier billing (65% of app store revenue is gaming).

Strategic Partnerships & Tech Edge

- **DeOSphere Deal:** \$15M server deployment to enable 2x performance at 1/6th cost. Monetizing legacy infrastructure into a profit center (25–50% margins).
- **Upcoming Launch:** Premium Video Service in Europe (€5–10/month; summer 2025 rollout).

Financial Roadmap

- **Revenue Growth:** 100% YoY in gaming (license + subscription); legacy to grow 5–10% via "million-dollar contracts."
- **Margins:** Consolidated EBITDA target 20%+ (gaming: 25%+, legacy: 15–18%).
- **Funding Plan:** \$30M QIP (\$15M for M&A, \$15M for servers). If markets delay, they'll explore private placements or asset monetization (e.g., Chingari stake sale).

Investor Takeaways

- **Untapped Valuation:** Trades at a fraction of peers (e.g., Nazara's 10x higher multiple).
- **Catalysts:**
 - **New gaming product launch** (April–May 2025).
 - **Institutional backing** to re-rate the stock.
 - **Debt-free balance sheet** with global receivables 3x debt.

Key Risk: Execution on server capex and telco monetization.

Upside: Gaming margins could surprise as scale kicks in.

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Onward Technologies Ltd**CMP: INR 250 | MCap: INR 5.66 Bn**

- The company has exited legacy IT services to concentrate on ER&D and digital services, aligning with its three verticals IEHM (Industrial Equipment & Heavy Machinery), Transportation/Automotive, and Healthcare.
- IEHM and T&M remains Onward Tech's core two vertical, driving revenue through 80+ active client relationships.
- 50% of revenue comes from India, primarily serving GCCs of global firms, with the rest from international markets (US and Europe).
- 30% onsite and 70% offshore; international margins better in offshore due to cost efficiencies.
- Revenue from top 5 clients rising steadily, reflecting focused account expansion.
- Focused on deepening relationships with existing clients, targeting annual growth from top 25 clients.
- Healthcare is an emerging vertical, supported by dedicated Pune delivery center and specialized SMEs hired; management sees significant long-term growth potential.
- While acknowledging a slowdown in Europe's automotive segment, management remains optimistic due to opportunities in EV/hybrid projects and the sector's vast market size.
- EBITDA Margins dipped to single digits due to foundational investments (e.g., leadership, delivery centers), but aim to reach mid-teens as execution scales.
- Lower margins compared to ER&D peers are attributed to recent investments and a 50% India revenue mix; improvement is expected post-investment phase.
- Utilization rates remain strong at 90%+, supported by active monitoring and alignment with project demands.
- Chennai facility completed, adding capacity without replacing existing centers; no major capex planned in the next 1–2 years.
- Revenue guidance of INR 4,900–5,100 Mn and EBITDA margin of 9%–11% for FY25, are on track as per management.
- Growth will focus on farming existing accounts (e.g., expanding project scope, leveraging trust for repeat business), reducing client acquisition costs and improving profitability
- AI impact on ER&D is currently limited, though trends are being monitored.
- New vertical-based leadership team to be onboarded in Q1FY26 / Q2FY26 to drive strategic execution. Employee growth aligns with revenue, ensuring sustainable hiring.
- US tariff impact remains uncertain, but India's GCC market provides some insulation. Margins expected to improve post-investment phase, bringing them in line with ER&D peers.
- Not actively pursuing M&A, but open to strategic opportunities.
- Macro factors (US recession, auto slowdowns) could create headwinds but also opportunities via cost-driven outsourcing.

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Panache Digilife Ltd

CMP: INR 288 | MCap: INR 4.39 Bn

Business Overview

- The company is offering both design and manufacturing services under one roof, focusing on IT hardware and telecom sectors.
- Its product range includes laptops, desktops, interactive flat panel displays, Android TVs, AI-powered CCTV cameras, routers, switches, and EV charging stations.
- The IT hardware division contributes the most to revenue and margins.

Guidance

- Aims for 50% CAGR growth over the next 3 years.
- EBITDA margins are expected to stabilize between 5-10%, while PAT margins are projected between 2.5-5%.
- The company does not currently have a long-term order book; it works on 45-90 day contract cycles.

Other Key Highlights

- Reduction in finance costs by 32% due to funds raised in Sep 2024.
- Debt has been reduced from INR 330 Mn in Mar 2024 to INR 130 Mn in Sep 2024, improving financial stability.
- Current capacity utilization is at 30%, with potential to scale up significantly.
- The company has a total manufacturing capacity of 500,000 devices annually.
- No immediate CapEx plans except for investments required for the PLI scheme.
- The company is leveraging Make in India and PMA policies to boost domestic production.
- The company has maintained long-term relationships with clients, with no customer loss in the last 2 decades (except due to business closures or product shifts).
- Top 10 clients contribute 75% of revenue.
- The company has received approval under the IT hardware PLI scheme. The company is yet to make CapEx investments under the PLI guidelines, after which it can claim incentives.
- The geopolitical shift towards "China Plus One" strategy is creating favorable conditions for Indian manufacturing.
- The government's import tariffs and local manufacturing incentives are expected to drive domestic production and reduce reliance on imports.
- The company is in a breakout growth phase and aims to expand aggressively in the next 3 years.
- Management sees the current market conditions as highly favorable due to increased domestic demand and global supply chain shifts.

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Parag Milk Foods Ltd**CMP: INR 149 | MCap: INR 17.84 Bn**

Outlook: Targeting international markets with operations in Dubai to expand into GCC and Africa. Aim to achieve revenue milestones of INR 10,000 crore through category expansion and product diversification. Strengthening core categories and leveraging the shift from unorganized to organized markets. Investing in backend milk procurement, ensuring quality and quantity, and optimizing processes through digitization. Maintaining high margins through value addition and premium products like ghee and Pride of Cows milk. Focusing on farm-to-home integration and environmental stewardship in operations.

Company Overview: Founded over three decades ago, initially as a milk trading business, and evolved into a global health and nutrition provider. Operates four major brands: *Gowrdhan*: Branded cow ghee with market leadership. *Go Cheese*: Second-largest cheese brand in India with a strong presence in the Horeca segment. *Avvtar*: Sports nutrition brand growing rapidly. *Pride of Cows*: Premium dairy products sourced directly from the company's integrated farm.

Business Operations: Robust distribution network with 29 depots, 4,500+ distributors, and a reach of 4.6 lakh retail touchpoints. Milk procurement from five states, with 300+ chilling centers and touchpoints with over 5 lakh farmers. Processing capacity of 3.4 million liters/day, with current utilization at 2 million liters/day.

Strategic Priorities: Strengthening core categories and leveraging the shift from unorganized to organized markets. Focused investments in brand building and innovation (e.g., IPL sponsorships). Growth emphasis on new-age business areas like whey protein and premium dairy products. Emphasis on digitization, automation, and efficiency enhancement across operations.

New-Age Business: Whey protein production highlighted as a competitive advantage. Plans to scale "Pride of Cows" beyond its current geographic presence and expand its product range.

Revenue Growth: Continued double-digit growth driven by core categories like ghee, paneer, and cheese, supported by increasing consumer preference for branded over loose products. Ambitious milestone of INR 10,000 crore revenue, driven by expanding product portfolio and market share in existing and new categories.

Market Dynamics: Milk prices, which were volatile in FY24, are stabilizing, providing relief on input costs.

Distribution Expansion: Strengthening penetration in North and South India, while leveraging international operations in Dubai to target GCC and Africa markets.

Strategic Investments: Emphasis on digitization, automation, and AI-driven efficiency improvements across the supply chain to optimize costs and reduce wastage.

Marketing Efforts: Enhanced brand-building initiatives, including participation in IPL, Bigg Boss House, and other promotions, with a spend of 4-4.5% of revenues on advertising.

International Growth: Establishing strong distribution networks internationally, with a focus on GCC and Africa markets.

Product Diversification: Entry into new categories like protein bars, snacks, and other consumer nutrition products aligned with the vision of becoming a health and nutrition provider.

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Paragon Fine and Speciality Chemical Ltd

CMP: INR 65 | MCap: INR 1.28 Bn

Outlook: The company is diversifying its product portfolio beyond dyes into higher-margin segments like pigments and agro while expanding capacity and developing new products to drive growth over the next 3-5 years.

Business Highlights

- Company manufactures specialty chemical intermediates for diverse industries including dyes, pigments, agrochemicals, cosmetics, and electronics.
- Company has a current installed capacity of 600 metric tons which is in the process of being expanded to 850 metric tons.

Product Diversification

- Company is strategically diversifying its product portfolio beyond its traditional focus on dye intermediates.
- Actively expanding its presence in intermediates for pigments and agrochemicals to reduce its reliance on the dye segment.
- They have successfully launched halquinol a product used in the feed and pharmaceutical industries. This product contributed 4% to revenue this year and is projected to reach 12% in the next fiscal year.

Customer Relationships

- Company has established long-term contracts with MNC clients indicating strong and stable customer relationships.
- The company provides crucial support to its clients in product registration processes. This creates significant barriers for potential competitors due to the time and complexity involved.
- They have 55 products under NDAs with MNC clients highlighting their role as a trusted partner in developing proprietary chemicals.

Manufacturing and Capacity Management

- Company is actively expanding its manufacturing capacity with new facilities expected to become operational by September 2025.
- The current capacity utilization rate is around 85% indicating efficient use of existing assets.
- Company have planned a capex of INR 110 Mn for the expansion of their warehouse and manufacturing facilities.

New Product Development and Future Growth

- Company is actively developing new products in the area of electronic display intermediates targeting clients in Japan and the OLED and LED manufacturing sector.
- Working on developing NBPT, a product used as a coating for fertilizers to improve nitrogen use efficiency. The target yield for NBPT production is 70%. This product has significant potential in both domestic and international fertilizer markets.
- Based on these new product launches and capacity expansions, company expects to achieve a 3x growth in revenue within the next 3-5 years.

Financial Highlights

- The working capital cycle has increased from 60 to 90-120 days to align with the payment terms offered by Chinese competitors in the export market.
- The domestic business now accounts for 50% of the total revenue which helps to balance the longer payment cycles typically associated with exports.
- The current halquinol production capacity is 20 tons per month with space for further expansion in the new facility.
- Obtaining FDA approval for their halquinol plant could allow them to sell it as an antimicrobial agent potentially commanding higher prices compared to its current feed-grade application.

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Paramatrix Technologies Ltd

CMP: INR 69 | Mcap: INR 0.8 Bn

The company aims for double-digit growth through geographic expansion into Japan and the Middle East, diversification into healthcare, potential inorganic growth, and a focus on increasing export revenues to improve margins, to reach 5-10x growth in the next five years.

Business Overview & Growth Focus

- A digital transformation and application modernization company with expertise in digital applications, data analytics, and cybersecurity.
- Key clients in BFSI, including Kotak Mahindra Bank, HDFC Securities, and NSE Indices.
- Expanding into healthcare and international markets, including Japan & the Middle East.

Financial Performance & Strategy

- FY24 Revenue: INR 286 Mn | EBITDA: INR 56.5 Mn | PAT: INR 41.3 Mn.
- Revenue mix: 65% domestic, 35% international.
- Targeting multi-fold growth with a focus on exports and enterprise clients.

Key Offerings & AI Integration

- Excite (Data Analytics), Convex (AI Conversational), Playmity (Gamification), and Bulwark (Cybersecurity).
- Strong push towards AI-powered solutions to enhance offerings and stay competitive.

Financial Strength & Outlook

- INR 440 Mn cash post-IPO, planned for geographic expansion and acquisitions.
- Targeting 35% EBITDA margins and 5-10x revenue growth in 5 years.
- Aiming for 15-20 high-value clients with revenue potential of \$500K+ per year.

Management Focus

- Expanding into Global Capability Centers (GCCs) of large corporations.
- Scaling business through AI-driven solutions, exports, and sector diversification.
- Confident in achieving strong growth despite competition and new market challenges.

Phantom Digital Effect Limited

CMP: INR 218 | Mcap: INR 2.96 Bn

Financial Performance & Order Book:

- Unexecuted order book stands at INR 2,000 mn.
- Expected to be executed in FY25-26.
- EBITDA margin is expected to be 30% in FY25 and increase by 5-10% in the following years.
- PAT margin projected at 27% currently, increasing to 30-35% in upcoming years.

Revenue & Market Expansion:

- Revenue split: 60% domestic, 40% international (due to past industry strikes).
- Strategy to reverse the ratio and push for higher international revenue for better margins.
- China venture expected to contribute at least 10% of revenue in the first year, increasing to 30-35% in 2-3 years.

Receivables & Cash Flow:

- Receivable days: 200 days currently, targeting less than 100 days.
- Outstanding receivables: INR 6,600 mn.
- 52% of outstanding amounts have been collected.
- Expecting to collect 20-25% of remaining dues in the next three months.

AI is being successfully integrated into VFX pipelines to enhance productivity. Productivity increased by 40-60% in several departments. AI is seen as a support tool rather than a threat to the VFX industry.

Strong project pipeline & automated workflows enable faster deliveries. Recognized for handling last-minute, high-pressure VFX work efficiently.

Acquisition of Tippett Studio is helping secure big-budget Hollywood projects.

Guidance for FY25 & FY26:

- Revenue target: INR10,000-INR11,000 mn in FY25.
- Plan to scale to INR 20,000 mn revenue in FY26.
- Company expects steady CAGR growth with no saturation.

Piramal Enterprises Limited**CMP: INR 989 | Mcap: INR 223.11 Bn****Guidance**

- By March 2025, the legacy book is expected to be below 10% of AUM, and by March 2026, it should be under 5%.
- The company expects to reach an ROA of 2.5% - 3% by FY28, driven by OPEX improvements and cost of funds.
- Retail AUM CAGR target: ~26% over the next 4 years.
- Leverage ratio currently at ~3x, expected to increase but not beyond 5x.
- Current AUM stands at INR 780,000 Mn, expected to grow to INR 1.5 Tn by FY28.

Other Key Highlights

- The business has shifted from wholesale to retail, with retail and new business now comprising 90% of AUM.
- Retail AUM has grown from INR 200,000 Mn (post DHFL acquisition) to ~INR 600,000 Mn.
- Product Mix- Initially focused on housing loans, now includes business loans, LAP, unsecured personal loans, and used car loans.
- Selling multiple products to existing customers, boosting AUM growth.
- OPEX to AUM has reduced from 6.5% to 4.5%, expected to further decline to 3.5%-4%.
- Blended OPEX to AUM should stabilize around 3.2%-3.5% in the long term.
- Fee income is expected to improve by 50-60 bps as amortization changes stabilize.
- Credit cost remains at ~2%, expected to stay at similar levels in the near term.
- Haircut levels have been stable at ~25-30%, and provisions are more than adequate.
- Legacy book rundown is proceeding as planned, with an expected INR 30,000 Mn reduction in Q4FY25. Legacy book rundown reduced from INR 430,000 Mn to ~INR 100,000 Mn.
- Cost of borrowing currently at 9.2%, impacted by past rate hikes but expected to improve.
- The company has a large tax shield from past losses, keeping effective tax at zero for several years.
- The company has expanded its branch network from 300 branches to 500+ branches.
- The planned merger of Piramal Enterprises with Piramal Finance is expected to conclude by September-October 2025.
- The company intends to exit its remaining INR 17,000 Mn stake in the Sriram Group, primarily consisting of unlisted insurance entities, within the next 12 months.
- The company primarily focuses on small-town and semi-urban India, catering to the financial needs of low to mid-income customers.

Punjab National Bank.

CMP: INR 93 | Mcap: INR 1067.11 Bn

Guidance

- The company aims to bring GNPA down to 3.5-3.75% by Mar 2025, while Net NPA is targeted to remain below 0.5%.
- Credit growth guidance for FY25 is set at 11-12%.
- CASA stood at 38.12% as of Dec 2024, with a target of 42% for FY25.
- No immediate capital raising planned for Q4 FY25 despite approval to raise INR 70,000 Mn in Tier-1 capital.

Other Key Highlights

- GNPA reduced from 6.24% in Dec 2023 to 4.09% in Dec 2024. Net NPA improved significantly from 0.96% in Dec 2023 to 0.41% in Dec 2024.
- PCR improved to 96.77% in Dec 2024, surpassing the guidance of 95% for FY25.
- Fresh sanctions of INR 9.8 Tn and INR 9 Tn disbursed.
- New underwriting book quality has improved, with fresh NPA at only INR 27,810 Mn, accounting for 0.3% of the total new loans.
- Segment-wise NPAs in fresh underwriting stands at Retail 0.33%, Agriculture 0.44%, MSME 1.47%, Corporate -Negligible.
- MSME slippages remained under control despite industry-wide stress concerns.
- The company opened 8.513 Mn new CASA accounts in 9MFY25, up from 1.769 Mn in the same period last year.
- Excess SLR holdings of INR 760,000 Mn ensure ample liquidity.
- Treasury income saw strong support from RBI's OMO operations.
- INR 30,000 Mn worth of bonds were raised in Q3FY25.
- CAR remains strong at 19.22% for Q3FY25 and 18.87% for 9MFY25.
- Digital transactions accounted for 91.1% of total transactions in Q3FY25, up from 88.2% in Q3FY24.
- PNB ONE saw active users rise to 20.8 Mn in Dec 2024 from 15 Mn in Dec 2023. Daily active users on mobile banking grew to 1.3 Mn, a 1.4x increase YoY.
- Average daily financial transactions via mobile app increased 1.7x to 0.295 Mn.
- Digital lending sanctions exceeded INR 98,000 Mn.
- PNB onboarded 0.374 Mn customers for CBDC, processing 2.41 Mn transactions.
- Project Udaan has been launched to drive HR transformation and performance management.
- Focus on C/I ratio improvement, though staff costs remain elevated due to higher employee count (1 lakh+) and pensioner base (80,000+).
- Exploring co-lending partnerships with private funds and smaller financial institutions.
- International business remains a small part of operations, with deposits and advances around INR 500,000 Mn each.
- RBI's relaxed PSL norms expected to benefit credit growth and reduce operating expenses by INR 5,000-6,000 Mn over the next 2 years.
- No major challenges in the corporate sector; demand remains stable across sectors like energy, roads, power, and EPC industries.
- FinTech partnerships and AI-driven credit models are being explored to enhance underwriting and customer targeting.

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Power And Instrumentation Gujarat Limited

CMP: INR 171 | MCap: INR 2,750 Mn

Guidance

- Company expects to grow 50% YoY over the next three years, supported by strong order inflows and sectoral tailwinds.
- EBITDA margins will also reach to 13–14%, through larger project sizes, better pricing of the products.
- Plans to diversify geographically and explore larger projects (INR 2,500–3,000 Mn size) to improve scalability and margins.
- Solar and manufacturing segments identified as future growth drivers, alongside traditional EPC strengths.

Order Book & Execution

- Company has an order book of INR 3+ Bn, with ~INR 4 Bn already bid for FY25. Projects are executable within 12–15 months.
- Exploring opportunities in solar EPC projects, building existing expertise in evacuation infrastructure. Company's long-term growth outlook remains positive due to government boost on renewables.
- Company's current order book consist of 65–70% from distribution projects, 20–25% from building segments (airports, smart cities), and the balance from transmission.
- For its Geographic Mix: 50–60% from Rajasthan, 20–25% from Assam, and 25–30% from Gujarat/pan-India central projects.
- Pipeline: Actively bidding on INR 4 Bn of tenders, focusing on government-funded projects (central/World Bank/ADB).

Challenges

- Company faces commodity volatility as temporary inflation in copper/aluminum prices affected in March, expected to normalize by mid-April.
- Due to aggressive pricing from unlisted players, management emphasizes quality and regional expertise as differentiators.

Payment Cycles

- Government project payments typically realized in 45–60 days post-billing, with 10% retention until project completion.

Acquisitions

- Company acquired P8 Electrical for INR 180 Mn to enhance manufacturing capabilities. P8 holds an order book of INR 350 Mn.
- Company is talk with MNCs for technology partnerships; secured a manufacturing license from Siemens.
- For its renewables focus, Solar EPC projects in Maharashtra underway, with plans to balance margin-driven opportunities across segments.
- Company earns 3–7% royalty from JV contracts, contributing to subsidiary revenue.

Financial & Operational Metrics

- Company has no major capex plans disclosed; focus on utilizing raised funds INR 710 Mn, INR 540 Mn for working capital, INR 140 Mn for acquisitions.

Market Positioning

- Competitors: L&T, Siemens, Kalpataru, Ashoka Buildcon, and Lumino. Differentiated by regional expertise and one-stop EPC solutions.
- Company's key clients include government utilities companies, PSUs (Airport Authority, NBCC), and smart city missions.

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Praveg Limited

CMP: INR 478 | Mcap: INR 12.34 Bn

Outlook

The management is prioritizing brand goodwill and customer satisfaction over immediate financial returns. Future expansion plans include potential development of experiential hotel chains in India and potentially internationally. The company is exploring opportunities in emerging tourism destinations and working closely with government initiatives. They are highly optimistic about achieving beyond INR 3,000 Mn in top-line revenue for FY26.

Key Highlights

- The company focuses on eco-responsible luxury hospitality, offering unique and sustainable travel experiences in culturally and naturally significant locations.
- It employs a distinctive approach of using non-permanent luxury accommodations to operate in locations where traditional construction is challenging.
- It utilizes 3 land acquisition methodologies: direct property purchase, revenue-sharing agreements, and government PPP contracts.
- Currently operational properties include resorts in Bangaram (50 rooms), Lakshadweep, Kewadia, and Ayodhya.
- The company has four new projects planned for inauguration, including properties in Adalaj, Ahmedabad, Kachchigam, and potential expansion in Alibaug.
- Total room inventory is currently around 964 rooms, with plans to expand to ~1,000 rooms in the near future.
- Ayodhya properties show promising occupancy rates, with Ramakoti at 73% and Saryu at 57% occupancy.
- Praveg has expanded into the wedding and banquet market, offering in-house services like decoration and catering in select properties.
- Wedding-capable properties include Kewadia (200 rooms), Lakshadweep (250 rooms), and Kachchigam-Jampur area (120 rooms).
- The company has strategic alliances with decorators and caterers to enhance wedding venue offerings.
- The company's development team capable of executing projects in 4-6 months, and in some cases, as quickly as 45 days.
- In Lakshadweep, Praveg has secured special entry permissions for its guests, simplifying the entry process.
- The company is collaborating with government agencies to improve flight connectivity and airport infrastructure in Lakshadweep.

Premier Roadlines Ltd

CMP: INR 84.9 | Mcap: INR 1.94Bn

Outlook: Company is well-positioned to capitalize on India's infrastructure growth and increasing industrial activity. With its asset-light model, diversified revenue streams, and expanding technological capabilities, the company is poised for steady growth. Expansion into integrated logistics solutions, a focus on high-margin project logistics.

- Company has over four decades of experience in the logistics industry with a robust pan-India presence, utilizing an asset-light business model that provides scalability and flexibility.
- The company specializes in Over-Dimensional Cargo (ODC) and Project Logistics, which is currently contributes 40-50% of its revenue. This focus on high-margin, specialized logistics differentiates it from general freight operators.
- Company maintains a well-balanced revenue mix, with 25% of its revenue from contractual general logistics services and 15% from market-based ad hoc freight opportunities. This ensures stability while also capturing cyclical price advantages.
- The company serves large industrial clients in key sectors such as power, cement, sugar, and engineering. Major clients include Adani, Tata, Praj, and Cummins, highlighting company's trusted execution capabilities.
- Company operates across major industrial zones in Gujarat, Maharashtra, and Southern India. The company also specializes in executing complex assignments in remote regions, including the Northeast and border areas.
- They manages its operations through a 44-branch network and a technology-enabled monitoring system. This ensures real-time tracking, route optimization, and enhanced service reliability.
- The company maintains healthy EBITDA margins in the range of 12-14%, driven by the value-added nature of project logistics and the high-entry barriers in ODC operations.
- Company recently raised INR 40 Cr. through an IPO, which will be strategically deployed for branch expansion, technology enhancements, and working capital needs. The company's debt-free status further strengthens its financial flexibility.
- The company is investing in an in-house ERP system and customer interface tools, incorporating GPS-enabled fleet tracking, real-time analytics, and digital documentation to enhance operational efficiency.
- It is looking to increase its share of wallet from existing clients and diversify into integrated logistics solutions. The focus includes expanding multimodal logistics, warehousing services, and international freight partnerships.
- The company mitigates fuel price volatility through contractual pricing structures that often include escalation clauses, ensuring margin protection during inflationary periods.
- They is well-positioned to benefit from India's infrastructure push and rising manufacturing activity. Government-led infrastructure projects and private sector capex initiatives provide a significant growth runway.
- Strong client relationships, on-time project execution, and value-added logistics solutions ensure repeat business and long-term client retention.
- The company's specialization in handling oversized and high-value cargo demonstrates strong project management capabilities, further strengthening its competitive edge.
- They are actively exploring partnerships in the international freight space and pursuing larger government and private sector contracts to expand its market presence.
- While not explicitly detailed, company's efficient logistics operations contribute to reduced carbon emissions by optimizing routes and minimizing empty miles.
- Management remains focused on maintaining service quality, operational discipline, and profitability while scaling its operations across new and existing sectors.
- With a strong industry presence, technological capabilities, and a diversified revenue model, company is well-placed to capture opportunities in the growing logistics market in India and beyond.

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Premium Plast Ltd

CMP: INR 32 | Mcap: INR 630 Mn

Outlook

Company expects continued growth targeting INR 1,000 Mn revenue in 3 years and diversifying its customer base to reduce reliance on its main customer VECV. The company plans to maintain strong margins through capacity expansion, new product launches, and entry into new automotive and industrial segments.

Company Operations

- Specializes in automotive components with 80% of revenue from this segment, industrial components, specialized packaging, and solar connectors.
- Manufacturing capabilities include 3 blow molding machines and 25 injection molding machines which is expanding to 38-40 machines by year-end.

Financial Performance and Growth Plans

- H1 FY25 Revenue stood at INR 232.7 Mn, EBITDA stood at INR 54.4 Mn with 23.39% margin, Net profit stood at INR 26.1 Mn with 11.2% margin.
- Targeting around 15% annual growth.
- Aiming for INR 1,000 Mn revenue in 3 years and INR 1,700 – 1,750 Mn in 5 years
- Capacity utilization is around 65-85% and inventory days targeted to reduce from 182 to 60 days.
- Recent capex funded through IPO proceeds with sufficient funds for 2 years of growth.

Customer Diversification and Market Outlook

- Current major customer is VE Commercial Vehicles (VECV) which contributes 80% revenue.
- Company goal is to reduce dependency on VECV customer.
- Other customers are TAFE, Daimler, Veroc Polymers and made new agreement with Mahindra two-wheelers.
- New product launches is expected to drive additional growth.
- Expanding into sheet metal manufacturing and engineering bushings segment.

Prospect Consumer Products Limited**CMP: INR 72 | M.Cap: INR 0.38 Bn**

Outlook: Targeting revenue growth through increased production capacity and expansion in retail. Utilizing both online and offline channels for marketing and distribution to strengthen its brand presence. We are confident that these strategic initiatives will drive sustained growth, profitability, and market presence across segments.

Company Background: Started in 2015 as Fortune Exports, initially focusing on trading dry fruits and cashews. Transitioned to cashew processing in 2020, expanded capacity to 2,500 metric tons in 2025, with plans to increase to 6,000 metric tons.

Key Developments: Collaboration with African Nagos Industries for raw material procurement, ensuring cost efficiency. Expansion into retail with flavored cashews and other dry fruits, now available on platforms like Amazon, JioMart, ONDC, and Nature's Basket. Introduction of new products like flavoured cashews and almond/pistachio tins.

Strategic Focus: Strengthening its position in both B2B (bulk sales) and B2C (retail/consumer) markets. Emphasizing high-quality products and targeting premium consumers in the retail segment. Exploring further diversification in the dry fruits category based on market opportunities.

Industry Insights: India's cashew industry is growing at a CAGR of 4.14%, with increasing demand for cashew-based products like milk, butter, and healthy snacks. Government support is significant, including import tariffs and financial assistance for infrastructure.

Operational Growth: Focus on stabilizing the new 2,500 metric ton capacity plant, with targets to achieve production of up to 3,000 metric tons in the upcoming financial year. Revenue goal driven by increased volumes in both B2B and B2C segments, alongside newly introduced flavored and retail packaged dry fruits

Revenue Contribution: B2B market remains dominant in the near term, with over 90% revenue share, but the B2C segment is expected to see gradual growth, targeting over 10% contribution in the next three years. Gifting products and premium retail offerings to support this expansion.

Profitability: Anticipation of a 50% CAGR in revenue growth over three years, along with targeted EBITDA margins of 10–15%. Optimization of costs, including a 20% savings from raw material procurement through partnerships like African Nagos Industries.

Capacity Expansion: Plans to scale production capacity to 6,000 metric tons by 2027-28 without significant additional CAPEX, leveraging the existing infrastructure. Doubling production as early as the next financial year is feasible due to prior capital investments.

Diversification: Gradual expansion into additional dry fruit categories beyond cashews, contingent on market conditions and price competitiveness.

Market Positioning: Exploring exports and corporate partnerships to reduce dependency on a single vertical. Long-term efforts to convert the unorganized cashew market towards organized branding and quality differentiation.

Protean eGov Technologies Ltd**CMP: INR 1,341 | M.Cap: INR 54.37 Bn****Company Overview**

Protean eGov Technologies operates in six verticals: tax services, social security & welfare, digital identity, open digital ecosystem, cloud & infosec, and data stack.

Core Businesses

The company holds 64% cumulative market share in PAN card issuance and 97% market share in NPS and APY record keeping. Its digital identity services include Aadhaar eKYC, Aadhaar authentication, e-Sign, and online PAN verification.

New Business Initiatives

Protean is building Multisectoral Digital Public Infrastructure into sectors like e-commerce, Mobility, open finance, agriculture, health, and education.

The company's Data Stack vertical has products like Protean Life (Registries for CSR & ESG ecosystem), Rise with Protean (API marketplace for verification of various documents), Protean X (digitally verifiable credentials); eSign Pro (Full documentation suite) and AI enabled CKYC.

Growth Strategies

The company is pursuing international opportunities in Southeast Asia, Middle East, and Africa with more than 15 RFP bided out of which some are into advanced stages. The company has also submitted bid for the PAN 2.0 project. It has also launched its buyer and seller tech buyer integration for ONDC.

Financial Outlook

Legacy businesses are expected to grow 8-12% annually, while new businesses target 20-25% revenue contribution by FY27-28. The company aims to improve margins by 200-300 basis points in two years. Protean won a INR 161 crore order from CERSAI for system revamp and upgradation in which 60-65% revenue recognition will happen in the first two years.

Innovation & Branding

The company is actively working for integrating various systems and processes with AI and blockchain technologies. The company has engaged actor Pankaj Tripathi for brand building campaigns.

Competitive Landscape

While facing potential competition in ONDC registry management, products like Rise with Protean and eSign Pro are gaining traction. The company sees significant potential in global e-signature markets.

Future Projects

Protean is developing a comprehensive education portal and expects new businesses to drive significant growth in 2-3 years. Management remains bullish about the company's future prospects.

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Purvankara Ltd**CMP: INR 247 | Mcap: INR 58.61 Bn**

Purvankara Group, a pioneer in the Indian real estate industry, has successfully completed over 51 million square feet across 80+ projects during its 50-year journey. Purvankara Limited appears positive, with plans for significant project launches totaling around 12 million square feet in FY2025-26 (mostly in the first half), a target to grow pre-sales at a CAGR of 30-35%, expansion into new markets like Mumbai, a focus on mid-income housing, and efforts to improve cash flows and margins through a mix of residential, commercial and plotted development projects.

Business Segments

- **Purvankara Residential:** Luxury apartments and villas priced above INR 1.5 crore.
- **Provident Housing:** Mid-income housing priced below INR 1.5 crore.
- **Purva Land:** Plotted developments.
- **Purvankara Commercial:** Commercial asset portfolios for sustained cash flow.
- **Starworth:** EPC projects such as metro stations and hotels.
- **Purva Streets:** Interior solutions with manufacturing capabilities.

Financial Growth and Performance: The company has demonstrated significant growth with sales growing at a **57% CAGR** over the last three years. Collections have increased to **INR 1000 crore per quarter**, compared to INR 200 crores five to six years ago. Purvankara aims to sustain a **30-35% CAGR in pre-sales** in the coming years.

Geographic Expansion: Purvankara is strongly positioned in Bangalore, Hyderabad, Chennai, Mumbai, and Pune. It is also exploring markets like Kochi, Coimbatore, Goa, and Mangalore, while deferring its entry into NCR by 18 months.

Project Pipeline: The company deployed **INR 1,236 crores** for land acquisitions in the last nine months, expecting a revenue potential of **INR 12,000 crores**. Total projected cash flow potential from ongoing and planned developments stands at **INR 14,300 crores**.

Redevelopment Initiatives in Mumbai: **Apna Ghar:** Offering 930,000 sq ft; launch expected in Q2 FY25, GDV of INR 2,500 crores, **Thane Project:** Launch anticipated in Q1/Q2 FY25, GDV of INR 3,600 crores.

Commercial Development Strategy: Purvankara plans to complete **2.2 million sq ft** of commercial space by FY25, with **700,000 sq ft for sale** and **1.4 million sq ft for lease**, ensuring diversified and sustained cash flow.

Fundraising and Profitability Goals: To support growth, the company is exploring an equity fundraise of **INR 1,000 crores** through QIP in Q3 FY25. It is targeting **EBITDA margins of 25-30%**, with higher margins in plotted developments (35%+) and residential projects (30%).

Operational Strategy: Purvankara emphasizes quick project launches within 4-5 quarters of land acquisition to ensure efficient capital turnover. This approach reinforces its competitive edge and growth diversification.

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QMS Medical Allied Services Ltd

CMP: INR 74.8 | Mcap: INR 1.3 Bn

Revenue

Revenue growth is expected 25%-30% YoY in FY25E, led by hospital distribution and scaling patient service programs. The company is focused to Double revenue in 3 years.

Margins

Product Distribution EBITDA margins are 12–15%

Services EBITDA margins are 25–50% (varies by program).

Hospitals

The company is focused on scaling to INR 50-60 mn per month in FY25E.

Depreciation

The depreciation is INR 300mn per year due to medical equipment's for camps.

Partnerships

The company has partnerships with Lupin (diabetes management), Pfizer, Mankind.

Rashi Peripherals Ltd**CMP: INR 289 | M.Cap: INR 19.13 Bn**

The company has maintained a CAGR of 20-23% and expects to continue this growth.

Revenue breakdown:

55% from PES (Personal Computing, Enterprise & Cloud Solutions). 40% from LIT (Lifestyle and IT Essentials), holding a 30-35% market share with no major competitor.

Sales breakdown:

- 75-80% from General Trade (retail stores, corporate resellers, and government suppliers).
- 7-8% from Modern Trade (organized retail chains like Reliance Digital and Chroma). 10-12% from Online E-commerce (Amazon, Flipkart).
- Working capital cycle is around 50-55 days: 30-45 days of credit from suppliers. 50-55 days of inventory holding. 35-45 days of credit to customers.
- The company is expanding into Enterprise Networking and the Semiconductor Space, moving beyond computing hardware into networking infrastructure and semiconductor distribution.
- Potential entry into AI-powered computing solutions due to increasing demand for high-performance computing.
- Local production can lower logistics costs, improve margins, and reduce working capital needs.
- Sales are expected to be driven by Microsoft upgrades, with potential growth in Q4 FY25.

Rajratan Global Wire Ltd

CMP: INR 297 | MCap: INR 15.09 Bn

Guidance

- The company aims to become a INR 20,000 Mn company in the next 3-4 years.
- The company aims to return to 17-18% EBITDA margins, with current margins impacted by losses in specific markets which they have decided to exit.
- The company aims to maintain and improve gross margins, targeting ~INR 30,000-35,000 per ton.

Other Key Highlights

- The company expects a volume growth of 10-12% compared to last year, despite earlier expectations of higher growth.
- Pitampur and Thailand plants are operating at 90-95% capacity utilization. Chennai plant utilization is increasing.
- They aim to improve margins and profitability by focusing on premium customers and reducing loss-making business.
- The company is working to increase exports, leveraging relationships with multinational companies, with a target to increase exports from India to 10-12% of Indian volumes (currently around 2-3%).
- ~INR 2,500-2,600 Mn have been invested in the Chennai plant, with a total project cost of around 3,000 Mn. Current capacity is 30,000 tons per annum, with plans to expand to 60,000 tons.
- The Chennai facility is eligible for 8% PLI benefits on sales, although achieving the targeted volume in the first year is under review with the government.
- The company faces competition from Chinese players in the global market and Indian players like Tata Steel and Bansal Wire in the domestic market.
- Raw material costs have been subdued, but there is an expectation of a potential price increase due to a 12% duty on steel imports.
- The company's focus is on utilizing existing capacity (180,000 tons) rather than further expansion in bead wire.
- The company is looking for a technology partner for a potential entry into the steel cord business.
- The Chennai plant is currently operating at around 1000 tons per month, with plans to increase to 2000 tons per month in the coming year and further expansion to 5000 tons/month
- The company is adapting to the evolving demands of the electric vehicle (EV) industry by developing and supplying high tensile wires and lower diameter wires for EV tires.

Raymond Lifesyle Ltd**CMP: INR 1,047 | Mcap: 63.77 Bn**

Outlook: The company appears well-poised for a steady growth trajectory. Management is confident in a recovery and aims to achieve FY24-level revenue and EBITDA figures, positioning FY25 as a soft comparative year. Branded textiles aim to return to 21% margin levels through better realizations and optimized sales performance. Branded apparel margins are expected to expand steadily, supported by counter expansions and store performance improvements.

Wedding Season Impact: The current extended wedding season (mid-November to May/June) has led to steady consumer demand and optimistic trade sentiment. Channel partners have reported improved confidence after a weak first half of the year. Channel partners remain optimistic about steady sales, aided by better inventory levels compared to earlier disruptions.

Business Updates: Double-digit booking growth was noted for the Spring-Summer 2025 collection, positively impacting future quarters (starting Q2). Branded textile bookings have shown growth in low double digits, suggesting a stronger demand outlook. The impact will be visible in revenues starting Q2FY26.

Growth and Strategic Initiatives: The company aims to double EBITDA by FY28, though timelines may extend by 9-12 months due to challenges in the current year. Efforts are underway to expand branded apparel margins and capacity for garmenting (e.g., suits, trousers, shirts) to capitalize on long-term demand.

Garmenting Expansion: Current garmenting capacity (6.5 million pieces) will increase to 10 million by FY27, with significant CapEx investments. New facilities are being set up in southern India, leveraging lower labor costs in some regions. This positions the company among the top global suit manufacturers.

Margin Outlook: Margins are expected to improve starting from Q1FY26, backed by confirmed orders and improved trade partner relations. Branded textile margins declined recently due to lower sales and macroeconomic challenges, but optimism is fueled by upcoming bookings.

Future Investments: Growth CapEx is focused on garmenting capacity expansion and ESG initiatives, alongside selective store openings and enhancing existing stores' performance.

Balance Sheet Health: The company remains net cash positive, generating strong free cash flows annually.

Export Business: The garmenting business (exports) is cautiously optimistic, despite macro uncertainties. Key factors include tariff stability and improved competitiveness due to issues faced by other suppliers like Mexico.

EBITDA Growth: Management targets doubling EBITDA by FY28, although this may extend by 9–12 months due to recent challenges. Expansion across branded apparel margins and garmenting operations is central to achieving this.

Raymond Ltd

CMP: INR 1,224 | Mcap: INR 81.49 Bn

Financial Performance:

- Revenue Growth: Consolidated revenue stood at INR 9,850 Mn, reflecting 36% YoY growth.
- EBITDA Performance: EBITDA stood at INR 1,380 Mn, growing 75.8% YoY and 19% QoQ.
- Profitability: PAT for the quarter increased 75% YoY and 22% QoQ to INR 723 Mn.
- Margins: EBITDA margin improved to 14.5%, showing operational efficiency.

Real Estate Business:

- The real estate segment continued to perform well, significantly contributing to revenue.
- The company focused on executing and launching new projects, with strong sales momentum.
- Continued efforts on Joint Development Agreements (JDAs) and expansion in the Thane region to unlock higher revenue potential.

Engineering Business:

- Stable Domestic Demand: Growth was led by the Tools & Auto business and Maini Precision Products Ltd (MPPL).
- The segment faced challenges due to muted international demand and geopolitical issues.
- The engineering business contributed INR 4,430 Mn, with steady YoY growth.
- Management aims to improve profitability and efficiency in the newly acquired MPPL business.

Outlook:

- Management remains committed to expanding its real estate portfolio and maximizing growth from the engineering sector.
- Future performance will be led by new project launches, increasing real estate bookings, and operational efficiency in MPPL.
- The company remains well-positioned for sustained revenue and profit growth in the coming quarters.

RHI Magnesita Ltd

CMP: INR 507 | M.cap: INR 105 Bn

Overview: Dominating India's Refractory Revolution

RHI Magnesita India stands tall as the undisputed leader in India's refractory industry, commanding over 30% market share—more than double its closest competitor. With a Pan-India footprint and a diversified portfolio spanning steel, cement, non-ferrous, and iron-making sectors, the company is perfectly positioned to capitalize on India's infrastructure boom.

Strategic Acquisitions Fueling Growth

The integration of Dalmia Bharat Refractories and Hi-Tech Chemicals has transformed RHI Magnesita into a one-stop refractory solutions provider. Post-acquisition, EBITDA margins for Dalmia's plants have tripled from 4% to 10-11%, despite raw material cost surges. The company is now optimizing production, shifting capacities, and leveraging global R&D to drive localization and exports.

Financial Powerhouse with 15% EBITDA Ambition

Despite market volatility, RHI Magnesita delivers resilient profitability, targeting 15% EBITDA margins long-term. A ROIC-focused approach, disciplined capex, and working capital efficiency (targeting 25% intensity) underscore its financial strength. With minimal short-term debt and a cash-rich balance sheet, the company is primed for sustainable growth.

Iron Making & Exports: The Next Growth Frontier

RHI Magnesita is doubling down on iron-making refractories, where it aims to double market share to 30%. An INR10 crore modernization in Jamshedpur will enhance automation and capacity. Exports, currently 10% of revenue, are set to rise to 15% in 2-3 years, driven by global demand for high-margin flow-control products.

Why Invest?

- **Market Leader:** 30%+ share in a \$1.5B+ Indian refractory market.
- **Margin Resilience:** Proven ability to triple EBITDA in acquired units.
- **Growth Levers:** Iron-making expansion, export push, and operational excellence.
- **ROIC Discipline:** Strategic capex and working capital optimization.

RHI Magnesita isn't just growing—it's redefining India's refractory industry. With global backing, local dominance, and unstoppable execution, this is a long-term wealth creator. The future is fiery—and RHI Magnesita is fueling it.

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RMC Switchgears Ltd

CMP: INR 723 | M.cap: INR 7.45 Bn

Revenue

Revenue is expected INR 10bn+ in FY26E. revenue is expected to reach INR 50bn by FY30E.

Around 60%-70% revenue is expected from solar EPC and products; 30%-40% of business from traditional electricals.

Margins

Electrical Equipments margins – 18%-19%.

Solar EPC Margins are expected to be competitive but lower due to industry dynamics.

Solar Module

Solar module manufacturing capacity is 1GW. The plant construction is going on and completion is expected by May 2025. The equipment installation and trial runs are expected in Jun/Jul 2025. The commercial production and revenue is expected from Sep 2025 onwards.

The solar modules are supporting Monoperc, Topcon, and HJT technology.

The modules will be used for captive EPC projects and plans to sell externally. The company is targeting both government and private sector customers for module sales

Solar EPC

200 MW solar EPC contracts execution starts Q1FY26E.

Traditional Electrical Business

The company is focused on government tenders (transmission, substations).

Pilot projects is expected to start from Q1FY26E for power theft/loss reduction devices. It features Real-time monitoring, theft prevention, and O&M support.

Working capital

Faster cash cycles for solar EPC vs traditional electrical/water projects.

ROX Hi-Tech Ltd**CMP: INR 36.9 | Mcap: INR 8.43 Bn**

- The company has strategically shifted from a hardware-driven transactional model to a services-led business model. Services now contribute ~55% of revenue, with management targeting ~70% contribution in the coming years through annuity-based contracts.
- The company is witnessing robust revenue visibility with a run-rate that supports 25–30% YoY growth for the next 2–3 years. FY24 revenue is expected to reach INR 180–190 Cr with healthy EBITDA margins in the 15–16% range, backed by higher-margin service offerings.
- Strong traction in cybersecurity and cloud migration continues, driven by increased enterprise spending on digital infra and security. Partnerships with global OEMs like IBM, Cisco, Sophos, Microsoft, and HP are enhancing ROX's solution capabilities.
- Managed IT Services (MITS) including Remote Infrastructure Management and Business Continuity Services are gaining momentum, contributing to revenue stickiness and supporting steady margin improvement.
- The AI-ML and Analytics vertical is emerging as a fast-growing area. Proprietary solutions like churn prediction models and business intelligence dashboards are being deployed across BFSI and enterprise clients, indicating strong demand for data-driven tech enablement.
- The company services 300+ enterprise clients with high repeat business. Nearly 40% of revenue is recurring in nature, offering visibility and stability, which is expected to improve further as managed services expand.
- Company operates from 11 locations across India and maintains a scalable delivery model through a workforce of 400+, including 100+ certified engineers. This positions the company well for growth without heavy incremental capex.
- IPO proceeds of INR 54 Cr raised in October 23 are being deployed towards building a state-of-the-art facility in Chennai, product development, automation tools, and capability enhancement. The new facility is expected to be operational by Q1FY26.
- The company remains debt-free and maintains a strong focus on governance, internal processes, and data protection—particularly relevant given its exposure to sensitive enterprise and BFSI clients.
- Management has guided for a topline of INR 400–500 Cr by FY27 with sustained double-digit EBITDA margins. The company aims to establish leadership in the mid-market IT services segment by leveraging its cybersecurity, cloud, and AI-led solutions.

Sagar Cement

CMP: INR 182 | M.cap: INR 24 Bn

The company expects demand and pricing to improve in FY26, with EBITDA margins potentially reaching 12%, and the management is targeting to double capacity to 20 Mn tons by FY35 through organic and inorganic growth.

Business & Expansion Highlights

- Hyderabad-based cement manufacturer with 48 years of operations.
- Presence across five southern states, Madhya Pradesh, and Odisha.
- Current clinker capacity: 6.5 mn tons; expanding to 7.25 mn tons by mid-FY26.
- Current cement capacity: 10.5 mn tons; expanding to 11.75 mn tons by FY26.
- Long-term vision: Targeting 20 mn tons capacity by FY35 through organic and inorganic growth.

Market Conditions & Demand Outlook

- The first half of FY25 faced challenges like past election periods.
- Significant demand recovery from mid-October onwards.
- January-February saw 20% YoY growth in demand.
- Expecting 8% market growth in operating regions in FY26.
- The company is targeting 14-15% volume growth in FY26.
- Andhra Pradesh's Amaravati capital city project is expected to drive demand over several years.

Pricing & Cost Trends

- Cement prices remained flat to slightly negative in recent months.
- Key pricing movements: Hyderabad (INR 285 to INR 290), Bangalore (INR 310 to INR 325), Chennai (INR 280 to INR 285).
- Expect price recovery from mid-April 2025 onwards.
- Raw material costs are stable, except that the pet coke price increases and fly ash landed costs are up 20%.
- Gross margins: Currently 8-9%, expected to improve to 12% in FY25.

Capacity Expansion & Capital Allocation

- Andhra plant upgrade to be completed by Q2/Q3 FY26.
- Jajpur plant expansion: Increasing from 1 mn to 1.5 mn tons.
- Andhra plant expansion: Increasing from 2.25 mn to 3 mn tons.
- Government incentives pending: INR 900-1000 Mn from AP/Telangana, INR 1500 Mn from MP.
- Merger of Andhra Cement acquisition under evaluation, pending regulatory clarity.
- Planned Andhra Cement land sale: INR 3500 Mn expected over 18 months.
- Open to acquisitions at the right valuation.

Financial Position & Debt Strategy

- Current net debt: INR 12000 Mn.
- FY26 debt levels are expected to remain similar, with a significant reduction from FY27 onwards.
- Targeting net debt-free status by FY28- 29.

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Sahaj Solar Ltd.**CMP: INR 375 | M.cap: INR 4.12 Bn**

- A new manufacturing facility with a 750 MW capacity is under construction, featuring advanced TopCon technology for higher panel efficiency and reliability. Production is expected to begin by mid-next financial year.
- Strong presence in the EPC sector, particularly in solar water pumping solutions, contributing approximately 60-65% of total revenue.
- Demonstrates consistent organic growth through a focus on technological advancements, operational excellence, and an expanding market presence.
- Actively exploring opportunities for international market entry, supported by strategic partnerships and collaborations.
- Emphasizes environmentally conscious manufacturing processes and energy-efficient solutions, aligning with global sustainability goals.
- Maintains lean manufacturing practices to optimize operational costs, improve production efficiency, and enhance profit margins.
- Efficient capital allocation supports growth initiatives, with a focus on maintaining financial stability and ensuring long-term shareholder value.
- Investing in advanced solar technologies, including the adoption of TopCon cells, to maintain a competitive edge in the market.
- Collaborating with technology providers, industry players, and government agencies to enhance product offerings and expand market reach.
- Committed to fostering employee growth through continuous learning programs, encouraging innovation, and promoting operational excellence.
- Providing tailored solar solutions with a strong focus on customer satisfaction, leveraging its extensive service network.
- Targeting increased market share in the domestic solar sector while establishing a presence in key international markets.

Sahyadri Industries Limited

CMP: INR 215 | Mcap: INR 2.4 Bn

Revenue

Revenue is expected to reach INR 20bn over next 5 years.

Q1 revenue share is 40%-45%.

Margins

The margins are single digit (down from 15-20% due to raw material cost pressures). Around 1.5% margin hit from rupee depreciation (USD/INR at 85-86).

West India margins are 2% higher than southern India.

Capacity expansion

The capacity stood at 69,000 MT across 5 plants. New plant Planned in Maharashtra and Visakhapatnam (delayed due to land acquisition issues).

Market penetration

Aim to become an all-India player (currently strong in West India, weaker in South).

Industry volume growth 6%-7% YoY, capacity additions to match demand.

Competitive edge

Asbestos sheets are 35-40% cheaper than steel roofing.

Capacity utilization

Current plants operating at 45-60% and targeting 60-70% going forward.

Raw materials

Asbestos fiber imported from Brazil and Russia. Only 2 major global suppliers; prices non-negotiable post-COVID.

Volumes

West India: 60% volume, 2% higher realizations.

South India: 40% volume, 2% lower realizations.

Exports

Exports revenue share less than 1% and company is exploring Middle East and Africa.

Sanathan Textiles Ltd

CMP: INR 362 | Mcap: INR 30.53 Bn

Outlook: Sanathan Textiles aims to sustain EBITDA margins in the 10–11% range and PAT margins at 5.5–6% under stable market conditions. Focus on innovation and value addition: Introduction of eco-friendly products like dope-dyed yarns and expansion into recycled yarns align with global sustainability trends. Committed to transitioning fully into a professionally managed enterprise while maintaining strong family involvement.

Company Overview Core Business: Sanathan Textiles specializes in the manufacturing of yarns, with three verticals: polyester filament yarns, 100% cotton yarns, and yarns for technical textiles. **History:** Established in 2004–05 by the Dattani family, the business has over 48 years of experience in the yarn industry. **Production:** Current installed capacity is 223,000 tons annually at their Silvassa facility, achieving over 95% utilization.

Key Strategies Focus on **value addition** to enhance customer retention and create "customer stickiness." Expand cyclically across the three verticals to ensure steady growth without overburdening any segment. Transition from a family-run business to a family-owned, professionally managed enterprise.

Business Insights: Revenue Composition: Polyester filament yarns contribute ~77%. Cotton yarns contribute ~17–18%. Yarns for technical textiles contribute ~5%.

Key Innovations: Introduction of dope-dyed yarns (eco-friendly, water-saving, and UV-resistant). Specialty yarns like stretch yarns and moisture management yarns for sportswear.

Growth Initiatives: Setting up a **new plant in Punjab** (Wazirabad Industrial Park), strategically close to northern customers, with lower operating costs and greater automation. This facility aims to reduce transportation costs, provide faster delivery, and leverage the use of agro-waste for energy efficiency. Expansion plans include doubling the capacity for technical textiles and adding cotton yarn facilities.

Industry Outlook: The Indian textile industry is shifting from a cotton-dominant market to a higher reliance on man-made fibres like polyester, fuelled by government incentives (e.g., PLI scheme) and incremental demand.

Punjab Facility Launch: The new state-of-the-art facility in Punjab will commence operations in Q1FY26 (May/June 2025). Phase 1 will start with a capacity of 700 tons per day, aiming to scale up to 1,000 tons in the second phase.

Operational Efficiency: This new plant is expected to reduce costs significantly through lower power expenses, reduced manpower requirements, and use of agro-waste as fuel. These cost advantages will allow them to offer competitive pricing to customers.

Improved Customer Access: The Punjab location will help the company cater to Northern India customers with faster delivery times (within 4–6 hours) and lower freight costs, enhancing customer loyalty.

Short-Term Financials: For FY25, the company highlighted improving EBITDA margins (10.5–11% range) after a difficult prior year due to post-war market disruptions. Recovery trends are evident

Expansion Plans: Doubling capacity for technical textiles yarns to 18,000 tons annually by FY27. Adding 70,000 spindles to the cotton yarn facility in Western India to expand this vertical.

Shift in Fiber Demand: The company anticipates a shift in the Indian textile market from cotton-dominant fibre consumption (~70%) to man-made fibres (~50-55% cotton), driven by government incentives like the PLI scheme.

Steady Growth Strategy: Management plans to maintain a cyclical growth approach, balancing expansions across all three verticals (polyester, cotton, and technical textiles) to avoid overloading any segment.

Revenue Growth: Future growth will be driven primarily by capacity additions, as the current facilities are operating at over 96% utilization.

Saraswati Saree Depot Ltd

CMP: INR 80 | Mcap: INR 3.19 Bn

Outlook: Key Priorities are improving cash flows by optimizing inventory cycles and receivable timelines. Enhancing gross profit margins through strategic cost control, such as procurement optimization in Surat. Establishing the Surat office as a dual-purpose hub (procurement and sales) within the next year and beyond. While exploring product diversification, we remain cautious, focusing on maintaining profitability and operational excellence.

Company Overview: Saraswati Saree Depot started as a family business in 1966, specializing in sarees, which make up 90% of their sales. The company operates on a B2B model, selling to 13,000 retail outlets, offering over 3 lakh SKUs, and working with 900 suppliers.

Business Model: They address industry fragmentation by providing a one-stop solution for retailers to source a variety of sarees under one roof, easing the burden of traveling across India to find products. Their strategy involves leveraging bulk purchasing power to negotiate better prices with suppliers, which benefits both the company and their retail customers.

Geographical Reach: Operations are primarily from two locations: Kolhapur (80% of sales) and Ulhasnagar. Most customers are from Maharashtra, with some in Karnataka and Goa.

Inventory and Strategy: Inventory turnover is six times annually, with 60-day inventory cycles. They focus on introducing new designs frequently, relying on customer feedback to decide on scaling production. The company aims to rotate inventory more than six times annually to improve cash flow. Efforts are being made to optimize receivables, ensuring they are managed within 45 days to strengthen operational cash flows

Returns and Credit Management: Sales returns account for 5-6%, mainly due to defects or excess dispatches. Credit terms include incentives for early payments and penalties for delays, ensuring receivables are managed within 45 days.

Growth Plans: Currently debt-free, the company plans to improve capital allocation, enhance cash flows, and explore growth opportunities like a sales office in Surat. Potential product diversification into men's ethnic wear is under evaluation.

Challenges and Solutions: Depreciation has increased due to changes in accounting policies and new machinery purchases. The management aims to reduce costs and improve margins by focusing on procurement efficiencies.

Cost Optimization Initiatives: A Surat office has been established as a purchasing hub to reduce the cost of goods sold (COGS), targeting better gross profit margins. The reduction in reliance on external suppliers like Saraswati Fabric through machinery acquisition demonstrates steps towards cost efficiency. Plans to transform the Surat office into a sales hub, potentially extending geographical reach and tapping into a wider customer base. Exploration into diversification with products like men's ethnic wear, though entry strategies are still under evaluation.

Capital Allocation and Growth: Management emphasizes better capital allocation, balancing between reinvestment in the business and shareholder returns. Focused efforts on maintaining a debt-free status while exploring strategic growth opportunities.

Sustainability in Operations: Continued reliance on operational efficiencies, like bulk procurement and frequent inventory turnover, to maintain profitability. Efforts to stay ahead in design innovation and rapidly cycle through new saree patterns to sustain a competitive edge.

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Saregama India Ltd

CMP: INR 510 | Mcap: INR 98.30 Bn | Rating: Buy | TP: INR 653

Outlook

Saregama India Ltd. is investing heavily in music, video, and live events, with INR 3,000 Mn planned for FY25. With a data-driven approach and operating leverage, it aims for 32-33% adjusted EBITDA margins, positioning itself for long-term market leadership in India's entertainment industry. It aims to increase its market share, particularly in regional areas, by investing significantly in new music content. While this impacts short-term profits, the company projects strong top-line and bottom-line growth. The growth of India's digital music market and a move towards paid subscriptions are expected to be tailwinds. We expect Saregama's revenue, EBITDA, and PAT to grow at a CAGR of 29.04%, 35.55%, and 26.26%, respectively, over FY25-27E and arrive at a TP of INR 653 per share. Accordingly, we maintain a "BUY" rating on the stock.

Industry Growth

- The industry anticipates big shifts in music subscriptions (from free to paid) and monetization of short format video apps. The Indian music industry is growing at a rate of over 15% per year.
- The global music industry is ~\$30 Bn, while the Indian music industry is only about \$300 Bn, indicating significant growth potential.

Other Key Highlights

- The company plans to spend over INR 10,000 Mn in the next 3 years and INR 3,000 Mn annually from FY25 onwards for new content acquisition.
- A significant portion of the investment is focused on acquiring content in various regional languages.
- Content acquisition decisions are based on due diligence, financial viability. The payback period is on an average 5 yrs.
- The company uses predictive AI modeling to assess the potential revenue of content before acquisition.
- Content acquisition cost is charged off over 10 years, with about half charged off in the first 2 years.
- The company focuses on adjusted EBITDA to reflect operational efficiency, similar to other capital-intensive companies.
- Excluding new music acquisition, the existing content library has been growing at about 10%
- The company believes that a shift from free to paid music subscriptions could increase industry revenue.
- YouTube revenues are based on a variable revenue sharing model, with YouTube sharing about 55% of ad revenues with Saregama.
- The music industry has normal competitive intensity with high entry barriers. There are generally only a few active players in the music acquisition space across different languages.
- The event business is described as lumpy, with revenues and margins varying. The event business operates at a single-digit margin.

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Seamec Ltd

CMP: INR 975 | Mcap: INR 24.8 Bn

Margins

Margins are expected to improve as all vessels are now fully deployed, reducing idle costs.

Realizations

The Middle East contracts (e.g., ADNOC) offer higher charter rates (INR 70,000–80,000/day) compared to Indian contracts.

Capex

Seamec plans to acquire two more vessels (Nusantara and one from HAL Offshore) to consolidate its fleet under the listed entity.

Capex is internally funded, with a net negative debt of INR 1.41bn (cash reserves exceed gross debt).

The company is replacing aging vessels with younger, more efficient ones (e.g., Nusantara, Anant) to reduce maintenance costs and improve utilization.

The company avoids speculative expansions, focusing on contracts before committing to new vessel acquisitions.

Tonnage Tax

The company benefits from a tonnage tax scheme, reducing its effective tax rate.

East Coast Expansion

The KG Basin is a key growth area, with long-term contracts expected from FY27E as oil fields develop.

Subsea Projects

Partnerships with L&T for subsea operations provide steady revenue streams

Industry and Competition

Seamec is the only Indian player operating MSVs at scale, giving it a niche advantage.

Competition includes global players like HAL Offshore, but Seamec's long-term contracts with ONGC and ADNOC provide stability.

The Middle East and Southeast Asia are prioritized over Europe/US due to higher charter rates and logistical ease.

Working Capital and Debt

Net debt is negative, with INR 3.33bn in cash/investments against INR 1.91bn gross debt.

Idle vessel costs (crew, fuel, repairs) impacted profitability in Q2–Q3 FY25 (~₹30 crore), but full fleet deployment from Q4 onward will normalize margins.

New opportunities

The company explores opportunities in hydrogen and renewable energy-support vessels but remains focused on oil/gas for now.

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International Business

30% of revenue comes from international contracts (Middle East, Southeast Asia).

A Dubai subsidiary facilitates bulk carrier operations and Middle East contracts.

The UK subsidiary (for European market entry) may be liquidated due to limited near-term opportunities.

Challenges

Subsea and accommodation barge operations halt from May–October annually.

Delays between contracts (e.g., Swordfish's six-month idle period) temporarily hurt revenues.

Other highlights

Long-term growth hinges on east coast oil field development and Middle East expansions.

ROCE is targeted to rise to 20% by FY26E through fleet optimization and higher-margin contracts.

Servotech Renewable Power System

CMP : INR 122 | Mcap : INR 27.3 Bn

Revenue

The company operates primarily in two segments: solar energy and electric vehicle (EV) charging infrastructure. Solar contributes around 60% of total revenue, while EV accounts for the remaining 40%.

The growth is driven by strong demand for solar solutions, including rooftop solar systems, hybrid inverters, and solar pumps under government schemes like Kusum Yojana.

The EV segment is expanding due to increasing adoption of charging stations and components like onboard chargers for two-wheelers and trucks.

Margins and Profitability

The company has maintained healthy margins, supported by backward and forward integration.

By manufacturing critical components in-house (such as inverters, batteries, and PCBs), Servotech avoids dependency on external suppliers, improving cost efficiency.

The focus on end-to-end solutions rather than commoditized products also enhances margin stability. Profitability is further bolstered by economies of scale and operational efficiencies.

Distributor network

Servotech aims to continue its growth trajectory, targeting a significant increase in distributor network from 120 to 360 distributor and expanding its solar product reach to 7,500 retail outlets by 2025.

Working Capital

The company emphasizes efficient working capital management, targeting debt collection within 70 days to maintain liquidity.

Servotech avoids long-term working capital bottlenecks by focusing on projects with quicker turnaround times.

Debt levels are managed prudently, with plans to fund future expansions through a mix of internal accruals and qualified institutional placements (QIPs).

Capex Plans

Servotech has outlined a capital expenditure plan of INR 4-5bn over the next few years.

This will be allocated to expanding manufacturing facilities, R&D, and enhancing production capacity to meet growing demand.

The investment will support backward integration and technological advancements.

Market Share

Servotech holds a 30–40% market share in India's EV charging infrastructure segment.

Industry

In solar, the company is a key player with a strong presence in rooftop solar and hybrid solutions.

The industry is witnessing rapid growth due to government policies promoting renewable energy and EV adoption, positioning Servotech favorably for future expansion.

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Partnerships and Collaborations

Servotech has signed agreements with organizations like the German government for standalone solar energy storage projects.

It also collaborates with Indian institutions for R&D and technology development. These partnerships enhance its credibility and access to global markets.

R&D and Innovation

The company invests heavily in R&D, focusing on patented technologies for solar and EV products.

Recent innovations include micro-inverters for water pumps and smart EV charging solutions.

Servotech's in-house SMT and PCB manufacturing capabilities ensure control over technology and quality.

Exports

Servotech is expanding internationally, with operations in 15+ countries.

Exports currently contribute a small portion of revenue but are expected to grow significantly.

The company is targeting markets with high demand for solar and EV solutions, leveraging its technological expertise.

SG Finserve Ltd

CMP: INR 406 | Market Cap: INR 22.69 Bn | Rating: Buy | TP: INR 783

Outlook- We remain positive on SG Finserve because of the following key reasons: 1) The loan book target of INR 25 bn by FY25, INR 40 bn by FY26, INR 60 bn by FY27. 2) The disbursement growth momentum to continue in coming quarters. 3) Maintains zero NPAs with a low-risk lending model and strong anchor partnerships. 4) Lending yield of 12.5-13%, spread of 4-4.5%, and ROE target of 15-18% by FY27. 5) Automated processes keep C/I ratio in single digits, supporting margins. 6) APL Apollo exposure has declined from 70% to 45%, expected to fall below 25% by FY27. We maintain our positive outlook on the company. We have BUY rating on the stock and a TP of INR 783.

Guidance

- Targeted ROE of 15-18% and ROA of 5-6% by FY27.
- Anchor partnerships to increase from 40+ to 60-65 in FY25 and 80 by FY26, targeting 300 top brand names.
- Current APL Apollo Group exposure: 45%, expected to reduce to ~35% by FY26 and below 25% by FY27, diversifying exposure.
- Current loan book stands at INR 20 Bn, expected to reach INR 25 Bn by March 2025, INR 40 Bn by March 2026, and INR 60 Bn by March 2027.

Other Key Highlights

- The company focuses on channel financing, particularly supply chain finance, addressing the financing gap for MSME dealers.
- It follows a low-risk, medium-return model, partnering only with top-tier industry leaders as anchor clients.
- It has 40+ anchor tie-ups, including Tata Motors, Tata Steel, Ashok Leyland, Bajaj, and Polycab.
- The company plans to expand its financing beyond distributors, leveraging existing relationships to go one step down in the supply chain, aiming for a 50-100 bps increase in yield.
- Initial equity infusion of INR 7,150 Mn (INR 3,500 Mn from promoters, INR 3,650 Mn from external investors). Second round of funding in Oct 2024 raised INR 4,500 Mn, of which INR 3,380 Mn (75%) is still to be infused via warrants.
- Current equity base stands at INR 10,000 Mn, with committed capital exceeding INR 13,500 Mn.
- AA-rated NBFC by CRISIL and ICRA, enabling access to bank funding at 8.5% interest.
- Current disbursement run rate stands at INR 50,000 Mn per quarter, with total INR 380,000 Mn disbursed in the last 2.5 years. The company never disburses funds directly to borrowers; payments are credited directly to anchors to ensure end-use monitoring.
- Zero NPAs reported so far, attributed to strict credit policies and tie-ups with high-quality anchors.
- Borrowers' dependency on anchors is 85-90%. Personal guarantees and undated cheques taken from borrowers as additional security measures.
- Exclusive charge on inventory and receivables, along with bank NOCs, ensures collateral safety.
- Expansion into step-down financing by leveraging GST data and dealer networks, targeting INR 1,000 Mn disbursement in this segment in the next 6 months.
- Loan size ranges from INR 5 Mn to 50 Mn, with an average of INR 20-25 Mn per borrower.
- The entire documentation process is digital, ensuring seamless loan processing and minimizing human intervention. AI-based real-time monitoring system tracks borrower behavior, using 12-13 early warning triggers to detect potential stress. Uses AI & machine learning for credit assessment and early warning signals for defaults.
- The company's C/I ratio is in single digits, among the lowest in the industry, due to technology-driven cost optimization. Current working capital cycle in selected industries is ~36 days, ensuring rapid fund rotation.
- Faster turnaround time (15-30 minutes for disbursements vs. 3-6 hours for large NBFCs/banks) is a major competitive edge.

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Shalibhadra Finance Ltd**CMP: INR 534 | M.Cap: INR 4.1 Bn**

- Rural two-wheeler loans (70% of portfolio), serving underserved customers lacking formal credit history. Also offers used tractor, car, and personal loans.
- 52 branches across Gujarat, Maharashtra, Madhya Pradesh, and Rajasthan; expanding to Karnataka and Goa.
- Aiming to increase from INR 1,550 Mn to INR 2,750 Mn by FY27 through branch expansion and new products.
- Gross NPA at 2.76% (targeting 0% net NPA by FY27); write-offs of ~INR 2 crores annually to maintain a clean portfolio.
- 30-minute loan approval process via in-house LOS system; 25% collections via UPI, aiming to reduce cash dependency.
- Net worth of INR 1,500 Mn (CRAR 99%); borrowing capacity of INR 1000–1500 Mn with low leverage.
- Lending at 24–25% for two-wheelers (secured loans) due to higher risk; affordable housing loans targeted at ~20%.
- Applied for HFC license to offer sub-INR 10 lakh loans; exploring acquisitions to expedite entry.
- 40% repeat customers; cross-selling used vehicles, personal loans, and tractors to existing clients.
- Partnerships with district cooperative banks for cash EMI collection, minimizing cash-handling risks.
- Operates beyond 25 km from district headquarters, avoiding competition from banks and larger NBFCs.
- 25% down payment for loans; reliance on agricultural cash flows (monitors rainfall data for branch viability).
- Piloting salaried personal loans (INR 30,000–50,000) for low-income earners underserved by banks.
- Spent INR 30 Mn on digital systems (LOS, API integrations) to enable scaling and reduce paperwork.
- Raised INR 750 Mn equity (partly undeployed) for HFC expansion; strong lender relationships (SBI, ICICI).
- Physical presence in rural areas vs. fintechs; relationship-driven dealer network (500+ partners).
- Dependency on agricultural cycles; regulatory shifts (NPA recognition to reduce from 180 to 90 days by FY27)

Shankara Building Products Ltd**CMP: INR 589 | Mcap: INR 14.27 Bn****Guidance**

- Revenue is expected to grow by ~15-20% annually over the next 2 years, with EBITDA margins expected to reach ~4% on a blended basis.
- The company recently opened a new store in Hyderabad and plans to open 4-5 more stores in the coming year.
- Expansion will focus on new geographies like MP and their presence in southern states like Kerala.
- The company aims to increase the share of its non-steel business from ~10% to over ~20% in the next 4-5 years.
- Each new store will require an investment of INR 10-15 Mn , including inventory and setup costs. The company will focus on increasing wallet share from existing customers.

Other Highlights

- The company operates in 3 segments: Retail (50-55% of revenue) and Channel sales (distribution to dealers) and Enterprises (B2B supplies).
- ~90% of revenue comes from steel and steel tubes, while non-steel contributes 10%. The company has been expanding its product range beyond steel over the years. The company has 90+ retail outlets, 125 fulfillment centers and 32 warehouses covering 677,000 sq ft.
- Their geographical presence is in Karnataka, Tamil Nadu, Kerala, and Andhra Pradesh. Retail outlets and warehouses are integrated into fulfillment centers to serve both direct and indirect customers.
- The manufacturing units include Vishal Precision (100,000 TPA for steel tubes and cold-rolled strips), Torus (25,000 TPA in Hyderabad), and Century Wells (12,500 TPA for color-coated profiling) .
- The demerger of retail and manufacturing businesses is in progress, awaiting final NCLT clearance. The demerger will create 2 entities: Shankara Building Products for manufacturing and Shankara BuildPro for retail and marketplace operations.
- The company will retain its 3 manufacturing entities post-demerger, while Shankara BuildPro will focus on retail and trading. The demerged entity will also hold warehousing and real estate assets built over the last 30-40 years. The BuildPro entity will operate with an asset-light marketplace model, focusing on improving ROCE etc. This model reduces dependency on manufacturing while expanding product offerings.
- Trading and retail businesses operate at an EBITDA margin of ~3-3.5%, while manufacturing remains lower at ~2.5%.
- APL Apollo has been a key supplier of steel tubes to Shankara for nearly 20 years, providing over 70% of its steel tube requirements .
- Manufacturing margins remain low due to the company's focus on trading, but post-demerger, the company expects improvements. Recovering steel prices in recent weeks are likely to benefit the company's margins in the near term.
- The company has maintained its working capital cycle at ~30 days , ensuring financial discipline. The company has controlled its debtor cycle, preventing any major build-up of outstanding payments.
- Efforts are ongoing to keep interest costs stable even as revenue increases. As a % of sales, interest expenses are expected to decline in the coming year. The company wants to keep annual interest costs in the INR 400-500 Mn range while sustaining 20%YoY revenue growth.
- Expansion will focus on high-potential segments like plumbing, sanitary fittings, and tiles.
- The company has launched its own tile brand, "4Chair, " to improve its presence in this space. Growth in non-steel will be because of faster expansion compared to the steel segment.
- Tiles contribute ~20-25% of Shankara's non-steel business and have seen expansion in Tamil Nadu and Andhra Pradesh. These states will remain the key focus areas for growth in the coming year for the company. The company plans to scale up its tile business by ~30-35% in the current year .
- No major slowdown has been observed in the real estate and construction sectors in its key markets. The company continues to see steady demand for its building materials. Infrastructure and housing growth remain key drivers for future sales.

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Shanti Spintex Ltd**CMP: INR 59 | Mcap: INR 950 Mn**

Outlook: Shanti Spintex differs from peers through advanced machinery, reduced energy costs via renewable sources, and minimal debt levels—all aimed at solidifying market position and delivering consistent value to shareholders. It specializes in eco-friendly denim textiles and uses advanced Japanese technology in manufacturing. The company operates with a focus on sustainability, having invested in renewable energy such as wind turbines and solar energy.

Production and Products: The facility is located near Ahmedabad, with a capacity of 19.2 million meters annually. Products include various shades and types of denim, such as power stretch, knit denim, and lightweight denim.

Financial Performance: The company achieved revenue milestones, reaching INR 505 cr last year. Capacity utilization has increased to nearly 89%, reducing dependency on contract manufacturing.

Challenges and Strategies: Addressed declining profit margins due to the shift from contract manufacturing to in-house fabric production. Plans for backward and forward integration, including investments in a dyeing unit and finishing house, to enhance profitability.

Market and Future Plans: Current operations are domestically focused, with possible future export expansions. The company emphasizes growth through sustainability, modern technology, and maintaining low debt levels.

Customer and Sales Strategy: Sales are made through domestic dealer networks rather than directly to brands, to maintain favourable payment terms and bulk orders.

Capacity Utilization: Current capacity utilization is approximately 89%. Management aims to increase this to 95%-97% in the next year, driving higher revenues.

Profitability Improvement: The company plans to enhance EBITDA margins through better pricing strategies and closer customer relationships. Debt reduction efforts are expected to lower finance costs, further supporting profit growth.

Backward and Forward Integration: Investment in a finishing house (INR 18-19 cr) is expected in FY25–26, aiming to improve operational efficiency and net profits (INR 4 cr annually).

Debt-Free Status: With current repayments made, the company is almost debt-free and plans to fund near-term expansions through internal accruals.

Expansion Plans: A dyeing unit (INR 55-60 cr investment) is planned for FY26. This initiative is expected to boost profitability (INR 12-13 cr annually) and reduce outsourcing costs. Post integration, the company might focus on expanding overall production capacity.

Strategic Growth Objectives: Becoming a composite unit (integrating dyeing, weaving, and finishing processes) is a key goal to reduce dependency on external suppliers and achieve better profit margins. Strengthening domestic market presence is a priority before exploring export opportunities.

Product Portfolio: The company is committed to eco-friendly denim production, using recycled yarn and renewable energy, without diversifying into other fabric types. Growth will be driven by innovative variations within denim.

Financial Guidance: Revenue growth will be supported by full capacity utilization and operational enhancements. For FY26–27, sales projections align with these expansions and market strategies.

Sharda Cropchem

CMP: INR 574 | Mcap: INR 51.79 Bn

The company expects stable Q4 performance and maintains FY25 revenue guidance of 41,000 Mn, targeting 10-15% growth and 15-20% EBITDA margins next year. Rising agrochemical registration costs are seen as a positive, with returns expected to significantly exceed these costs. Despite stable pricing and challenges in Latin America, the company's core agro business remains dominant, while European registration complexities and forex fluctuations are factors to consider.

- Registration costs for agrochemicals are continuously increasing, but the company expects this to positively impact profitability as returns on registrations are multiple times the cost.
- Pricing scenario for agrochemicals is currently stable but below average levels compared to 1-2 years ago. The company hopes prices will gradually increase in the near future.
- The company is targeting revenue growth of 10-15% for the next year, with EBITDA margins expected to be in the 15-20% range.
- Annual capital expenditure of 4000-5000 Mn is expected to sustain the company's growth momentum over the next few years.
- Non-agro business contributes about 20-25% of total revenue, while the agro business accounts for 75-80%. Top 10 products contribute ~55-60% of revenue.
- Registration costs are continuously increasing and are not expected to decrease in the near future.
- The payback period for registrations is still in the range of 2-3 years despite recent market challenges.
- The company does not see a significant shift in sourcing from China to India despite tariff changes, as India lacks the capacity to meet demand.
- For prices to increase, there needs to be higher demand and restrictions in production, particularly from China.

Registration in one EU country does not significantly help in getting registrations in other EU countries due to differing conditions. Needs separate registrations for each country, even within the EU, due to varying climates, soil conditions, and other factors. Registrations that become useless are fully written off in that year. The company amortizes registration costs over 3-4 years, guided by auditors.

- Forex gains/losses are impacted by Euro-Dollar exchange rate fluctuations.
- Europe and US markets are steady and growing, while Latin America is facing a downward trend due to economic challenges.
- There are no significant channel inventory problems currently.
- Increasing registration costs are expected to positively impact profitability ratios as returns are multiple times higher than registration spending.

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Share India Securities Ltd

CMP: INR 168 | Mcap: INR 36 Bn

The company expects 20-25% CAGR growth over the next 5 years, driven by retail broking and algo trading, despite near-term regulatory headwinds in the derivatives segment.

Company Overview & Business Segments

- Established in 1994 as a traditional brokerage, pivoted to technology-driven trading in 2008.
- Launched low-latency trading products in 2011, with rapid growth from 2015 onwards.
- Now operates as a diversified financial services firm with businesses in broking, proprietary trading, wealth management, investment banking, insurance broking, and NBFC.

Financial Performance & Growth Outlook

- Strong top-line and bottom-line growth since IPO, with current operating margins of 28-32%.
- Expected revenue CAGR of 20-25% over the next 5-10 years.
- FY24's performance was robust, with a temporary slowdown in H2 FY25 due to regulatory changes.
- Business normalization and growth resumption are expected in Q1 FY26.

Proprietary Trading & Retail Business Focus

- Proprietary trading contributes 55% of EBIT, driven by fully automated, algorithmic index derivatives trading.
- Trading limits, including banking facilities, stand at INR 40 Bn.
- Retail business identified as the key future growth driver, with increased investments in technology and algorithmic trading for retail investors.
- Margin Trading Facility (MTF) is expected to remain a significant revenue contributor.

Regulatory Impact & Market Adjustments

- New SEBI regulations (September last year) affected derivative trading, leading to a 10-15% drop in volumes.
- Management expects 1-2 quarters for the market to stabilize.
- Proprietary trading activity in Q3 FY25 was impacted, but the long-term growth trajectory remains intact.

Strategic Initiatives & Future Growth Plans

- Expansion into wealth management, PMS, and AIF is expected to contribute significantly to 3-5 years.
- MSCI India exchange investment offers potential through the new SX40 weekly options product.
- NBFC business (established in 2017-18) provides stable, non-market-linked income but is not a primary growth area.
- Strengthening in-house technology capabilities with 300+ engineers to maintain a competitive edge.
- Aim to maintain market share in commodity exchanges like MCX and expand further.
- Expecting linear growth from FY26 onwards as the regulatory impact stabilizes.

Shera Energy Ltd

CMP: INR 139 | Mcap: INR 3.17 Bn

Outlook:

Shera Energy continues to expand its operations with a focus on production capacity enhancement and backward integration. The company is increasing investments in its subsidiaries, Rajputana Industries and Shera Metal Pvt Ltd, to drive growth in electrical cables, nickel-based alloys, and super-fine winding wires. Additionally, Shera is entering the Zambian mining sector, aiming to reduce raw material costs and enhance profitability. Management expects to maintain a 30-35% annual revenue growth rate, supported by new product lines and geographic expansion.

Guidance:

- Plans to expand winding wire production with an emphasis on super-fine wires for consumer electronics.
- Backward integration in Zambia to secure copper supply and reduce raw material costs.
- New aluminium tube plant using cold extrusion technology is set to commence operations in FY26.
- Expected revenue growth of 30-35% annually, with long-term plans to double revenue in the next two years.

Financial Performance:

- Revenue: INR 906 Mn for 9MFY25, already surpassing last year's total revenue of INR 875 Mn.
- EBITDA Margin: Expected to improve with backward integration in Zambia and new product launches.
- PAT: Higher earnings anticipated as new capacity expansions and cost optimizations take effect.

Business Development & Expansion:

- Expansion of electrical cables & nickel-based alloys through subsidiaries.
- Increased focus on super-fine winding wires for industrial applications.
- New aluminum tube plant for cold extrusion process in FY26.
- Zambian mining project to supply copper directly, reducing procurement costs.

Debt & Financial Stability:

- Major CAPEX in subsidiaries is financed through bank term loans, with installations expected to be completed by early FY26.
- Working capital funding for Zambia operations is in discussion with international banks.

Shivalik Power Control Ltd**CMP INR 113 | Mcap INR 2.73 Bn****Revenue**

The company aims for a 40-45% CAGR over the next five years, targeting INR 8bn in revenue.

Order book

The current order book stands at INR 302mn, with expectations to scale up to INR 2,500mn by FY27E.

The company is confident in achieving this growth due to a strong pipeline of projects and India's booming infrastructure sector.

Margins and Profitability

Operating profit margins are currently around 17-18%.

The company anticipates slight pressure on margins as it expands and hires more manpower but expects margins to improve once the plant operates at full capacity.

Increased buying power from partners like Schneider, Siemens, and L&T will also enhance margins.

The focus remains on scaling up and optimizing production processes to improve profitability.

Expansion Plans

Shivalik plans to expand its manufacturing footprint by adding two more floors to its existing 1.25 lakh square feet facility, increasing capacity to 1.9 lakh square feet within nine months.

The company also aims to establish warehouse models in Kolkata, Ahmedabad, Mumbai, and Hyderabad to reduce transportation costs and cater to regional demand. International expansion to Africa and the UAE is planned for FY28E.

Working Capital

The working capital cycle is lengthy, with inventory held for 153 days and debtors taking 45-60 days for payment.

The company maintains high inventory to secure bulk material purchases and avoid price hikes from suppliers.

Competitors

The electrical panel industry is competitive, with major players like Schneider, Siemens, and ABB dominating large orders. Shivalik competes in the mid-sized order segment (INR 10-300) and differentiates itself through modular, technology-driven panels.

Competitors include Marine Electrical and Schematic, but Shivalik's partnerships with global OEMs provide a competitive edge.

Growth Drivers

Key growth drivers include the rising demand for electrical panels in data centers, EV charging infrastructure, renewable energy (wind, solar, nuclear), and government-led infrastructure projects.

The company serves diverse sectors such as cement, steel, automotive, FMCG, and healthcare, reducing dependency on any single industry.

The modular design of their panels allows for scalability and cost-effective expansion into new markets.

Partnerships and Technology

Shivalik has strategic partnerships with Schneider, Siemens, L&T, and TDK, enabling it to produce IEC-standard panels.

These partnerships involve royalty payments but grant access to advanced technology and brand credibility.

The company's panels are IoT-enabled and focus on cybersecurity, making them suitable for critical applications like data centers.

Raw Materials and Supply Chain

Raw materials are procured directly from partners like Schneider and Siemens, ensuring quality and reliability.

The company leverages bulk purchasing to maintain margins and mitigate price fluctuations. Inventory management is critical to handle supply chain disruptions and price hikes.

Exports and Diversification

Exports currently contribute 3-4% of revenue, with orders from Mongolia and Kenya.

The company is exploring opportunities in Nepal and Bangladesh but remains focused on the domestic market due to strong demand. Diversification across industries mitigates risks and ensures steady growth.

R&D and Innovation

The company's panels are modular, reducing welding requirements and enabling easier assembly.

Innovations focus on IoT integration and communication capabilities to meet modern power distribution needs.

Shree OSFM E-Mobility Ltd

CMP: INR 88.8 | MCap: INR 1.37 Bn

Guidance

- Company expects a conservative organic growth of 40–45% going forward for both revenue and PAT, with cautiously utilizing funds.
- Company has potential for higher upside 100-120% YoY growth if took aggressive steps but compromise margins.

Fleet Expansion & Asset Utilization

- Current fleet stands between 2,800 to 2,900 vehicles, with plans to expand to ~3,400–3,500 vehicles, supported by an improved asset utilization strategy.
- Company's current asset utilization averages 12 hours, with initiatives underway to boost this to 16–18 hours through measures like a dual driver setup.

Client Base

- Serves marquee clients including Accenture, Morgan Stanley, JP Morgan, and Wipro across 60+ sites.
- Recent performance impacted by delays in securing large-scale contracts, however successful secured multi-location contracts worth ~INR 500 Mn, enhancing scalability and long term revenue visibility.

Geographic expansion

- Company has pan-India operations in 7 major cities and 60 sites. This client acquisition are on a monthly basis with an average contract period of 3–5 years.
- Company's expansion into tier-2/3 cities (e.g., Jaipur, Indore) driven by client needs, though smaller in scale compared to metros.
- Tier-2/3 city operations face higher unit economics, company tackle it by client-approved pricing premiums, charging 18% hike for non-metro services.

EV Fleet Expansion

- Company currently has ~150 EVs and plans to add 500+ EVs.
- Currently facing challenges in expansion due to limited charging infrastructure and range anxiety in the corporate market.
- Partnerships with Jio, Tata Power, and Adani will build robust EV ecosystem to fuel future transition to EV.

Capital Investment and Acquisition

- Company has ~INR 520 Mn in cash reserve allocated to fleet expansion focusing on fuel-based fleets and EV fleets (offering long-range connectivity).
- Company looking for opportunity to acquiring smaller players as to prevent market dilution, reduce competition and maintain contract integrity.

Pricing Strategy

- Company employs dual pricing strategy, both per-kilometer and package/trip pricing models, with ~90% of its business based on package pricing.
- Faces seasonality challenges with driver absentism in festive seasons and monsoon traffics delays.

Shri Keshav Cements & Infra Ltd

CMP: INR 139 | Mcap: INR 2.42 Bn

Outlook

The company expects to reach 50% capacity utilization in FY26 and 60 - 65% in FY27 for its newly expanded 1 Mn ton cement plant. It is targeting EBITDA of around INR 700 Mn in FY26 with plans to expand into RMC and add 50-60 MW of solar power capacity over the next few years.

Cement Production Capacity and Expansion

- Recently commissioned a new kiln tripling cement production capacity to 1 Mn tons per annum.
- Aiming to stabilize this new capacity by mid-April 2025.
- Plans to further expand cement capacity to 1.6-1.7 Mn tons at the existing plant in the next 3-5 years.

Financial Expectation

- Targeting 50% capacity utilization for FY26 and aiming for a capacity utilization of 60-65% in FY27.
- Expecting an EBITDA of around INR 700 Mn for FY26 and INR 1000 Mn in FY27.
- Anticipating a cost reduction of INR 300 – 400 per ton in FY26 due to the efficiency of the new kiln.

Debt Profile and Repayment

- Approximately INR 1,800 Mn is term loan and INR 350 Mn is working capital
- Expecting to repay around INR 250 Mn annually over the next few years.
- Anticipate a net debt addition of around INR 1000 Mn in the next 2 years primarily for solar capacity expansion.

Renewable Energy and Power Business Segment

- Current solar power capacity is 40 MW and planning to increase solar power capacity by 50-60 MW over the next few years. This will require an estimated investment of around INR 2000 Mn.
- The power business is expected to contribute INR 300 – 350 Mn to the FY26 EBITDA.

Ready Mix Concrete (RMC) Expansion

- Planning to expand into Ready Mix Concrete (RMC) production and aiming to establish 30-40 RMC plants over the next 5 years.

Future Product and Business Plans

- Considering introducing a new cement product variant in the coming months.
- No current plans to sell the business but open to contract manufacturing opportunities.

Shriram Properties

CMP: INR 67.6 | Mcap: INR 11.52 Bn

Business Overview:

- Shriram Properties is a 25-year-old residential real estate developer with a focus on mid-market and affordable housing, operating primarily in Bangalore, Chennai, Pune, and Kolkata.
- The company has completed 46 projects (25 million sq ft) and handed over 18,000 units with zero inventory in completed projects.
- Operates on a capital-light model with 55% JV/JDA partnerships, 25% DM (Development Management) projects, and the rest as owned developments.
- Strong governance framework inherited from Shriram Group, with a professionally managed board.

Guidance:

- Revenue Target: Aiming to double sales value from INR 25,000 Mn (FY24) to INR 50,000 Mn by FY28 (~20% CAGR).
- EBITDA Margin: Targeting mid-20s% (reported basis), with PAT margins of 8-10%.
- Handover Volume: Plans to scale from 3 mn sq ft annually (FY24) to 7.5-8 mn sq ft by FY28.
- Debt Management: Expects to maintain net debt-to-equity below 0.5x, with a path to zero net debt in 24-30 months.

Other Key Highlights:

- New launches in Pune (strong pre-launch response) and Kolkata (villa projects planned).
- Unlocking Kolkata Land Bank by Monetizing 2.18 mn sq ft township with commercial and villa developments.
- Strong Pipeline of 38-40 mn sq ft under development (17 mn sq ft new projects + 21 mn sq ft ongoing).
- Reduced project completion time from 5-7 years to 3-4 years through technology and scale. Asset-light model minimizes capital commitment (only 20-25% equity in JVs).
- Financials:
 - 9M FY25 Revenue: INR 5450 Mn (INR 4150 Mn from operations + INR 1140 Mn other operating income).
 - EBITDA Margin: Stabilized at 21-23% (excluding interest income).
 - ROCE Improvement: From 3-4% pre-2020 to 10-11% currently.
- Focus on mid-market residential demand in Tier 1 cities. RERA compliance and partnerships with global investors (e.g., Ask Group, Mitsubishi) enhance credibility.

Outlook:

- FY28 Vision: INR 30,000 Mn revenue (3x FY24) and INR 2500-3000 Mn PAT through accelerated handovers. 15-18 mn sq ft sales over the next 3 years to support growth.
- Limited equity requirement for land acquisition (INR 4000-5000 Mn over 3 years) due to JV-heavy model. No equity dilution expected; funded via internal accruals and minimal debt.
- Risks Mitigated: Zero inventory risk (100% pre-sold before completion). Diversified geographies reduce market-specific volatility.

SIS India Ltd

CMP: INR 325 | MCap: INR 46.84 Bn

Guidance

- Company expecting ~12-15% organic growth, 2x in coming 5 years through scale, tech adoption, and strategic acquisitions.

Market Leadership & Diversified Operations

- SIS is India's largest security services provider and a major player in Australia, New Zealand, and Singapore.
- Company's revenue run rate stands at ~INR 140 Mn 9MFY25, supported by a 15% CAGR over the past decade.
- Operates three core segments: security services (80% of revenue), facility management mainly India-focused, and cash logistics by JV with Prosegur, contributing ~17% EBITDA margins.
- This segment is asset-light, focusing on bank outsourcing contributing 80% of revenue over ATM dependency.

Technology & Innovation

- Company building up AI for advanced security solutions (e.g., facial recognition via startup Stacku) and remote surveillance via V Protect, monitoring 25,000+ sites.
- Company's Ram Mandir contract exemplifies AI integration, real-time facial scanning linked to crime databases for threat detection.

Margin Stabilization & Recovery

- Post-COVID margins is bottoming out: security (5.6%), facility management (4.5-4.6%), and international (4.5%).
- Company working on to restore pre-COVID margins (6-7%) through premium positioning and operational efficiency.
- Company's acquisition in Singapore's Henderson post-Covid recovery is now breakeven; partial goodwill write-offs completed.

Debt & Capital Management

- Net debt reduced to ~INR 6.50 Bn (from INR 10 Bn), targeting debt-to-EBITDA below 1.5x.
- Company prioritizing buybacks for shareholder returns, citing improved DSOs (days sales outstanding) and equity base reduction.

Growth Drivers & Industry Trends

- Company implemented labor code, expected to disrupt non-compliant competitors, favoring SIS's premium, compliant model.
- Facility management expanding into Tier 2 cities, driven by infrastructure growth and integrated service demand.

Acquisition Strategy

- Company performing staggered buyouts (51-60% initial stake) to mitigate risk, targeting 21% IRR. Pipeline includes potential deals in FY26.
- Focus on compliance-heavy due diligence to align with company's ethical standards.

Challenges & Risks

- Company has high receivables (>6 months) of ~INR 3 Bn; due to selective write-offs based on client relationships.
- Company facing margin pressure from fragmented competition, countered by solutions-based offerings (tech + manpower bundling).

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S J S Enterprises Ltd**CMP: INR 889 | Mcap: INR 27.85 Bn**

The company expects a 6-8% overall industry growth next year, despite short-term softness in the four-wheeler segment, while targeting a significant increase in exports from 7-8% to 14-15% of revenue by FY28. With strong financials, including being debt-free and generating substantial free cash flow, SJS is actively pursuing acquisitions, particularly in Southeast Asia and North America, to further bolster its global presence and technological capabilities. We have a Buy rating on the stock with TP INR 1,205 per share.

SJS Enterprises is a leader in aesthetic decorative products for automotive and consumer industries, with a strong global presence serving 160 customer locations across 22 countries.

Growth faster than the underlying auto industry (1.5-2x) due to premiumization trends and increasing content per vehicle.

Has a competitive advantage in labor-intensive processes like silk screen printing and quality inspection, making it cost-effective compared to global competitors.

New technologies like cover glass for displays and is actively looking for acquisition opportunities, particularly in Southeast Asia and North America.

Expects 6-8% overall industry growth next year, with some short-term softness in four-wheelers, but remains optimistic about long-term prospects in both domestic and export markets.

- SJS Enterprises is a leader in aesthetic decorative products for automotive and consumer industries in India.
- Supply to 160 customer locations worldwide across 22 countries.
- Has four manufacturing facilities in India - Bangalore, two in Pune, and one in Manesar.
- Debt-free and generates significant free cash flow.
- They aim to grow exports from current 7-8% to 14-15% of revenue by FY28.
- The company is experiencing tailwinds from premiumization trends, especially in India.
- They recently won major contracts with Stellantis globally and Whirlpool in North America.
- The company is investing 400 Mn in cover glass technology over the next two years.
- SJS is looking at potential acquisitions, especially in Southeast Asia and North America.
- Generates about 1000 Mn in cash and is net debt-free.
- Quality control process is still largely manual due to the aesthetic nature of products.
- Labor protests recently but claims it did not impact production.
- Company is optimistic about serving new entrants like Chinese automakers in the Indian market.
- Displays as a sunrise area and are investing in related technologies.
- Business experiences some cyclicalities, with Q3 typically being lower than other quarters.
- SJS aims to double sales in the next 4-5 years through organic growth.
- SJS is looking at potential acquisitions, especially in Southeast Asia and North America.

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SMC Global Securities Ltd

CMP: INR 800 | Mcap: INR 35.48 Bn

Guidance:

- The company aims to double its NBFC AUM to INR 26,000 Mn in the next 3 years, targeting an ROA of 3.5-4%.
- Targets 18-20% ROE in the long term (currently ~16%).
- Plans to improve insurance broking margins by shifting focus from low-margin vehicle insurance (90% of premiums) to high-margin life & corporate insurance.
- Aims to grow broking revenue through digital expansion, bank tie-ups (3-in-1 DMAT accounts), and FPI client acquisition.

Business Overview:**SMC Global operates across three core segments:**

- Broking & Wealth (60% cash, 40% F&O brokerage; INR 80,000 Mn FD mobilization/year).
- NBFC (Moneywise Financial Services) – Focus on MSME lending (INR 13,000 Mn AUM).
- Insurance Broking – Dominated by vehicle insurance (INR 30,000 Mn premium).

Segment Highlights:**Broking & Wealth:**

- Market Share: ~2% in equity broking, with 60% brokerage from cash segment.
- Digital Push: Launched SMC 2.0 app (full-service) and Stocks Cart (discount broking).
- Expansion: 188 branches + 2,500 sub-brokers; targeting phygital (physical + digital) growth.
- FPI Focus: 100+ FPI clients; sponsored cricket events for brand visibility.
- Margin Funding Book: INR 9000 Mn AUM (separate from NBFC).

NBFC (Moneywise Financial Services):

- Focus: MSME lending (80% of AUM), microloans (targeting 19-20% yield), and secured lending.
- Asset Quality: Gross NPA 2.3%, Net NPA 1.3%; aggressive write-off policy (40-50% recovery post-write-off).
- Cost of Funds: 10.4-10.5%; blended yield at 15.5% (targeting 16.5-17%).

Insurance Broking:

- Current Mix: 90% vehicle insurance (low-margin), 10% life/corporate.
- Strategy: Shift focus to high-margin life & corporate insurance to improve profitability.

Growth Strategies:

- Broking: Expand digital platforms (subscription model for discount broking).
- Bank tie-ups (3-in-1 DMAT accounts) – opened 25,000 accounts in 3 months via one partner.
- FPI client acquisition (stalls at global conferences).
- NBFC: Double AUM to INR 26,000 Mn by FY28.
- Reduce unsecured lending to <30% of book.
- Insurance: Grow life & corporate insurance share from 10% to 20-30%.
- Technology: Invested INR 1000 Mn in tech over 2 years; hired 250+ tech professionals.

Solex Energy Ltd**CMP: INR 631 | Mcap: INR 6.82 Bn**

The company, which specializes in photovoltaic manufacturing, currently operates at a capacity of 1.5 GW and aims to expand to 4 GW by FY26 while also investing in a new 2 GW cell manufacturing facility. The firm anticipates a robust 60-70% revenue growth over the previous year, with margins maintaining between 9-11% EBIT and 5-6% PAT. The market outlook is positive, driven by growing demand from Independent Power Producers (IPPs) and the commercial and industrial (C&I) segment, particularly as a government mandate for alternative listing criteria is set to take effect in 2026. With a current capacity utilization of 75%, significantly above the industry average, Solix is poised for further growth, focusing on new technologies and collaborations with international partners. Key action items include finalizing technology for the expansion, land acquisition for cell manufacturing, and participation in an upcoming exhibition in Las Vegas to enhance market presence in the US. The company plans to migrate to the main NSE board shortly, reflecting its growth and stability in the renewable energy market.

Key Highlights

- Solix Energy Limited: 30-year-old renewable energy company
- Started in 1995, entered photovoltaic manufacturing in 2007
- Current capacity: 1.5 GW, expanding to 4 GW by FY26
- Manufacturing N-type and P-type Top cone modules
- EPC business through a subsidiary company
- Plans to invest in 2 GW cell manufacturing
- Listed on NSE since 2018, migrating to the main board soon
- Expecting 60-70% growth compared to the previous year
- EBIT margin: 9-11%, PAT margin: 5-6%
- Debt: Current term debt of 100 crores, an additional 150 crores planned
- Working capital: Planning 150 crores fund-based and non-fund-based limit
- No external funding required for 2.2 GW expansion
- EPC business: 80:20 ratio with module manufacturing
- Strong demand from IPPs and C&I segment
- Captive user market growing over 100% year-on-year
- Focus shifting from price to quality in the industry
- All Indian manufacturers listed in ALMM for domestic projects
- The government is planning to impose ALMM for cells from April 2026
- Current capacity utilization: 75% (industry average: 60-65%)
- New 2.2 GW expansion to be operational by H2 FY26
- Investing in new technology and speed for higher efficiency
- Backed by strong order books from IPPs and international brands
- Plans for 5 GW cell manufacturing capacity by 2030
- In advanced discussions with international brands for technology collaboration
- Finalizing land parcel for cell manufacturing
- Expecting significant domestic cell manufacturing capacity in 24-36 months
- India is focusing on backward integration (wafers, polysilicon)
- Management to finalize technology and place orders for 2.2 GW expansion
- Complete construction work for 2.2 GW expansion
- Finalize land parcel for cell manufacturing
- Conclude discussions with international brands for cell manufacturing technology collaboration
- Migrate to the NSE main board in the coming months
- Participating in the Las Vegas exhibition in September for US market entry

Sonata Software Ltd**CMP: INR 369 | Mcap: INR 103.56 Bn**

Sonata Software has two main business segments: International IT services (revenue ~\$340 mn) and domestic resale business (revenue ~\$750-800 mn). The international business has higher margins (~20% EBITDA), while the domestic business has low margins (1-2%).

The company is facing some near-term challenges and uncertainties, especially in the US market, leading to sluggish growth recently. However, they remain confident about medium to long-term prospects and are targeting \$1.5 bn in revenue by FY27 (this may be delayed by a few quarters).

Microsoft is a key partner and customer, contributing 45-47% of international business revenue and 70% of domestic business revenue. There are some potential changes coming to the Microsoft relationship in the domestic business that could impact revenues.

The company is focusing on modernization and engineering services, with an emphasis on verticals like BFSI and healthcare. They are also investing in areas such as Gen AI and Microsoft Fabric.

Sonata Software has a strong pipeline and continues to win large deals (12-13 deals >\$5 million annually). They are confident about bouncing back once market uncertainties reduce.

The international business typically has EBITDA margins in the early 20s, while the domestic business has margins of 1-2%.

The company won a \$160 mn, 10-year deal three years ago and acquired Quant Systems for \$165 mn. It won 12-13 large deals (over \$5 mn each) in FY24 and FY25.

Growth has been sluggish since Q4 last year due to market uncertainty and deal closure delays. The company is expecting revenue de-growth in the March quarter but margin improvement.

Sonata Software has shifted focus from a horizontal to a vertical-based approach, introducing BFSI and healthcare verticals. Revenue from BFSI and healthcare grew from 12-13% to 30-33% of total revenue.

The company invests 1.5-2% of its revenue quarterly in growth initiatives.

AWS contributes around 20% of service offering revenue. The domestic business is facing potential challenges from direct Microsoft billing.

The company is expanding into managed services, cloud infrastructure, and security operations centres in the domestic business.

5-6 out of the top 10 customers are now Fortune 500 companies. Eight out of the top 10 customers generate over \$10 mn in revenue each. The company has a \$95 mn pipeline in Microsoft Fabric.

The retail and commercial banking segments are doing well, and mortgage lending is improving. The healthcare segment is performing well, but the retail segment is sluggish due to US inflation.

Sonata Software is not actively targeting new geographies beyond its current focus.

The domestic business has a 30-40% concentration from IT companies.

There is a long-term positive outlook for the domestic business due to India's growth and digitization trends.

The company is developing Harmony AI with use cases across verticals, offering both descriptive and prescriptive analytics solutions. It is applying AI primarily in the manufacturing and BFSI spaces and building custom AI platforms for clients in some cases.

- The pipeline remains strong despite near-term uncertainties.
- No structural changes have been observed in service relevance.
- The impact on the domestic business from potential Microsoft changes has not yet been quantified.
- The average project tenure has increased from 6 months to 1 year to about 2 years.
- The employee count is around 6,800, with bench strength around 4-5%. The company continues to recruit, unlike some peers.

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Spectrum Talent Management

CMP: INR 157 | Mcap: INR 3.62 Bn

Outlook

The company is focused on growing its core HR services business in India, particularly in general staffing, IT staffing, and apprenticeships. The company aims to maintain 25% annual revenue growth by expanding its sales team and client base while also exploring acquisition opportunities to enter new markets like the US.

Guidance

- The company targets becoming a INR 20,000 Mn revenue company in the next 3–4 years.
- Aims to restore EBITDA margins to 2.5–3% as margins were impacted by senior-level hiring and market slowdown.
- Plans to increase sales presence in industrial hubs and expand high-margin business segments.
- Investment in AI & automation for recruitment aiming to enhance efficiency and scalability.
- Actively evaluating acquisition opportunities particularly in the US staffing market but maintaining a cautious approach due to market volatility.

Other Key Highlights

- Revenue Growth : H1 FY25 revenue at INR 5,220 Mn reflecting 25% YoY growth. The HR services business grew by 18.7% YoY.
- EBITDA for H1 FY25 stood at INR 53 Mn with margins at 1.03%. Management expects a gradual improvement towards 2.5–3% margins in the medium term.
- The total workforce expanded by 42% YoY currently managing 33,400 employees.

Business Segments

- Manpower supply and recruitment contributed INR 3,380 Mn in revenue.
- Export of electronics goods generated INR 1,920 Mn in revenue.
- US staffing business segment remains small but is a key growth focus.
- Developing a single AI-powered application to replace existing three-tool systems enhancing recruitment efficiency and cost-effectiveness.

Rebranding and Expansion

- IT staffing business rebranded as Sparatech targeting high-margin contracts.
- Exploring expansion into IT services like digital marketing, network management, and cybersecurity.

Future Growth Outlook

- Company is scaling AI-powered recruitment solutions and digital hiring strategies.
- Strengthening specialized hiring segments in IT, healthcare, and financial services.
- Targeting 2.5–3% EBITDA margins while maintaining strong top-line growth.

Spencers Retail Ltd.**CMP: INR 65 | Mcap: INR 5.8 Bn**

The company aims to achieve EBITDA breakeven at a pre-Ind AS level in FY25- 26 through efficiency initiatives, focused operations in core regions, cost optimization, and growth in online business.

Business Overview

- Spencer's Retail is undergoing an efficiency-led transformation to accelerate EBITDA breakeven by FY25- 26.
- Operates two core businesses: Spencer's Retail and Nature's Basket.
- Exited South and NCR regions, reducing INR 500 Mn regional EBITDA loss, focusing on core geographies of East (West Bengal) and UP.
- Reset support organization structure, achieving INR 300 Mn in annualized savings.

Financial Highlights & Capex

- Achieved positive pre-Ind AS EBITDA in Q3 FY25 for the first time in 22 quarters.
- Q3 sales per square foot increased to INR 1,800 vs INR 1,500 last year.
- Gross margins at 19.7% for Spencer's Retail in Q3.
- Nature's Basket: Consistently high 30-35% gross margins, with an INR 3000+ Mn topline.
- Targeting store EBITDA of 6-7% and business EBITDA of 1.5-2% for Spencer's.
- Planning to add 7-10 new stores in the next 12 months, with INR 20 Mn capex per store.

Digital & E-Commerce Strategy

- Launched a new app, 'Jiffy', in January with 30-minute delivery.
- Expanded fulfillment from 30 stores in Kolkata, covering 99% of PIN codes.
- Targeting 10,000 orders per day, with an INR 2500 Mn annual GMV target.
- Digital initiatives: Data analytics for personalized customer engagement & inventory optimization.
- Online/out-of-store business to reach 25% of total business, up from 16-17%.

Outlook & Strategic Focus

- Spencer's Retail: Aiming for 1.5-2% business EBITDA and 6-7% store EBITDA.
- Nature's Basket: Targeting 2-3% business EBITDA and continued premium positioning.
- Focus on food and FMCG (80% of mix), not expanding the fashion category.
- Sustained EBITDA breakeven in FY25- 26 is a key priority before considering capital raising.

Capital Management & Growth Strategy

- Capital raise only after achieving sustained EBITDA breakeven.
- Focused on reducing working capital needs and improving inventory turns.
- Partnering with specialists for cost optimization and supply chain efficiencies.
- Prioritizing profitable expansion within core geographies, with a calibrated store rollout strategy.

SPML Infra**CMP: INR 159 | Mcap: INR 11.28 Bn**

- Focus on water infrastructure (75% of revenue) and power infrastructure (25%), with plans to balance both to 50-50% for risk diversification.
- Targeting INR 50,000–60,000 Mn annually, prioritizing fully funded, DPR-approved projects with margins above 10–15%.
- Settled INR 7,000 Mn debt via NARCL; remaining INR 4,000 Mn linked to arbitration awards, aiming to become debt-free post-resolution.
- Expect INR 6,360 Mn in awards over 4 years, with INR 1,810 Mn pending Supreme Court approval. Total claims outstanding: ~INR 46,000 Mn.
- Leveraging Jaljeewan Mission, National River Linking, and AMRUT schemes, targeting ~INR 12–13 lakh crore water-sector opportunities over 10–12 years.
- Entering battery energy storage systems (BESS) under power vertical, collaborating with global firms; sees ~INR 25 lakh crore market potential.
- SAP Hana, Darwin Box, and Rancher tools enhance operational efficiency and cost control.
- Minimizes working capital needs by partnering with suppliers (e.g., Wellspun, Jindal) without LC/bank guarantees.
- Prioritizing high-margin river-to-reservoir projects (60–75% piping work) over complex distribution/wastewater segments.
- Zero arbitration during project execution; historical awards favor SPML due to customer trust.
- Conducted voluntary ESG audit; plans formal rating to attract ESG-compliant funds.
- Rejects low-margin tenders; targets EBITDA/PAT margins aligned with 10–15% project margins.
- Aims for 30–50% annual growth in revenue and profitability, driven by sector tailwinds.
- Expanding into BESS to align with renewable energy mandates (10–30% storage requirements).
- Strong Board Governance includes ex-Tata Steel, Citibank, and ILFS veterans, ensuring robust oversight.
- 3–3.5 years average execution period with pass-through clauses for cost escalations.
- Achieved BBB- investment grade, enabling fresh banking limits for future projects.

SRG Housing Finance

CMP: INR 323 Mcap: INR 4.62 Bn

1. Business Overview

- SRG Housing Finance operates in semi-urban and rural markets, focusing on affordable housing loans and loans against property.
- **Average ticket size:** INR 8-10 lakhs.
- **Geographical presence:** Rajasthan, MP, Gujarat, Maharashtra, Andhra Pradesh, and Karnataka.
- **Branches:** Currently 45+, targeting 100 branches in the future.

2. Competitive Advantage

- Focuses on customers who don't file IT returns (96% of India's population).
- Lower competition in rural markets compared to urban areas.
- Competitors like LIC Housing & PNB Housing cater to different segments (higher ticket sizes).

3. Growth & Expansion Plans

- Targeting INR 1,000-1,100 crore AUM in the near term, with a long-term goal of INR 1,500 crore.
- Expanding into Tamil Nadu & Telangana soon.
- Fundraising: Recently raised INR 50 crore (March) and INR 26 crore (September).

4. Asset Quality & Risk Management

- **Gross NPA:** ~2% (historically stable).
- **LTV (Loan-to-Value):** Maintains <50% for secured loans.
- **Recovery process:** Physical verification, legal notices, and auctions (though rural customers usually repay with family support).

5. Interest Rates & Borrowing Costs

- **Lending rates:** ~18% for housing loans, ~21% for LAP.
- **Borrowing costs:** Expected to reduce if credit rating improves (currently Triple B+).

6. Technology & Processes

- Uses Aadhaar-linked verification, digital land records, and in-house legal/technical teams.
- **Rejection rate:** ~10-20% (mostly filtered at the branch level).

7. Management & Vision

- **Promoter stake:** ~59% (post-recent fundraising).
- **Next 5 years:** Scaling operations while maintaining asset quality.

Sudarshan Pharma Industries Ltd

CMP: INR 31 | M.Cap: INR 7.35 Bn

Sudarshan Pharma is transitioning from trading to high-margin manufacturing (APIs/intermediates), with PLI benefits and acquisitions as near-term catalysts. Regulatory timelines and execution remain key monitors.

Business Segments:

- Specialty Chemicals & Intermediates (Pharma & Non-Pharma).
- API Manufacturing (Active Pharmaceutical Ingredients).
- Formulations (Future focus, including oncology).

Subsidiaries:

- Ratna Lifescience (Oncology APIs like Gemcitabine, Capecitabine).
- Life Science Chemicals (Gujarat plant collaboration).
- Ishwari Healthcare (51% stake; sutures, cannula manufacturing).

R&D Focus:

- Patents filed for Vitamin B1, B6, and intermediates.
- Tied up with Amity University, KC College (Mumbai), Uttarakhand University, and Ardes Lab (Hyderabad) for research.
- Developing 15–20 new chemicals/intermediates to reduce India's 80% import dependency on China.

PLI Scheme:

- Approved for Vitamin B1 (INR 100cr incentive) and B6 (INR 35cr).
- Targets: 200 MT/year for B1, ~35 MT/year for B6.
- Production expected by March 2027 (pending stability data/regulatory approvals).

Expansion Plans:

- **Acquisitions:** In discussions with 3 Indian firms + 1 international unit (likely USFDA-approved).
- **Formulations:** Pilot R&D in Dehradun (to start in 6–7 months).

Financials & Fundraising

- **FY24 Revenue:** ~ INR 450 - 460cr (40% manufacturing, 60% trading/imports).
- **Exports:** 10–15% of revenue (aiming to increase to 25%). Key markets: Africa, CIS, South Asia.
- **Fundraising:**
 - INR 188cr via preferential warrants (awaiting SEBI approval post-SME cap relaxation).
 - Plans to list on NSE Mainboard by April 2026 (post-3-year compliance).

Operational Highlights

- **Clients:** Cipla, Biocon, Sun Pharma, Divis Laboratories, Takeda, etc.
- **Margins:** Shifting focus to high-margin products (e.g., Atorvastatin intermediates).
- **Regulatory:** Currently WHO-GMP compliant; targeting USFDA via acquisitions.

CSR Initiative

- **Heart Attack Awareness:** Freeloading doses (Atorvastatin + Clopidogrel), CPR training, and AED machine demos.

Key Risks & Mitigation

- **Regulatory Delays:** Pharma approvals take 1.5–2 years (e.g., DMF filings).
- **Raw Materials:** Diversifying suppliers to reduce China dependency.
- **CDMO Model:** Using contract manufacturing for non-core processes.

PLI Timeline: Vitamin B1/B6 production by 2027.

USFDA Plans: Via acquisition (no in-house facility yet).

R&D Partnerships: Focus on cost-effective labs (KC College, etc.) for process optimization.

Upcoming Events

- **CAM Expo (April 28–29, NSC Ground, Goregaon):** Showcasing new products.

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Sungarner Energies Ltd

CMP: INR 282 | M.Cap: INR 654 Mn

The company aims to grow as a diversified solar energy technology provider, expanding from inverter manufacturing into EPC, IPP, and retail segments while facing some near-term funding challenges.

Business Evolution & Strategic Vision

- Sun Garner Energy is transitioning beyond an inverter and battery manufacturer, exploring new opportunities over the next 2-3 years.
- Aims to establish itself as a developer company in the industrial segment.
- In the residential segment, positioning is as a product provider with a diversified portfolio.
- Recently launched an Independent Power Producer (IPP) business through its subsidiary Sun Garner Green Asset, expected to drive future revenue growth.

Market Expansion & Order Pipeline

- Current order pipeline of INR 2400 Mn, contingent on securing necessary funding.
- Expanding into multiple segments within the solar industry, including Solar EPC (Engineering, Procurement & Construction), Inverter manufacturing, Lithium battery assembly, IPP projects, and Retail solar products
- Significant untapped market potential in the solar sector, with room for growth.

Financial Highlights & Profitability

- Targeting EBITDA margins of 20-25% as the company scales operations and gains efficiency.
- Growth is heavily reliant on securing funding through the pending preferential issue or alternative financing routes.
- Strong focus on optimizing operational efficiencies to enhance profitability.

Funding & Capital Strategy

- Future expansion plans hinge on successful fundraising.
- Exploring various financing options to execute the INR 2,400 Mn order pipeline.
- Committed to strategic capital allocation to ensure sustained growth across business segments.

Outlook & Growth Strategy

- The company remains agile, continuously adapting its strategy based on market dynamics.
- Long-term vision involves strengthening its presence across the solar energy value chain.
- Focused on technology and product innovation to maintain a competitive edge.
- Rapid evolution in business focus areas as new market opportunities emerge.

Sunteck Realty Ltd

CMP: INR 376 Mcap: INR 55.1 Bn

Guidance:

- Sunteck Realty remains focused on the Mumbai Metropolitan Region (MMR), following a luxury brand philosophy for better realizations across micro-markets.
- The company aims for stable long-term growth rather than volatile growth tied to real estate cycles.
- It continues to maintain a strong balance sheet with net-debt-free status despite business expansion.

Other Key Highlights:

Growth & Strategy:

- Gross Development Value (GDV) has grown from INR 190,000 Mn in FY23 to INR 400,000 Mn currently.
- The company balances an asset-light model with selective acquisitions across luxury segments.
- Sunteck City at Goregaon (5th Avenue) is expected to contribute INR 2500 Mn in rental income annually.

Dubai Project:

- The company expects to earn INR 30,000 mn in profits from its Dubai project, which has a GDV of INR 90,000 Mn.
- Project commencement is expected in FY26, with completion in 3-5 years.
- Recently approved an investment of \$10-20 million in its subsidiary for this project.

Profitability & Margins:

- Uber-luxury projects (e.g., BKC, Nepean Sea) have margins exceeding 50%, while premium luxury projects yield ~35%, and aspirational luxury ~25%.
- On a blended basis, margins are typically around 30%.
- Rental income from Sunteck BKC 51 and Sunteck Icon commercial properties stands at INR 700 Mn, with a capex of INR 2500 Mn (~30% ROIC).

Project Pipeline & Redevelopment:

- The Bandra Bandstand redevelopment project has a GDV of INR 10,000 mn
- Sunteck is selectively evaluating prime redevelopment projects, prioritizing margin sustainability (~10-15% for redevelopment projects).
- The company expects to sell its entire BKC inventory of INR 9900 mn in the next 2-3 years.

Suprajit Engineering Ltd

CMP: INR 398 Mcap: INR 55.19 Bn

The company remains optimistic about export growth (35% YoY in Indian cable exports), new contracts, and cost optimization initiatives, including shifting the sourcing of motors and PCB production to India to improve profitability. While the European market remains weak, restructuring efforts in Morocco, Germany, and Mexico aim to enhance efficiency. We believe further improvements in margins, better capacity utilization, and steady long-term growth will contribute positively. We have Buy Rating on the company with the TP INR 507 per share.

Management is confident about improving margins in acquired entities like LDC and SCS over the next 1-2 years. Sees good demand in the domestic 2W market and is gearing up for opportunities in the electric two-wheeler segment. LDC performance is improving, especially in China and Hungary.

Suprajit Engineering is a global automotive component manufacturer with plants across India and internationally. They recently acquired LDC Group and SCS entities, expanding their presence in China, Hungary, Mexico, US, Germany, and Morocco.

EBITDA margins have declined from 17-18% to 11-12% due to acquisitions of overseas entities with lower margins. They are working on improving profitability of acquired businesses.

Diversifying beyond cables into products like digital clusters, braking systems, and other automotive components. Their electronics division is seeing good progress with Indian automotive customers.

Announced a capex plan of 180 crores over two years. They are confident about demand in the domestic two-wheeler market and are geared up to supply to electric vehicle manufacturers as well.

Supplying to global OEMs like BMW, VW and Tesla. They see good growth opportunities in their overseas control division and are working on expanding their product portfolio to cater to emerging automotive trends.

Engineering has manufacturing plants across India and facilities in China, Hungary, UK, Germany, Canada, Luxembourg, Mexico and Morocco.

Acquired LDC Group companies in 2022 and SCS entities in two tranches, expanding their global presence. Suprajit is working on improving systems and efficiency in acquired entities.

The largest manufacturer of cables in India, supplying to major two-wheeler companies and global automotive brands. Suprajit is expanding beyond cables into products like latches, actuators, braking systems and electronic components. The company is already supplying brake pads and is working on commercializing other braking products.

- For SCS acquisition, expected full year revenues are in the range of 40-50 Mn euros.
- Sees potential for higher content per vehicle in electric two-wheelers compared to ICE vehicles.
- SCD division margins (11.8% in the latest quarter) may fluctuate due to product mix changes.
- The company is regularly negotiating price adjustments with customers to maintain margins.
- Demand for electronic throttle and brake-by-wire systems is increasing.
- The company is pursuing a localization strategy to cater to global OEMs. Suprajit is manufacturing automotive cables for EVs as well.
- Suprajit has 70-80% capacity utilization across facilities.

Supreme Power Equipment Limited

CMP: INR: 111 Mcap: INR 2.77 Bn

Revenue

Revenue is expected INR 2-2.5bn in FY26E. Post capacity expansion, revenue is expected to reach INR 5-5.5bn by FY28E.

Order book

The order book stood at INR 830mn. The order book mix are Private – 70% and Govt – 30%.

Margins

EBITDA margins are expected at 20% and PAT margins are expected at 10%-12% going forward. The margin improvement will lead by In-house design optimization and a Shift toward higher-margin power transformers

Capacity expansion

The current capacity stood at 2,500 MVA. The capacity is expected to reach 6,500 MVA with capex of INR 800-850mn.

The capacity expansion in 1.5 lakh sq.ft new facility near Chennai and produce up to 230 kV class transformers.

The capex recovery is expected in 4-5 years.

The company is targeting renewable energy, industries, MNCs etc.

Product lines

The current products are 110 kV to 230 kV transformers and planning for 400 kV transformers.

Working capital

Working capital cycle stood at 60-90 days. Inventory days are lower for distribution transformers and longer (90 days) for power transformers.

Raw materials

CRGO steel is imported from the US, Japan, and China.

Exports

Exports revenue share is less than 1%. The company is focused on the Middle East, and Africa.

Clients

The clients are Vestas, Gamesa (wind energy), Iberdrola, Siemens, TanTransco, Select Energy

Suraj Estate Developers Ltd
CMP: INR 294 | Mcap: INR 14.03 Bn

Outlook:

Suraj Estate remains optimistic about its growth trajectory, with strong demand in the premium residential and commercial segments. The company strategically delayed the launch of its Tulsi Pipe Road commercial project to maximize value, increasing its Gross Development Value (GDV) from INR 4,750 million to INR 10,000 million. Looking ahead, it plans to launch two residential projects worth INR 4,000 million alongside the commercial project in Q1FY26.

Although EBITDA margins were impacted due to a greater revenue mix from value-luxury projects and one-time litigation costs, the company expects a recovery in the coming quarters, with EBITDA margins normalizing at 40-45% as high-margin luxury and commercial projects contribute more significantly to the topline.

Guidance:

- FY25 pre-sales guidance revised to INR 5,000-5,500 million for residential projects, while the commercial segment's INR 2,000 million pre-sales target may spill over into Q1FY26.
- Project pipeline of INR 11,500 million, with 18 planned developments over the next 3-4 years.
- Continued focus on redevelopment projects in South Central Mumbai, leveraging an asset-light model for sustainable growth.

Financial Performance:

- Revenue: INR 1,718 Mn, up 62% YoY and 57% QoQ.
- EBITDA: INR 478 mn, down 31% YoY, impacted by higher revenue share from value-luxury projects.
- EBITDA Margin: 27.8%, compared to 58.4% in Q2FY25, affected by project mix and one-time costs.
- PAT: INR 200 mn, up 21% YoY, but down 37% QoQ due to lower margins.

Project Pipeline & Expansion:

- Tulsi Pipe Road commercial project launch in Q1FY26, GDV revised to INR 10,000 mn.
- Two new residential projects worth INR 4,000 mn also set for launch in Q1FY26.
- 18 upcoming projects, covering 9.01 lakh sq. ft., with 67% allocated to value-luxury housing.
- Strategic acquisitions in Bandra and Shivaji Park, further strengthening market presence.

Debt & Financial Stability:

- Gross debt at INR 4,360 mn, while net debt declined to INR 2,190 mn, reflecting improved cash flow from collections.
- Debt-to-equity ratio stable at 0.9x, ensuring a well-managed capital structure.
- Successfully raised INR 3,430 mn via preferential equity allotment and convertible warrants, which will be deployed for land acquisition, business expansion, and working capital needs.

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Suryoday Small Finance Bank Ltd

CMP: INR 103 | Mcap: INR 11 Bn

The bank aims to stabilize its microfinance portfolio, grow its secured loan book to 70% of total loans by FY27, and expects normalization of profitability and asset quality metrics from Q3 FY26 onwards as credit guarantee insurance claims start flowing in.

Portfolio Strategy & Business Mix

- Currently, the bank's portfolio is 50% microfinance and 50% secured assets, with the secured portion including 10% financial institutions group lending.
- The management aims to increase the secured asset share to 70% by FY27, reducing exposure to microfinance lending, which has historically been volatile.
- The microfinance portfolio is expected to shrink from 52% currently to 40% by FY26 and 30% by FY27, reflecting a deliberate de-risking strategy.
- Growth in secured lending segments, such as mortgages, commercial vehicles, and MSME lending, will be the key focus areas moving forward.
- The secured portfolio is projected to grow at 30-35% annually, while microfinance will see very limited growth as the bank shifts its risk exposure.

Microfinance Performance & Challenges

- The bank's overall collection efficiency is strong at 98-98.5%, though it drops slightly to 97.5-97.6% when including Karnataka, which remains under stress.
- GNPA in microfinance is currently around 10%, but the bank expects improvement as new lending standards are implemented.
- Some states, such as Tamil Nadu and Odisha, are showing signs of stability, suggesting that stress in the microfinance portfolio is localized rather than widespread.

Credit Guarantee Insurance & Risk Mitigation

- The entire microfinance portfolio is covered by credit guarantee insurance, which allows the bank to claim losses from defaulted loans.
- One claim can be made per year per cohort, meaning the timing of claims is critical to maximizing benefits.
- The bank made an INR 350-360 Mn claim for its FY23 microfinance loans in FY25, and larger claims for FY24 loans are expected in FY26, helping offset provisioning costs.
- This insurance coverage is a key risk mitigation tool as the bank transitions away from microfinance.

Financial Outlook & Profitability Guidance

- The bank expects continued provisioning in Q4 FY25, similar to Q3, as microfinance stress persists.
- However, as credit guarantee claims materialize in FY26, provisioning should decline, leading to profit normalization from Q3 FY26 onward.
- The target ROE is 14-15% by FY26, driven by a shift to secured lending, lower credit costs, and improved profitability. Management has not provided specific guidance on GNPA/NNPA trends or credit costs for FY26, but these are expected to stabilize once the portfolio shift is completed.

Key Operational Adjustments & Strategic Focus

- The bank implemented stricter microfinance lending guidelines in November 2023 to prevent over-lending and ensure loan utilization is as intended.
- A shift towards treating microfinance customers individually, rather than in borrower groups, is being considered for better risk assessment.
- The focus for the next six months is on existing customers (4 lakh borrowers) rather than aggressively acquiring new ones. The bank is exploring using PAN as a single KYC document for microfinance borrowers to improve tracking and verification.

Long-Term Vision & Market Positioning

- The bank sees Q3 FY26 as an inflection point, where the impact of portfolio rebalancing and risk control measures will become visible in its financial performance.
- Steady-state growth with reduced volatility is the goal, ensuring sustainable profitability rather than aggressive expansion.
- The promoter's stake is currently at 24%, with a regulatory cap of 26% after 10 years, ensuring long-term alignment with shareholders.

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Talbro Automotive Components Ltd**CMP: INR 262 | Mcap: INR 16.18 Bn**

Talbro Automotive is targeting consolidated revenue of 22000 Mn by FY27, with standalone revenue expected to reach 11000-12000 Mn. They anticipate a potential 5-7% deviation from this target. Major growth is expected in forging and gasket divisions.

The company expects growth across segments, including passenger vehicles (8-10% growth in Maruti), commercial vehicles (6-8% growth), and new orders in heat shields and gaskets from customers like Mahindra, Hyundai, and Kia.

Exports, particularly to Europe, faced some slowdown, but new orders from Stellantis, JLR, and BMW are expected to drive growth in the coming years.

EBITDA margin guidance of around 16-17%, with JV expected to have margins between 14-16%.

Expects growth across segments, including passenger vehicles (8-10% growth in Maruti), commercial vehicles (6-8% growth), and new orders in heat shields and gaskets from customers like Mahindra, Hyundai, and Kia.

Q4 is expected to be slightly better than Q3.

There has been an industry-wide slowdown in the current year, with de-growth in many segments. The company is still maintaining growth despite industry challenges.

- Some EV projects and product launches have been delayed.
- New orders have been acquired from companies like Mahindra, Maruti, and Hyundai.
- The company exited from the Nippon JV due to concerns about EV transition in two-wheelers.
- Capex plans for the next 2-3 years include 60-70 crores for gaskets, 60-70 crores for forging, 80 crores for Marelli, and 30 crores for Marugo.
- PAT is expected to nearly double by FY27 compared to FY25.
- The company is seeing growth in new businesses and converted orders.
- CV segment showed positive signs in January and March, while February was flat.
- New EV orders have been received, particularly in gaskets and heat shields. Heat shield margins are similar to gasket margins.
- Profit from group companies is added to other income in the P&L.
- The company doesn't anticipate major margin impacts from European demand stabilization.
- Export to the US is relatively small, around 250-300Mn
- The company plans to fund growth through internal cash flows and avoid raising equity.
- EV component revenue is currently 2-3% of total revenue, with potential to reach 12% or more.

Tamilnad Mercantile Bank Ltd**CMP: INR 411 | Mcap: INR 65.07 Bn**

- Gross NPA improved to 1.32% (down 37 basis points YoY), and net NPA stood at 0.41% (down 57 basis points YoY), driven by stringent recovery mechanisms.
- Provision Coverage Ratio (PCR) rose sharply to 69.07% from 41.93% YoY, ensuring robust buffers against potential defaults.
- The bank allocated INR 1150 Mn for revenue-side tech upgrades and INR 1000 Mn for automation, including Oracle-based systems for expense management and customer experience enhancement.
- Plans to open 50 branches in FY25, with nearly half located outside Tamil Nadu, targeting Karnataka, Telangana, Maharashtra, Kerala, and Gujarat.
- Launching 12 AI-driven CMCs to streamline loan processing, aiming for a turnaround time of under two weeks for 98% of retail/MSME loans.
- Deposit growth doubled YoY in Q3 FY25, with a focus on low-cost deposits through Business Correspondents (BCs) and urban/rural outreach.
- Capital Adequacy Ratio (CRAR) remains robust at 29.35%, eliminating near-term needs for equity dilution or capital raising.
- 35% of advances are gold-backed loans, with unsecured exposure limited to <0.5% of the portfolio.
- Exploring tie-ups with NBFCs post-platform integration; currently, 100% of loans are sourced in-house.
- Cost-to-income ratio maintained at 46.31%, with a target to keep it below 50% despite rising tech investments.
- Daily UPI transactions surged 30% YoY, processing 35–40 lakh transactions daily through QR codes and mobile banking integrations.
- Business Correspondent Network: Expanding BCs to 200+ agents to mobilize low-cost deposits, enabling real-time account openings in underserved areas.
- Retail and MSME slippages remained low at INR 60 Mn and INR 290 Mn, respectively, reflecting disciplined underwriting.
- Operating in 17 states, the bank aims to build brand visibility in non-Tamil Nadu markets through localized talent and branches.
- Net Interest Margin (NIM) stable at ~4%, with a projected 7-8 basis point impact from potential rate cuts.
- Prioritizing deposit-led growth, tech-driven efficiency, and scaling retail/MSME assets to achieve sustainable ROE of 14–15% by FY26

Tara Chand Infralogistic Solutions Ltd

CMP: INR 62 | Mcap: INR 4.9 Bn

Revenue

Revenue is expected to grow 30% YoY in FY25E. The growth is driven by strong demand in infrastructure, cement, steel, and renewable energy sectors.

Revenue mix

The company operates in three segments: equipment rentals (55% of revenue), warehousing and transportation (40-42%), and steel distribution (5%).

It serves metro projects, bullet trains, and industrial expansions, with clients like Adani Group, SAIL, and RINL. The renewable energy sector contributed 5% of revenue, with plans to expand cautiously.

Margins

The company is focusing on specialized service contracts, which offer EBITDA margins of 18-20%.

Capex

The capex are INR 1,430mn in FY25E. The company added over 30 cranes, 10 aerial platforms, and 20 prime movers. The capex is expected INR 1bn per annum going forward.

Competition

Competition is limited to 8-10 major players due to stringent vendor requirements. The company differentiates itself through national-scale operations and strategic partnerships.

Partnerships

The company collaborates with public sector undertakings like SAIL and RINL for warehousing and logistics, handling over 10 million tons of steel annually.

Expansion

The company introduced India's tallest aerial working platform (68 meters) and expanded into renewable energy (solar and wind). It is exploring opportunities in the petrochemicals and power sectors.

Warehousing expansion is planned, with five current sites and the potential to add more.

Utilization

Utilization rates for cranes are at 80-82%, with new machines achieving 100% utilization due to pre-booked orders.

TARC Ltd**CMP: INR 123 | MCap: INR 36.34 Bn****Guidance**

- EBITDA margins remain at 7–8%, with potential upside to around 8.5% under best-case scenarios as project mix and operation efficiency.
- Company's both residential and infra segment is to provide healthy Ebitda margins as projects in-construction gets delivered
- Gurgaon remains a string market, company plans to shift its focus on New Delhi, where regulatory and infrastructural improvements are set to enhance both pricing and sales velocity.

Future launches & Land Bank

- Management plans to launch additional projects worth ~INR 110 Bn over the next 24 months, supported by a robust land bank.
- It has well-defined plan to roll out 6–7 new developments over the next 2 yrs, expects to boost its order pipeline, targeting both tier 1 and emerging markets.
- Company has significant land bank ~460 to 500 acres, largely in New Delhi and Gurgaon.

Business Update & Clients

- Company specializes in high-end residential projects, designed to cater to both end-users and a mix of investor buyers.
- Channel partners facilitating accounts to 70–80% of transactions to ensure market reach and customer confidence.
- Company current three key projects are underway with a revised combined sales potential exceeding ~INR 75 Bn.
- Experiencing high absorption rates in flagship projects, nearly 80% of inventory sold in select developments, driven by quality and location.
- Company focusing on controlling construction costs with roughly at INR 6000 per sq. ft. for ongoing projects.

Debt

- Current debt levels stand at ~INR 17 Bn, which includes refinancing through a Kotak-led syndicate and recent NCD restructuring.
- Company's effective interest rate of around 15%, it actively plans to reduce debt in ner future to maintain capital structure.

Revenue recognition

- Company's key projects like Tripundra, with an estimated revenue contribution of ~INR 10 Bn of which 90% to be recognized in the FY26, will generate significant positive cash flow.

Future Opportunity & JV

- Company is actively exploring joint ventures and collaborations with landowners to further expand its development pipeline.
- Future launches are expected to contribute a cumulative GDV of ~INR 200 Bn over the next several years.

Tata communications Ltd

CMP: INR 1,593 | Mcap: 454.06 Bn

Outlook: We believe the stock is available at a cheaper level due to a 21% correction within 6 months amid uncertainty in the industry. However, there are favorable signs, supported by a strong sales pipeline and early indications of order book growth. Its digital services portfolio focuses on the cloud ecosystem and integrates AI within its operations. The rising adoption of AI presents potential growth in connectivity demand.

- Tata Communications has shifted from primarily offering voice services to now generating about 90% of revenue from data services, focusing on enterprise clients with core connectivity and digital platforms/services.
- The company recently launched Vayu 2.0, a private enterprise cloud solution tailored for industries like BFSI that require high security and compliance.
- Tata Communications is differentiating itself from global telecom competitors by positioning as a challenger with a full enterprise stack and B2B specialization.
- Their core connectivity business involves connecting multinational companies across geographies using subsea cables and terrestrial networks.
- The company sees AI, data center growth, and digital transformation as key drivers for future growth, particularly in the domestic Indian market.
- Tata Communications aims to increase its EBITDA margins from the current ~20% to 23-25% in the medium term, driven by improvements in profitability of its digital portfolio.
- The company is offering GPU-as-a-service and AI cloud capabilities, starting primarily in the domestic market.
- They differentiate from global telecom competitors by positioning as a challenger with a full enterprise stack and B2B specialization.
- The company is seeing growth in data center connectivity deals with hyperscalers in India.
- They recently launched Vayu 2.0, a private enterprise cloud solution targeted at industries like BFSI that require high security and compliance.
- The digital platforms and services segment makes up about 40-45% of their data business, including cloud/security, collaboration, IoT, and next-gen connectivity offerings.
- In FY24, company faced challenges due to a cable cut in the Red Sea and sluggish order book (OB) growth. However, with the Red Sea issue now resolved and strong double-digit OB growth in FY25, the company's data revenue growth is likely to rise.

Tejas Cargo India Limited**CMP: INR 165 | Mcap: 3.94 Bn**

- Operates with 70% owned fleet and 30% leased vehicles, ensuring supply control and client confidence.
- Margins rose from 4% to 18% over four years, supported by cost optimization
- Serves e-commerce (Amazon, Flipkart), steel (Tata Steel, Jindal), FMCG (ITC, Britannia), and logistics (DHL, FedEx), reducing dependency on any single vertical.
- 1,300+ trucks, 2,422 branches, and in-house maintenance hubs (e.g., Sidrawali) to minimize vehicle downtime.
- Holds a PESO license to store 40kL of petrol, reducing diesel costs by 5-8% and boosting margins.
- GPS tracking, digital dashboards, and ERP systems enhance route optimization, delivery reliability, and fleet visibility.
- Actively pursuing rail-based freight to diversify revenue streams and align with infrastructure growth.
- Annual capex of INR 300-400 Mn for fleet expansion and maintenance; IPO funds to support rail and warehousing initiatives.
- Long-term relationships with top clients across sectors; top five customers contribute ~40% of revenue.
- Current working capital cycle at 55 days, aiming to reduce through diversified payment terms.
- Sources drivers from dedicated villages, ensuring loyalty and addressing industry-wide shortages.
- Competes with RITCO and AVG in listed space; differentiation through hybrid model and operational control.
- Margins expected to remain stable via fuel discounts, in-house repairs, and fleet utilization improvements.
- Pan-India operations with focus on industrial hubs; exploring underpenetrated regions (e.g., Northeast) as demand grows.
- Rail logistics, mining logistics, and steel/cement sectors prioritized to leverage India's infrastructure push.
- Minimal use of AI/ML; reliance on ERP and SIM-based tracking for fleet management.
- Exposure to road accidents, fuel price volatility, and regulatory changes; mitigated via diversification and hybrid model.

Thomas Cook (India) Ltd

CMP: INR 135 | Mcap: INR 63.43 Bn

Outlook: Plans for growth include deeper penetration of domestic markets, enhancing technology use, and asset-light expansion in hospitality. The company emphasizes maintaining profitability while building long-term pipelines for growth.

Technology Adoption: Emphasis on utilizing advanced technology, including generative AI, to enhance operational efficiency and customer experience. This includes real-time assistance and personalized services.

Asset-Light Expansion: Sterling Holidays is expanding its resort network with a focus on asset-light models to minimize capital expenditure. Occupancy rates are projected to increase as newly launched resorts stabilize and attract guests.

Customer Segmentation: Efforts to tailor products for specific customer segments such as education, corporate, and leisure holidays, especially in the financial services sector.

Digital Platforms: Expansion of digital reach in foreign exchange services, including apps and omnichannel business formats, contributing to significant growth in digital adoption.

Hospitality Growth: Plans to increase occupancy levels and expand Sterling Holidays resorts to reach 60-62 properties by the year's end.

DEI Segment: Investment in a new technology platform (WeC) that integrates facial recognition and AI to boost conversion rates at attractions, improving customer stickiness and accessibility. While challenges in the Middle East (like geopolitical tensions and weather disruptions) impacted recent revenues, current trends point to gradual improvement in tourism in that region.

Foreign Exchange Services: Continued focus on growing prepaid card penetration and online remittance services, maintaining its position as a key player in the market. Projecting growth in retail segments, especially driven by prepaid cards (with a 26% market share in the prepaid card market) and online remittance services. Increased adoption of digital platforms, with digital transactions forming a growing share of business, currently standing at about 23%.

Challenges and Strategy: Expansion efforts in hospitality come with upfront costs and gradual revenue growth. External factors like geopolitical conflicts and weather disruptions have impacted the DEI segment, especially in the Middle East. Focus on increasing digital adoption and improving operational efficiency across all segments.

Domestic Holidays: Expected to continue witnessing strong demand, driven by shorter planning cycles and impulsive travel decisions for long weekends and vacations.

B2C Long Haul Holidays: Show steady booking trends for destinations requiring advance planning, such as Europe and the USA.

Meetings, Incentives, Conferences, Events (MICE): Gaining traction with government-related events, like the G20, which are seen as significant opportunities.

Tilaknagar Industries**CMP: INR 237 | Mcap: INR 45.84 Bn****Margins**

EBITDA margins are expected 15.5% to 17.5% in FY26E.

Industry and Market Share

Brandy constitutes over 90% of Tilaknagar's volumes and 22% of India's IMFL volumes.

The company holds an 11.5% market share in Andhra Pradesh (Jan 2024), mid-to-high single digits in Telangana, and over 2% in Karnataka.

Despite being a brandy-focused company, Tilaknagar is the third-largest IMFL PNA player in Karnataka and Telangana, competing with Diageo and Pernod Ricard.

Strategic Investments

A 20% stake in Spaceman Spirits Lab, which produces Samsara Gin, Sitara Rum, and Amara Pink Vodka. A royalty agreement allows Tilaknagar to manufacture and sell these products in select states, CSD, and international markets.

Partnerships

Tilaknagar will distribute Spaceman Spirits Lab's Samsara Gin, Sitara Rum, and Amara Vodka in southern and eastern states under a royalty agreement, starting Q1 FY26.

The company has 36% stake in Bartisans which is ready-to-pour cocktail mixer company, aligning with the growing cocktail culture in India.

Exports

Exports currently contribute less than 1% of revenue. However, the company has received export orders for Monarch Brandy from the Middle East and South Asia, indicating potential growth in this segment.

Raw Materials

Brandy production involves distilled grape wine. Monarch uses 100% grape spirit, while mass-premium products blend grape spirit, water, and extra neutral alcohol.

Legal and Trademark Issues

The company is engaged in a legal dispute over the Mansion House brand trademark, with the next hearing scheduled for April 3 2025. Tilaknagar asserts its ownership, citing a 1987 agreement and a favorable 2011 court order. The outcome could impact the brand's exclusivity, particularly in West Bengal, which contributes 0.5% of revenue.

Working Capital

The company has a gross working capital cycle of around 50 days.

Innovation

Flavored brandy products like Flandy, targeting younger consumers, and campaigns to elevate Brandy's aspirational appeal.

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Competitors

Major competitors include Diageo and Pernod Ricard, especially in whiskey-dominated markets.

Tilaknagar's strong distribution network allows it to compete effectively even in states with high whiskey consumption.

Premiumization

Launch of luxury products like Monarch Brandy, priced at INR 6,750 in Maharashtra, and expansion into new states like Goa and Pondicherry.

News Categories

Introduction of Mansion House Whiskey in Assam and plans for further state expansions in FY26E.

Time Technoplast**CMP: INR 418 | Mcap: INR 94.79 Bn****Revenue**

Volume growth is expected to grow 15% YoY over the next three years, driven by packaging (10-12% growth), composite products (30% growth), and PE pipe business (30% growth).

The composite products segment, including LPG, CNG, and oxygen cylinders, is expected to grow significantly, targeting INR 22bn in five years.

Margins

The company aims to improve EBITDA margins by 25-30 basis points annually, targeting 15.5% in five years.

Composite products, with an EBITDA margin of 18%, will play a key role in margin expansion.

Composite Products

Government initiatives to replace metal cylinders with lightweight, explosion-proof composite cylinders (LPG, CNG, oxygen) present a massive opportunity.

The LPG cylinder market alone requires 3 crore replacements annually, with current composite capacity at just 6-7% of demand.

Industry

With 30,000 CNG stations expected by 2030 (up from 15,000), CNG cylinder demand is projected to grow, supported by government policies favoring CNG vehicles.

Capacity Expansion

The company is expanding CNG cylinder capacity (36,000 units) by Q1FY26E and plans to scale LPG cylinder production post-approval for 14.2 kg cylinders in late FY25.

Geographical Expansion

New plants in the US (Georgia) and Belgium will enhance overseas revenue, which is growing at 15% annually.

Automation

Investments in automation aim to boost productivity by 10%, reducing costs and improving margins.

Working Capital

Working capital cycles are targeted to reduce from 120 days to 90 days.

The company plans to become debt-free in two years, leveraging internal accruals for a INR 2bn capex plan.

Competition

Time Technoplast and Supreme Industries are the only major players in composite LPG cylinders, with high barriers to entry due to stringent approvals and technical expertise.

The company holds a strong position in IBCs, with a global brand reputation and focus on quality, mitigating threats from new entrants.

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R&D and New Products

The company is developing hydrogen cylinders for drones and biogas applications, with trials underway.

14.2 kg LPG cylinders are in the prototype phase, with approvals expected by September 2024.

The company is investing in R&D for hydrogen cylinders, targeting future demand in biogas plants and drones, though commercialization is expected post-FY26.

Exports and Global Presence

Exports contribute 37% of revenue, with Southeast Asia (18%) and the US (8%) being key markets.

New facilities in the US and Belgium will support export growth, targeting 20% expansion in these regions.

Other highlights

INR 10bn QIP approval is in place for future expansions, particularly in hydrogen cylinders and LPG, but no immediate fundraising is planned.

The IBC segment is growing at 20% annually, driven by demand for efficient chemical storage and exports.

ROCE is targeted to reach 20% by FY26E.

Uflex Ltd

CMP: INR 516 | Mcap: INR 37.27 Bn

Guidance

- FY26 EBITDA is expected to grow by 15-20% over FY25.
- FY26 revenue is expected to grow by 12-13%.
- Debt expected to peak in FY26 but target to keep it at 3-3.25x EBITDA.
- CAPEX guidance of ~INR 18,500 Mn for FY26 and FY27, covering 3 major projects.
- Capacity utilization to improve beyond FY26, supporting margin expansion. Recycling is expected to be a multi-year growth driver.
- No major new capacity additions beyond announced CAPEX, ensuring demand-supply balance in the medium term.

Other Key Highlights

- On track to meet the FY25 revenue target of ~INR 150,000 Mn.
- EBITDA margins improved to a sustainable level of ~14%, following a recovery in packaging film prices. Net debt mix stood at 58% overseas (USD and Euro) and 42% domestic.
- Cost of debt for India is ~9-9.5%, USD-denominated debt is ~6-6.5%, Euro debt is ~3.5-4%, and for Ruble debt is significantly higher, due to local market conditions.
- Aseptic packaging business has reached 100%+ capacity utilization.
- Aseptic packaging exports from India account for 30% of output. New Egypt plant will shift exports from India to more localized sales.
- New aseptic packaging plant in Egypt (12 Bn packs capacity) expected to start in FY26.
- Nigerian plant, which struggled due to currency devaluation, has significantly improved utilization levels in the last 2 quarters.
- European operations remain underutilized, affected by regional economic challenges and increased exports from India.
- Recycling initiative gaining traction due to new government regulations mandating 30-35% recycled content in rigid plastics and 10% recycled content in flexible plastics.
- New PET chips recycling facility in Egypt will cater to global demand.
- India's PET chips plant achieved 70%+ capacity utilization in its first year and is expected to improve further.
- Industry growth expectations for India is 10-11% annual growth, with potential to reach 15-16% if consumption trends improve and for US & Europe, stable growth (~2%), but due to their large size, they contribute significantly to absolute volume growth.
- The company remains the market leader in holographic films. High-margin business, complementing the lower-margin packaging film segment.
- BOPET is the company's dominant product, with a smaller BOPP presence.
- Sustainable EBITDA margins of 14-15%, assuming industry-wide capacity utilization of 70-75%. Post-COVID, margins are stabilizing at 11-12%, recovering from the oversupply situation.
- Government regulations on recycling will increase demand for recycled content, presenting long-term opportunities.

Ugro Capital

CMP: INR 165 | Mcap: INR 15.36 Bn

Ugro Capital: A High-Growth MSME Lending Powerhouse

Ugro Capital, established in 2018, has rapidly emerged as a dominant force in MSME lending, boasting an AUM of INR 11,067 crore as of December 2023. With a laser focus on the underserved MSME segment, the company offers a diversified portfolio, including secured loans (property, machinery), CGTMSE-backed financing, microloans, and embedded finance. Its innovative co-lending model—contributing 44% of AUM—partners with top banks like SBI and Central Bank of India, ensuring capital efficiency and scalable growth.

Strategic Off-Book Lending: Fueling Capital-Light Expansion

Ugro off-book strategy is a masterclass in smart financing. Co-origination (INR 1,400 crore) leverages real-time escrow disbursements, while co-lending (INR 2,300 crore) allows banks to refinance 80% of originated loans. Direct assignments further optimize balance sheets. With a 20% share in Priority Sector co-lending, Ugro is poised to dominate as banks increasingly embrace this model.

Financial Excellence: Targeting 4% ROA & 18% ROE by FY27

Ugro ambitious targets are backed by actionable levers: ramping up high-yield segments (embedded finance, emerging markets) and cutting borrowing costs by 75 bps. Asset quality remains robust, with secured loans at 0.4% GNPA and embedded finance at 5–6% credit cost—well within risk-adjusted returns.

Investor Confidence: Warrants & Growth Capital

With INR 750 crore in warrants (strike price: INR 264) and major backers like Samena Capital and Argence Capital committed, Ugro is primed for growth. Plans to raise INR 500–600 crore in equity and explore Tier-2 bonds underscore its relentless expansion drive.

Differentiation: Tech-Driven Underwriting & Market Agility

Ugro's patented underwriting model delivers 30-minute loan decisions—a game-changer in MSME lending. Its ability to pivot (exiting low-margin supply chain finance, scaling embedded finance) reflects sharp execution. As government schemes like CGTMSE fuel MSME growth, Ugro stands as the ultimate beneficiary.

The Road Ahead: Sustaining 30%+ AUM Growth

With a proven track record and a \$1 trillion MSME credit gap to exploit, Ugro Capital isn't just growing—it's redefining MSME finance. The future? More market share, higher profitability, and unstoppable momentum.

Ujjivan Small Finance Bank Ltd

CMP: INR 34.2 | Mcap: INR 66.1 Bn

Management remains optimistic about the company's growth trajectory, focusing on achieving profitable growth, maintaining strong collection efficiency, and delivering sustainable value to stakeholders.

- Successfully transitioned into a small finance bank, demonstrating consistent growth, particularly in the microfinance institution (MFI) and other lending segments, despite the challenges posed by COVID-19.
- Actively pursuing regulatory approval from the RBI to become a universal bank, which would significantly expand its product offerings and market reach. Collection efficiency recovered to approximately 99.3% by December, supported by operational improvements and strong customer engagement.
- Faced temporary collection efficiency challenges in Karnataka during January and February due to localized issues and negative media reports. Recovery measures and operational focus are in place.
- Tamil Nadu has shown steady improvement in collections, with ongoing efforts to maintain recovery momentum.
- The company is targeting a CASA ratio increase from the current 25% to 30% in the short term, with a longer-term aspiration to reach 35-40%.
- Aims to achieve this growth by introducing innovative products, enhancing customer engagement, and leveraging its branch network to expand low-cost deposit mobilization.
- Plans to enter the mutual fund distribution space by FY26, focusing on generating non-interest income and offering a diversified suite of financial products to customers.
- Post-COVID challenges in attendance at center meetings are being actively addressed through enhanced customer communication, better digital tracking systems, and operational improvements.
- Significant investments in AI-powered tools for credit analysis, fraud detection, and operational efficiency are enhancing productivity and reducing risks. Data analytics is being utilized for more effective monitoring, decision-making, and optimizing business processes.
- Expanded its gold loan portfolio across 200 branches, with plans to double the network to 400 branches within a year. This initiative is expected to significantly boost revenue and enhance market presence.
- Focused on maintaining a balanced loan portfolio by increasing exposure to secured and diversified asset classes.
- Strengthened its risk management framework by leveraging data analytics for early identification of operational and financial risks.
- Regular audits and regulatory compliance measures ensure transparency, accountability, and operational resilience.
- Strengthened customer support infrastructure with digital service offerings to provide seamless and responsive customer experiences.
- Reduced turnaround times through process optimization and automation
- Actively exploring fintech partnerships to introduce innovative financial solutions, expand customer reach, and enhance the technological capabilities of the company.
- Plans to expand its branch network, particularly in underserved regions, to increase financial accessibility and deepen market penetration.

UniHealth Hospital Ltd

CMP: INR 140 | Mcap: INR 2.16 Bn

Business Overview

- Founded in 2010, Uni Health operates across 3 verticals:
 - **Hospital Network:** 200 beds in Africa (Uganda, Nigeria, Tanzania); expanding to India (50-bed Navi Mumbai facility by June 2025).
 - **Consultancy:** Turnkey solutions for hospital projects (1,300+ beds under management).
 - **Pharma Exports:** Distributor for Reliance Life Sciences and others in Africa.

Growth Strategy

- **Asset-Light Expansion:** Leasing properties for new hospitals (target: 1,000 beds in 3 years).
- **Africa Focus:** High-margin markets (35% EBITDA) with 62% occupancy; adding 120 beds in Tanzania by 2025.
- **India Entry:** Boutique surgical hospitals (50–200 beds) in Mumbai/Pune/Nashik (target: 25% EBITDA).

Financial Performance

- **FY24 Revenue:** INR 50Cr (INR 85Cr as per Ind AS); 38% EBITDA margin.
- **9M FY25:** Revenue up 87.5% YoY; 20.5% PAT margin.
- **Capex Plan:** INR 125Cr over 2 years (India + Africa).

Competitive Edge

- **First Indian Hospital Chain in Africa:** Trusted by UN agencies and governments.
- **Consultancy Synergy:** Drives O&M opportunities for hospitals.
- **Doctor Network:** Strong ties with specialists for seamless India-Africa patient transfers.

Risks

- **Working Capital:** High receivables (215+ days in Uganda).
- **Indian Competition:** Differentiated via boutique model (75–200 beds).

Outlook

- **3x Revenue Growth** by FY27 (INR 300Cr+) with 500+ beds in India.
- **BLD:** "It aims to be the Apollo of Africa with a pan-continental footprint."

V.L.Infraprojects Limited**CMP: INR 47.8 | Mcap: INR 0.75 Bn**

- The company showed consistent revenue growth and enhanced operational efficiency. Underperforming sectors were identified, with actionable recommendations proposed for improvement.
- A detailed financial analysis was presented, focusing on budget utilization and necessary adjustments to financial forecasts. Revised projections will be delivered within a week.
- Progress on major infrastructure projects was reviewed. Revised timelines and contingency plans were introduced to mitigate delays and ensure timely project completion.
- New market expansion initiatives were outlined, targeting specific regions and customer segments. The marketing team has been assigned to lead these efforts with clear performance metrics.
- Supply chain inefficiencies and resource limitations were addressed. Optimized procurement strategies and vendor contract renegotiations were proposed to improve operational performance.
- Emphasis was placed on aligning departmental goals with the company's long-term strategic vision. Managers will conduct alignment sessions to ensure clear communication and execution of objectives.
- Responsibilities were assigned with well-defined deadlines. Regular progress check-ins will ensure accountability and timely completion of tasks.
- Regular review meetings will be held to monitor the progress of action points, promptly address challenges, and ensure transparency.
- Enhanced measures were proposed to strengthen regulatory compliance and mitigate potential operational and financial risks.
- Employee capability enhancement programs, including leadership training and upskilling initiatives, were introduced to boost talent retention and productivity.
- Analysis of customer feedback highlighted areas for service enhancement. Immediate strategies were formulated to improve customer satisfaction and address concerns.
- Plans for adopting digital tools and technologies were discussed to enhance automation, optimize operations, and enable data-driven decision-making.
- Renewed focus on reducing carbon emissions, optimizing resource utilization, and increasing the reliance on renewable energy sources to meet sustainability goals.

Vaibhav Global Ltd**CMP: INR 219 | Mcap: INR 36.14 Bn**

Outlook: We anticipate continued growth in digital channels and acquisitions. Recent acquisitions like Germany's operations and Ideal World are expected to achieve comparable EBITDA margins to their primary business within 18 months to two years. Q4 performance might see margins slightly below Q3 due to seasonality. Strong focus on operational efficiencies and strategic investments to ensure sustained revenue growth and margin improvement. Optimism around acquisitions contributing significantly to the bottom line over the next few years.

Company Overview: Vaibhav Global, originally a B2B jewellery supplier for major retailers like Walmart, transitioned to a B2C model about 17-18 years ago. Current operations are focused on TV shopping in the US, UK, and Germany, and on digital platforms like mobile apps, websites, and marketplaces.

Business Model & Metrics: Vertical integration in the supply chain (India, China, Southeast Asia). Gross margin exceeds 60%, with a 65% revenue contribution from jewellery sales. Sales split: 60% from TV and 40% from digital, with digital growing at an 18% CAGR. Customer demographic: Predominantly women aged 40+, with high repeat rates (40% retention and 23 annual purchases per customer).

Key Markets & Expansion: Operations in the US (60 million households), Germany (39 million households), and the UK. Germany operations achieved breakeven three years post-launch in 2021.

Recent Acquisitions: Ideal World (UK-based TV and digital retail company): Acquired for GBP 1.1 million, turned breakeven in a year after previous unprofitable operations. **Mindful Souls** (Subscription box brand with products in crystals and self-care): Profitable with an 8% margin, integrated into Vaibhav's supply chain for cost optimization. Ideal World and Germany operations are expected to reach EBITDA margins similar to standalone business levels within 18 months to two years. Mindful Souls profitability is expected to improve with supply chain optimization.

Growth & Market Strategy: Addressing cord-cutting trends by expanding into free-to-air channels, OTT platforms, and digital live streaming (e.g., YouTube). Targeting younger demographics through enhanced digital presence on platforms like Meta and Instagram.

Performance Trends: TV viewership and sales volumes are declining, while average ticket sizes and revenues are rising due to a shift to high-value items like lab-grown diamonds. Lab-grown diamonds now contribute 9% to total sales, with an average ticket size of USD 250.

Revenue Growth: Continued growth driven by acquisitions like Ideal World (UK) and Mindful Souls (subscription box brand). Management remains confident about mid-teen revenue growth percentages for the next three years.

Margins: Q4 margins are expected to be slightly lower than Q3 due to seasonality. Germany and Ideal World operations have broken even recently, and margin expansion is anticipated over the next 18 months to two years. Double-digit margins anticipated by FY26, with long-term potential to reach FY21 levels (~15%).

Demand Trends: US: Demand remains flat. UK: Consumer demand muted due to inflation and high interest rates. Germany: Despite economic uncertainties, performance is improving.

Cost Optimization: Efforts in warehousing and sourcing to reduce HR costs and improve profitability.

Strategic Initiatives: Expanding TV operations into free-to-air channels, OTT platforms, and digital live streaming to cater to cord-cutting trends. Strengthening digital presence to target younger demographics.

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Vaidya Sane Ayurved Laboratories Limited

CMP: INR 100 | Mcap: INR 985 Mn

Outlook

The company expects a large increase in new patients aiming for 12,000-13,000 each month, up from 9,000-10,000. They plan to expand capacity by adding over 1,000 beds in 2-3 years. Revenue is predicted to double in 3-4 years, benefiting from this growth. The company is also confident in improving profit margins for hospitals and clinics. Initial expansion will use internal funds, but they may seek external funding later as growth speeds up.

Business Growth and Expansion

- Company operates 350 Ayurvedic clinics and 3-4 hospitals across India with plans for significant hospital expansion.
- Monthly new patient footfall has increased from 6,000 - 6,500 to 9,000-10,000 with a target of 12,000 -13,000 per month.
- The 4th hospital with 30 beds which is expandable to 100 opens in Vadodara in April with 2-3 new 30-bed hospitals planned this year.
- Aiming to add 1,000 and more hospital beds in the next 2-3 years.

Financial Performance and Strategy

- Revenue expected to double in the next 3 - 4 years with 20-25% YoY growth between FY24-FY26.
- EBITDA margins have improved with hospital margins ranging 35-55%.
- Cash reserves of INR 160 – 180 Mn with no immediate plans for equity dilution in the next 12-18 months.
- Expansion to be funded through internal accruals with a capex of INR 2.5 lakh per hospital bed.
- Exploring Public-Private Partnership (PPP) models for faster hospital expansion.

Patient Engagement

- Annual care plan enrollments have grown to 2,000 - 2,400 per month.
- The company claims 80 - 85% of patients experience disease reversal after treatment.
- Differentiation through Panchakarma treatments and longer patient follow-ups.

Branding and Strategic Partnership

- Sonu Sood signed as brand ambassador with campaigns launching from April 8th.
- Marketing strategy shifted from digital platforms to on-ground branding & direct outreach.
- Tied up with 5-6 insurance companies and 14-15 TPAs to enhance hospital occupancy.
- Engaging in corporate tie-ups and government empanelments for business growth.

Valor Estate Ltd

CMP: INR 121 | M.Cap: INR 65.04Bn

Company Overview & Leadership:

- Formerly DB Realty, now Valor Estate Limited, with a focus on real estate and hospitality.
- Hospitality division to be demerged as Advent Hotels International, expected listing in next quarter.

Business Model & Strategy

- One of the largest landowners in MMR with 513+ acres of owned land.
- Key focus on annuity income, targeted to INR 180,000 mn by FY30.
- Debt-light model, current debt-equity ratio among the lowest in the industry, aiming for zero net debt in FY25.

Residential & Commercial Real Estate:

- 10 BKC project (Mumbai) – delayed but now moving forward; full occupancy certificate (OC) expected by mid-2025.
- Mira Road Project (247 acres, 50 million sq. ft. development potential) – major development post Versova-Bandra sea link completion in approximately four years.
- BKC 101 & Prestige Towers – nearly pre-leased, scheduled for completion by FY27.
- Ongoing residential projects is of INR 5,600 mn GDV, Valor's share is INR 3,400 mn.
- Upcoming residential projects (FY26-30) are of GDV of INR 520,000 mn, Valor's share is INR 160,000 mn revenue potential.

Hospitality Business (Post-Demerger):

- Current and pipeline hotels will expand from 484 keys to 3,411 keys.
- Major hospitality assets are Delhi Prestige Hotel (INR 52,000 mn capex, 3.6M sq. ft.) – expected launch FY26. Marriott Marquee & St. Regis (Delhi) – expected to stabilize quickly due to high demand and existing occupancy rates of 85-90% in the region. Sahar & River Walk BKC projects to be operational by FY28-FY31.
- Demerger will create an independent entity with substantial growth potential.

Financials & Guidance:

- Debt Position:
Current debt is primarily project-specific (e.g., 10 BKC).
Delhi hospitality project debt: INR 25,000 mn, shared equally with Prestige.
Goal: Reduce debt to near-zero by FY25 for real estate business.
- Annuity Revenue Targets:
 - Expected annuity income of INR 180,000 mn by FY30 from commercial and retail assets.
 - Total leasable commercial space to increase from 0.6M sq. ft. to 13.4M sq. ft..
- Projected Cash Flow & Revenue Mix:
 - Commercial and retail annuity to drive stable, predictable earnings.
 - Residential sales and JV profit share to generate high-margin income.

Outlook & Growth Potential:

- 10 BKC completion INR14,000 mn in potential sales, Hospitality demerger finalization and listing. Start of key projects like Mira Road, Malad PAP housing (INR 70,000 mn GDV).
- Execution of BKC 101, Prestige Towers, and commercial leasing pipeline. Stabilization of Delhi hospitality assets and annuity revenue growth. Residential GDV realization INR 160,000 mn from new launches.
- Full realization of annuity revenue goal (INR 180,000 mn).

Vascon Engineers Ltd

CMP: INR 37 | Mcap: INR 8.32 Bn

Business Overview

- The company was incorporated in 1986 and has a strong legacy of ~40 yrs in the construction and real estate industry. It shifted from working primarily with private developers to a stronger presence in government contracts. Currently, 75% of its order book consists of government projects, with the remaining 25% from private sector contracts.
- The company has moved away from an asset-heavy approach in real estate and instead follows joint development and JV models to optimize capital deployment.

Guidance

- The company aims to increase its order book to INR 40,000 Mn in the near future.
- In the next 3-4 years, real estate projects are expected to contribute INR 14,000-15,000 Mn to revenue.
- The company expects 18-20% margins from its real estate business, significantly higher than the EPC segment.
- It aims for a 25%+ growth in the EPC business over the next 2-3 years.
- The standalone PBT is expected to be higher than last year's consolidated PBT despite the absence of one-time gains from non-core asset sales.

Other Key Highlights

- The company reported a consolidated top-line revenue of INR 10,500 Mn in the last fiscal year. The order book grew from INR 6,000 Mn to INR 35,000 Mn, demonstrating a strong pipeline of projects.
- The debt levels have increased recently due to working capital requirements, especially for real estate projects, but the company plans to raise capital through QIP of INR 1,250 Mn when market conditions are favorable.
- The company's EPC business operates with EBITDA margins of 8-9%, which could reach 10% with higher volumes.
- The company is focusing on select redevelopment and new real estate projects - Coimbatore residential project is progressing well. Kharadi commercial project has been launched. Santa Cruz redevelopment project is in progress, pending environmental clearance.
- The company is working on redevelopment projects in Mumbai, where approvals are taking longer but are expected soon.
- It owns a 150-acre land parcel in Thane, with 45% ownership in an SPV. Around 40-50 acres are expected to be acquired by the government for infrastructure development, generating a compensation of INR 1700-1800 Mn.
- A 25-acre contiguous plot in Thane is identified for Phase 1 development, with ongoing land acquisitions for road access.
- Future real estate projects are shifting focus from affordable housing to mid-luxury and semi-luxury segments to improve sales velocity and profitability.
- The company is targeting 36-48 months for full execution of its real estate projects, expecting a cash surplus of INR 4000-5000 Mn over the period.
- The company currently has an order book of INR 35,000 Mn, with an annual execution rate of around 33%. The company aims to add INR 10,000 Mn in new orders this year, with a target of INR 40,000 Mn order book by next year.

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Virinchi Ltd**CMP: INR 20 | Mcap: INR 2.13 Bn****Strong Market Leadership in SaaS**

Virinchi dominates the US subprime lending software space with its flagship Q Fund platform, commanding an impressive 50% market share and processing 60-70% of industry transactions through its secure US data centers.

Robust Financial Performance

The company delivered solid FY23-24 results with INR 127 crore from SaaS (28% EBITDA margin), INR 45 crore from IT services, and INR 119 crore from healthcare. The company reported consolidated revenues of approximately 300 crore for FY 2023-24, with varying EBITDA margins across its business segments.

Accelerating Growth Momentum

With two major new SaaS clients onboarded, Virinchi anticipates INR 50 crore incremental annual revenue, projecting stronger performance in FY25-26 as implementations complete.

Healthcare Expansion Underway

The company is aggressively expanding its Banjara Hills flagship hospital with a new radiation oncology unit and has recruited top medical talent to drive utilization, while planning a cost-efficient Vizag hospital launch within six months.

Strategic Financial Management

While maintaining INR 124 crore consolidated debt, Virinchi has reduced healthcare liabilities by INR 23 crore and plans to unpledge INR 7.5 crore of shares within six months while increasing promoter stake to 51% through a rights issue.

Future-Ready Business Structure

Management envisions spinning off the healthcare vertical in 3-5 years, potentially through an IPO, to unlock value from this capital-intensive but high-potential growth segment.

Diversified Growth Pipeline

Beyond core SaaS growth, Virinchi is developing adjacent capabilities in fintech and leveraging its listed CRO subsidiary Vivo Biotech (INR 48 crore revenue) to capitalize on biotech sector opportunities.

Vishnusurya Ltd

CMP: INR 181 | Mcap: INR 4.45 Bn

Business Overview:

- Core Business: A 30-year-old infrastructure and mining company with expertise in metro stations, PWD buildings, residential projects, and civil construction.
- Mining Division (Backward Integration): Produces construction aggregates and M-sand (alternative to river sand). Operates three plants in Madurai, Chennai, and Hosur.
- Revenue Segments:
 - Mining (High Margin): ~30% EBITDA margins.
 - Infrastructure (EPC): Roads, water projects (Jindal Waterways), rail, and marine structures (jetties, fish landing centres).
 - Waste Management (New Segment): Scientific landfilling and bio-mining (testing waters with a INR 360 Mn project).

Guidance:

- Revenue Target: INR 3500 Mn for FY24, with 30-35% growth expected in the coming years.
- Margin Improvement: Shifting focus from low-margin infra (10-12% EBITDA) to high-margin mining (~30% EBITDA).
- Waste Management: Potential to contribute ~10% of revenue in the future, with 25-30% EBITDA margins.

Other Key Highlights:

- Current Order Book: ~INR 3400-3500 Mn under execution, with additional bids in advanced stages.
- Mining Capacity: ~40 lakh metric tons/year; revenue potential of INR 500-550 per metric ton.
- Infrastructure Projects:
 - Completed first 5 km of Chennai-Bangalore highway.
 - Working on Jaljeewan Mission, Amrut, and lift irrigation projects (INR 3000 Mn order book with Jindal Waterways).
- Waste Management Expansion: Exploring opportunities in bio-mining and scientific landfilling; early-stage discussions on Delhi waste tender.

Industry Trends & Challenges:

- Infra Growth: Government push in water projects, roads, and urban development.
- Mining Demand: Construction aggregates in high demand due to real estate and infrastructure boom.
- Seasonality: Mining volumes fluctuate due to rains (peak demand: Jan-April).
- Margin Volatility: Past accounting adjustments corrected; now maintaining stable EBITDA (~50% in mining).

Outlook:

- Expansion Plans: Exploring 3-4 new mining locations to scale production.
- Diversification: Waste management could become a core segment if pilot projects succeed.
- Long-Term Vision: Transition to a product-based (mining) business for sustainable high margins, while selectively bidding on infra projects.

Vision Infra Equipment Solutions Ltd

CMP: INR 127 | Mcap: INR 3.12 Bn

Company Overview

- **Vision Infra Ltd.** was established in 2015 as a family business and incorporated in January 2024.
- Operates two primary business verticals: **Rental** and **Refurbishment & Trading**.
- Focuses on infrastructure sectors including roads, railways, irrigation, metro, bullet trains, smart cities, and airports across India.
- Employs over 200 people and maintains a fleet of approximately **425 young, advanced-technology equipment** from world-class brands.

Business Models**1. Rental Segment:**

- Divided into two models:
 - **Time-Based Model:** Equipment supplied on a fixed rental basis.
 - **Output-Based Model:** Charges based on output (e.g., cubic meter basis).
- Key equipment includes pavers, milling machines, crushers, concrete pavers, stabilizers, rollers, and batch mix plants.
- Fleet utilization rate is high, with **95-97% deployment** even during seasonal slowdowns (e.g., rainy seasons, where discounts are offered to maintain engagement).
- Rental contributes **40-50%** of revenue, expected to remain in this range going forward.

2. Refurbishment & Trading Segment:

- Involves buying used equipment, refurbishing it, and selling or renting it out.
- Gross margins: **10-12%**; Net margins: **4-6%** (varies with market conditions).
- Contributes **50-65%** of revenue.
- Synergy with rental business as refurbished equipment can be rented or sold globally.

Key Highlights

- **Fleet and Technology:**
 - Owns the **largest organized fleet of pavers in India**, with a focus on concrete pavers, milling machines, and mobile crusher plants—equipment in high demand due to market shortages.
 - Recently added concrete pavers to cater to emerging projects (e.g., white-topping of roads, Pune Ring Road).
 - Equipment lifespan averages **3-5 years**, with continuous addition and exit (e.g., buy INR 100 crore worth, exit INR 30-40 crore worth annually).

- **Market Presence:**
 - Strong presence in government infrastructure projects (e.g., national highways, state highways, airports like Navi Mumbai, Noida International, and Reliance's Jamnagar).
 - Claims leadership as the largest organized player in India's paver market, with no significant competition in the structured segment.
- **Order Book:**
 - Current order book for the output-based model is **INR 150-160 crore**, with execution spanning **1-2 years** (mostly within 1 year, recurring daily orders).
 - Paver, milling, and crusher activities contribute **33%** to the order book.
- **Financials:**
 - Generated **INR 60 crore revenue** in the last reported period, with **INR 45 crore cash** generated by June (peak billing in March due to financial year-end).
 - Debt at IPO was **INR 190 crore**; current secured loans are **INR 200 crore**, with unsecured loans from directors.
 - Equipment purchases are financed with **85-90% loans** at **9-11.5% interest rates**.
 - Working capital cycle averages **90 days**, with negligible bad debts due to a strong corporate client base.
 - Depreciation policy: **22%** as per company law, with total depreciation at **INR 42 crore**.
- **Margins:**
 - Rental: Gross margins **25-30%**, overall **~40%**.
 - Refurbishment: Gross margins **10-12%**, net margins **4-6%**.
 - H1 revenue at **INR 200 crore**; H2 margins expected to remain stable with revenue growth.

Guidance Outlook

- **Growth Rate:** Conservative estimate of **15-20% annual growth**, though past performance suggests potential for higher growth.
- **Revenue Targets:**
 - Expects rental to contribute **40-50%** and refurbishment **50-65%** going forward.
 - Aims to reach **INR 400 crore** this year; long-term vision to hit **INR 1,000 crore** (no specific timeline provided).
- **CapEx Plan:** Plans to invest **INR 50-60 crore** annually in new fleet additions (net of INR 30-40 crore exits), funded through a mix of internal cash, bank loans, and debt, Exploring manufacturer tie-ups for cost-effective procurement.
- **Debt Strategy:** Working on reducing debt but prioritizing expansion; no immediate plan to become debt-free.
- **Market Trends:** Positive outlook due to increasing rental demand as construction companies shift from ownership to hiring to reduce capex and focus on core activities. [Back to Index](#)

Wealth First Portfolio Managers Limited

CMP: INR 935 | Mcap: INR 9.96 bn

Guidance:

- Wealth First aims to achieve AUM growth of 20-25% annually over the next 3-4 years.
- Plans to increase revenue by 15-20% year-on-year by expanding advisory services and product offerings.
- Targeting an EBITDA margin of 30-35% by focusing on premium services and operational efficiencies.
- Committed to investing INR 100-150 Mn in digital transformation over the next 2 years.

Other Key Highlights:**Business Strategy & Expansion Plans:**

- Provides comprehensive wealth management solutions including mutual funds, PMS, AIF, bonds, and tax-saving instruments.
- Plans to expand client base by 30-40% within the next 3 years, focusing on HNIs, ultra-HNIs, and institutional clients.
- Aims to add 20-25 new distribution partners in key markets over the next 2 years.
- Plans to leverage technology to onboard 15,000 new clients by FY27.

Financial Performance & Revenue Growth:

- Achieved revenue of INR 1,200 Mn in FY24 with a target of INR 1,500 Mn by FY25.
- Focused on increasing AUM to INR 100,000 Mn over the next 4 years.
- Plans to improve EBITDA margin to 35% from the current 28%.
- Aims to achieve PAT growth of 25-30% annually over the next 3 years.

Client-Centric Approach & Value Proposition:

- Offers tailored investment solutions based on risk profile and investment horizon.
- Provides consistent returns of 12-15% CAGR over long-term investments.
- Focused on enhancing client experience through transparency, reliability, and personalized services.

Technology & Digital Initiatives:

- Investing INR 100-150 Mn in digital tools to enhance advisory services and client experience.
- Plans to launch a client portal and mobile app for seamless transactions and portfolio monitoring.
- Aims to digitally onboard 80% of new clients by FY26.

Welspun Corp

CMP: 872 | Mcap: 229 Bn

The company has a strong order book across its key markets (India, US, Saudi Arabia), is expanding capacity in existing and new business segments, and expects continued growth and improved profitability over the next few years driven by demand in oil & gas and water infrastructure sectors.

Business & Strategic Expansion

- World's largest line pipe manufacturer in India, US, and Saudi Arabia.
- Diversified into ductile iron (DI) pipes, stainless steel pipes, and water storage tanks through the Sintex acquisition.
- Expanding into plastic pipes, leveraging Sintex's brand and distribution network.
- Capacity expansion in Bhopal, Anjar (DI pipes), Saudi Arabia (ELSO & DI pipes), and the US (HFIW pipes).

Financial Highlight & Capex

- Strong order book visibility (over 2 years in the US) and robust demand in Saudi Arabia.
- Net debt at INR 1,000 Mn as of December 2023, maintaining financial discipline.
- Quarterly EBITDA exceeds INR 4500 Mn, with margins improving from 9-10% to 13%.
- INR 23000 Mn capex for plastic pipes over 3-4 years, funded largely through internal accruals.
- DI pipe capacity expansion from 4 lakh tons to 6 lakh tons at Anjar.

Sector Outlook & Growth Drivers

- Oil & Gas: Favorable global demand for high-specification projects, boosting ELSO pipe exports.
- Water Infrastructure & Jal Jeevan Mission (JJM): Improved government fund allocations are driving DI pipe demand.
- Plastic Pipes: Sintex acquisition enables an INR 30-40 Bn revenue opportunity within 3-4 years.
- US Market: Expanding HFIW capacities to cater to domestic energy projects.

Debt & Cost Management

- Net debt to EBITDA below 1x, currently 0.5x, ensuring a comfortable debt position.
- Raw material cost pass-through mechanism in the line pipe business reduces margin volatility.
- Back-to-back supply arrangements for large orders to mitigate cost fluctuations.
- US Tariffs benefit Welspun's domestic US operations, strengthening its competitive position.

Future Outlook & Guidance

- Near-Term Growth: Strong order book visibility across key geographies.
- Medium to Long-Term Growth: Expansion across DI pipes, Saudi projects, and plastic pipes.
- FY25 Guidance: Expected to surpass EBITDA guidance, with Q4 projected as a strong quarter.
- Sustainable Margins: EBITDA margins have improved to 13%, with a stable outlook.

WOL 3D India Ltd.**CMP: INR 108 | M.Cap: INR 0.69 Bn****Outlook**

The company is positioning itself as a leader in India's growing 3D printing market with plans to expand its experience centers nationwide and diversify revenue streams beyond hardware sales. The company sees significant growth potential from government initiatives in education and manufacturing aiming to increase margins through new business lines like 3D printing farms while maintaining its core focus on consumer and small business 3D printing solutions.

Business Highlights

- Company offers a comprehensive range of products and services including 3D printers, filaments, prototyping services and other related products.
- Company possesses its own manufacturing facility for 3D printing filaments indicating a level of backward integration.
- They are actively expanding its reach through experience centers across India providing customers with hands-on interaction and support.
- Key growth drivers which worked for company include government initiatives such as the Atal Tinkering Labs in schools which are fostering awareness and adoption of 3D printing technology at a common level.
- Company owning filament manufacturing provides better control over quality, cost, and supply chain for a key consumable.

Revenue Growth and Financial Performance

- Company has demonstrated significant revenue growth increasing from INR 200 Mn in FY22 to around INR 400 Mn in FY24.
- The company experienced a significant boost in brand awareness and potentially sales after its appearance on the popular television show Shark Tank India.
- Aims to maintain strong growth momentum in the coming years and capitalizing on market opportunities.

Portfolio Expansion

- Company is expanding its product portfolio to include concrete 3D printers indicating a move towards potentially larger-scale and industrial applications with a focus on export markets.
- Company is establishing a 3D printing farm named Brahma. This initiative is geared towards end-product manufacturing representing a forward integration into the value chain and a strategy to diversify revenue streams beyond just hardware and consumables.

Wonder Electricals Ltd

CMP: INR 171 | Mcap: INR 22.96 Bn

Outlook: Powering India's Fan Market with Scale & Innovation. They don't just make fans, but power India's cooling needs with scale, innovation, and trust.

Market Leadership & Growth Trajectory

- **One of India's largest fan manufacturers** with 12% market share (6.5Cr unit industry) and 40K units/day capacity across 3 plants (Roorkee, Haridwar, Hyderabad).
- **Revenue surge:** 87.5% YoY growth in 9M FY25 (INR 582Cr) with 55L units sold (vs. 29L in FY24).
- **Expanding capacity:** New Haridwar unit (operational in 3 months) to focus on plastic (TPW) and BLDC fans, targeting 10L units/month by FY26.

Key Strengths

End-to-End ODM Model: In-house manufacturing (motors, blades, assembly) for ceiling fans (90% of sales), exhaust fans, and pedestal fans. Only canopies/minor parts outsourced.

BLDC Leadership: 387% YoY growth in BLDC fans (1.51L units in 9M FY25); 10-12% of mix vs. industry's 2-3%.

Customer Stickiness: Supplies to 12+ top brands (4-5 contribute 70% revenue) with 3-5 month onboarding due to R&D edge (30-member team, CAD-enabled designs).

Margin Drivers & Challenges

- **Margins at 14%** (vs. industry 30-35% for ACs): Constrained by B2B pricing models but offset by:
 - **Solar adoption** (2 plants operational, 2 more in 3 months) to cut power costs.
 - **PCB unit (INR 5Cr capex):** Vertical integration for BLDC fans by FY26.
- **Raw Material Volatility:** CRC (50%), aluminum (30%), and copper (10%) are exposed to commodity swings.

Growth Levers

- **Retail Foray:** Soft launch of in-house brand in exports (post domestic capacity utilization).
- **Government Schemes:** PM Ujjwala/Awas Yojana to boost rural demand; BLDC adoption via star-rating mandates.
- **Adjacent Products:** Heaters/kettles (seasonality hedge) and TPW fans (year-round demand).

Risks

- **Customer Concentration:** Top 5 buyers drive 75% of revenue.
- **Import Competition:** Chinese fans pressure pricing (45% of India's imports).

Valuation & Outlook

- **FY25 Guidance:** Revenue to cross INR 800 Cr (+40% YoY); margins to improve post solar/PCB unit.
- **ROCE Expansion:** From current 4% to 8-10% via operational leverage.
- **Stock Catalyst:** Haridwar unit ramp-up and BLDC margin upside.

Why Invest?

- **Monetizing India's electrification boom** with asset-light ODM moat.
- **BLDC & export optionality** to diversify beyond commoditized segments.
- **Attractive valuations** at 0.8x P/S (vs. peers at 1.5x) for 15% EPS CAGR.

Z-Tech (India) Limited**CMP: INR 596 | M.Cap: INR 7.63 Bn**

- Company operates through three synergistic verticals – Sustainable Infrastructure (theme parks using waste), Water Solutions (FRP-based STPs/ETPs), and Geotechnical Solutions (slope stabilization and ground engineering), aligning with ESG and infra development themes.
- In the Sustainable Theme Parks segment (~60–65% of revenue), company has completed 55+ parks across 13+ states, using recycled industrial/domestic waste like scrap metal, fly ash, and construction debris to build cost-efficient and durable infrastructure.
- The company is transitioning to an annuity-based O&M revenue model from a one-time EPC focus, now earning 20–30% of ticket revenue in operated parks, which improves visibility and margin profile; aims to operate 4–5 such parks by FY26.
- These parks integrate multi-use community modules such as STEM education zones, skilling centers, yoga/health spaces, and children’s recreation areas, enhancing engagement and driving repeat footfall.
- Recently launched two parks in Rajasthan under O&M model; positive response and scalability being evaluated for expansion in other Tier 2/3 towns with support from local authorities and government schemes.
- In the Water Solutions vertical (~20% revenue), the company designs and builds compact, FRP-based wastewater treatment systems (1–10 MLD) known for automation, low civil work requirement, and quick deployment.
- Target clientele includes municipal bodies, smart cities, and industrial players; exploring hybrid annuity/BOT opportunities to create a portfolio of recurring revenue-generating assets.
- Company’s Geotechnical Solutions (~15–20% revenue) includes geosynthetics for slope stabilization, embankments, and landfill applications; clients include marquee infra names like L&T, Shapoorji Pallonji, Tata Projects.
- Expanding geo tech focus to real estate, highways, mining, and urban infra verticals, leveraging demand for soil reinforcement and sustainable civil solutions.
- The company is debt-free post IPO and follows a capital-light execution model, leveraging outsourced manufacturing, local vendor partnerships, and in-house design/R&D for IP-led scalability.
- International expansion plans are underway – executed a project in Bahrain and is actively exploring park opportunities in Vietnam, Oman, and Saudi Arabia; medium-term goal is to achieve ~30% revenue share from exports.
- Management highlighted strong support from tourism and environmental ministries, both domestic and international, especially for its sustainable park solutions and eco-education modules.
- Proprietary design capabilities, in-house concept development, and R&D-backed customization allow Z Tech to maintain a competitive edge with faster execution and tailored solutions.
- Working with various state governments and ULBs to integrate its models into smart city initiatives, solid waste management mandates, and rejuvenation projects for polluted zones and dumping sites.

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Zuari Industries Ltd

CMP: INR 241 | M.Cap: INR 7.18 Bn

Outlook:

The company is focusing on improving its operations and reducing costs to increase profits. It is also working on lowering its debt, which will make its financial position stronger over time. Management has planned new projects in real estate and manufacturing, which may help grow revenue. Additionally, macroeconomic factors, including demand recovery and input cost fluctuations, will play a critical role in shaping performance. While near-term challenges persist, the company's strategic initiatives position it for gradual improvement.

Guidance

- Target to build 1,000 KLPD biofuels platform in the long term. Plans for further ethanol capacity expansion beyond 1,000 KLPD depending on market conditions.
- Targeted EBITDA margin in sugar business is 11-12% and IRR for the bioenergy business is 15%.

Other Key Highlights

- The company remains focused on 3 core areas i.e. sugar & Ethanol, Bioenergy and Real estate. The Sugar, Power & Ethanol (SP) division contributes 73% to total revenue, followed by ethanol (24%) and power (3%).
- Revenue from Zuari Rainforest Phase 1 (completed last year) is primarily rental income.
- Zuari Garden City, Goa, and Mysore real estate projects are being actively developed.
- The company refinanced INR 750 Mn of high-cost borrowing in the last quarter.
- The sugar division started operations in Oct 2023, marking its earliest-ever start.
- Achieved highest-ever per-day crushing at 1 lakh quintals, consistently surpassing the target.
- Ethanol production and power exports were higher, though realization was slightly lower.
- Plans to increase distillery operation days by sourcing molasses from open markets in addition to captive production.
- Deleveraging efforts include monetization of land parcels in Goa and strategic refinancing.
- Consolidated debt stands at INR 24000 Mn, including INR 18000 Mn of external debt, INR 2500 Mn promoter loans and Working capital debt, which fluctuates.
- The company has INR 3,430 Mn debt exposure to Zuari Agrochemicals, with the rest within its subsidiaries.
- The St. Regis Residencies, Dubai, a 62-story ultra-luxury project, is 3 months ahead of schedule, with deliveries expected between Oct-Dec 2024.
- The project is 100% sold out and has received global acclaim.
- Strategic investments are worth INR 47,000 Mn, including Chambal Fertilizers (INR 29,390), Texmaco Rail & Infra (INR 10,640), Texmaco Infra (INR 4,360 Mn), Zuari Agro (INR 2,730, 32% stake).
- Paradip Phosphates and Mangalore Chemicals merger in process, expected completion in 6-9 months post NCLT approval.
- First bioenergy project (180 KLPD) in UP is 58% complete, expected commissioning in mid-2025.
- Simon India Ltd. (EPCM business) secured INR 500 Mn worth of orders this year.
- Zuari FinServ (stock broking & financial distribution) reported INR 151 Mn revenue, focusing on digital expansion.
- SnackPure (healthy snacking brand) is expanding in e-commerce and D2C channels, targeting premium snacking categories.
- Sugarcane supply remains a key challenge, with several mills in Maharashtra, Karnataka, and UP shutting down early due to crop shortages.

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Absolute Legends Sports Pvt Ltd

Business Overview & Model

Absolute Legend Sports is a sports management company focused primarily on cricket, operating the Legends League Cricket (LLC) for recently retired cricketers. The company runs three key formats:

1. Legends League Cricket (LLC) – Franchise-based league for recently retired players.
2. LLC Masters – Country-based format, featuring teams from different nations.
3. LLC 1010 – A tennis ball cricket format, aimed at mass participation and grassroots engagement.

The company has positioned itself as complementary to BCCI and IPL, rather than direct competition, claiming to be India's second-most-watched T20 league after IPL.

Revenue Model & Growth Plans

The company generates revenue through a mix of:

- LLC (Franchise Model) – Revenue from broadcast rights, sponsorships, ticket sales (70-30 split with franchises), and franchise fees.
- LLC Masters (Country Format) – Entire revenue from broadcast, sponsorship, and ticketing retained by the company.
- LLC 1010 (Tennis Ball Cricket) – Revenue from franchise fees, central sponsorship, and player registration.

To scale operations, the company is:

- Expanding LLC Masters by introducing a bilateral series between legendary teams from different countries.
- Scaling up LLC 1010 from Uttar Pradesh to 35 states across India.
- Increasing match volume from 52 matches currently to 2,000 matches by 2028.

Financial Performance & Projections

- FY24: Revenue INR 660 Mn, Breakeven achieved.
- FY25 (Projected): Revenue INR 970 Mn, EBITDA INR 45 Mn.
- Long-Term Target: Revenue INR 7000+ Mn in 7 years, driven by expansion of existing IPs.

Funding & Valuation

- Total Raised: INR 940 Mn (INR 260 Mn in equity, INR 680 Mn in debt).
- Current Round: Raising INR 1000 Mn at a valuation of INR 3500 Mn.
- Utilization of Funds: Brand building, player acquisition, and working capital.

Competitive Advantages & Challenges

Strengths:

- Focus on recently retired international cricketers (average age 36), ensuring competitive cricket.
- Multiple revenue streams from franchises, sponsorships, and broadcasting deals.
- Strong partnerships with Star Sports and major franchise owners (e.g., GMR Group).
- Growing player pool (from 59 to 400+ players).

Challenges:

- Rising competition from other leagues targeting similar demographics.
- Player exclusivity concerns due to lack of formal contracts.
- Uncertain sustainability of LLC 1010 format as a commercially viable product.

Future Outlook & Expansion Strategy

- Broadcast Growth:
 - Negotiating a 3–5-year broadcasting deal with Star Sports.
 - Exploring global broadcast partnerships to enhance reach.
- Player Acquisitions & Expansion:
 - Signing multi-year contracts with high-profile retired players.
 - Further player scouting to ensure a strong and growing talent pool.
- Diversification Beyond Cricket:
 - Exploring legend leagues in football and kabaddi as potential future ventures.
- Digital & Content Strategy:
 - Investing in content creation around players and teams to boost fan engagement, especially for LLC 1010.

Aeronero Solutions Pvt Ltd

- The company specializes in atmospheric water generation, extracting water directly from air moisture using advanced technologies like condensation and desiccation.
- The company aims to address global water scarcity by leveraging atmospheric moisture as an untapped resource.
- Current product lineup includes- Bubble (20-ltr model for home use), Drizzle (40-ltr machine), Thunder (150-ltr machine with a 100-ltr tank), Airwell (Modular, stackable system capable of scaling up to 10,000 ltr).
- Products are compatible with solar energy, reducing water generation costs to zero when solar is used.
- Product 2.0 improvements include better design, efficiency, remote management via app, and reduced costs to INR 4/ltr.
- Product 3.0 aims to further reduce costs to INR 2.5/ltr and improve performance in extreme conditions like low humidity areas (e.g., Rajasthan) or cold regions (e.g., Ladakh)
- Aeronero is the only company globally using both condensation and desiccation methods for water extraction.
- Collaboration with IIT Madras for process patents on condensaphane and desiccation technology.
- 8 design patents filed, with plans for three additional patents focused on efficiency, diverse conditions, and miniaturization
- Current go-to-market strategy focuses on B2B2C through partnerships with builders, defense sectors, and exports.
- Prestige Builders has signed up for 30 projects encompassing 33,000 homes. The company aims to onboard at least 20 builders covering ~20 Mn homes.
- Larger systems are being deployed in clubhouses and community spaces
- Cost of generating water:
 - INR 4/ liter for Version 2.0 using grid electricity.
 - Expected reduction to INR 2.5 per ltr with Version 3.0.
- Capital cost of the Bubble model (20 ltr): INR 75,000. Monthly payment options under consideration (~INR3,000/month).
- Energy consumption: ~ INR 80/day for producing 20 ltr of water at current power rates.
- Scaling challenges include high upfront costs for consumers (INR 75,000 for the Bubble model) and creating brand awareness without significant marketing expenditure.
- Focus remains on keeping costs low to ensure accessibility to clean water for all socioeconomic groups.
- Plans to expand internationally with global patent filings, requiring substantial investment (~INR 2–2.5 Mn per country).
- Exploring partnerships with NGOs and government bodies to enhance outreach in rural areas where water scarcity is most pronounced.
- The company plans to enter new geographical markets, particularly in water-scarce regions such as Africa and parts of Southeast Asia, targeting both urban and rural communities.
- It is considering local assembly or manufacturing units in international markets to reduce costs and improve supply chain efficiency.

Bootes Impex Tech Ltd**Revenue**

Revenue is expected INR 27bn+ in FY26E and PAT of INR 3.5bn+ in FY26E.

The company attributes its improved margins to the expansion of its high-margin design and engineering business, particularly in global markets.

Growth drivers

Expansion into overseas markets, including Mauritius, where the company will undertake design, engineering, and construction projects.

Focus on niche projects such as net-zero buildings, sustainable infrastructure, and retrofitting brown assets into green ones.

Entry into public-private partnership (PPP) projects, particularly in commercial and industrial building spaces.

Order book

A strong order book, with signed orders worth INR 20bn and INR 50bn are LOA and INR 60bn in various stages of discussion.

Working Capital

The company operates with minimal working capital stress due to its asset-light model.

Payments from government projects typically arrive within 30 days, while private projects settle within 15 to 30 days of billing.

Bootes emphasizes that its overseas billings are milestone-based, ensuring steady cash flow.

Debt

The company has no debt and plans to keep its capital expenditure low by partnering with civil contractors for construction activities.

Industry and Market Share

Bootes operates in the net-zero engineering and construction space, a niche segment with limited competition in India.

The company sees a vast market opportunity, estimating that 10% of India's INR 600 bn building infrastructure market could transition to net-zero by 2023.

Bootes aims to capture a significant share of this market by leveraging its expertise in sustainable design and fast construction.

Competitors

The company reports no direct competitors in India for its niche focus on net-zero projects.

While global consultants advise on sustainability, Bootes differentiates itself by offering end-to-end design, engineering, and construction services.

The company welcomes competition, recognizing the need for multiple players to address the growing demand for sustainable infrastructure.

Partnerships

Bootes collaborates with civil construction firms like Univastu for government projects and generic contractors for private projects.

These partnerships provide the necessary qualifications and local expertise, allowing Bootes to focus on its core strengths in net-zero engineering.

R&D

The company has developed patented low-flush toilet technology, reducing water consumption to less than 1 liter per flush, with plans to further reduce it to 200ml.

Bootes is also innovating in hydronic cooling systems, which use water instead of air for energy-efficient temperature control. These technologies are being integrated into ongoing projects.

Expansion Plans

Bootes plans to expand its global footprint, starting with Mauritius, where it will undertake full-scale construction projects.

The company also aims to enter the US market for retrofit projects, leveraging its design and integration capabilities.

Domestically, Bootes is targeting growth in government projects, industrial buildings, and warehousing.

Raw Materials

The company does not rely heavily on raw materials, as it partners with civil contractors who manage construction assets.

Its overseas business, particularly in the US and Europe, focuses on design and engineering exports, contributing to higher margins.

Listing Plans

Bootes aims to go public in Q1FY27E, after showcasing its FY26E financials.

Cargofirst QAHO Corporation Pvt Ltd

About the Business: The company is established in 2022, is a technology-driven quality inspection and trade management platform for agricultural commodities, with a primary focus on rice exports. The company utilizes an AI-based mobile application that captures rice sample images and provides rapid physical parameter analysis based on ISO standards within 20 seconds, significantly improving efficiency compared to traditional methods. Key quality metrics assessed include broken percentage, length, width, damage, and discoloration.

Operating on a B2B model, Cargo First serves exporters and importers across seven countries, mainly targeting the APAC region and Africa, with plans to expand into other commodities such as coffee, pulses, and maize, Maize will start by Feb. The company offers a three-way quality inspection service at the farm/mill, port, and destination to ensure comprehensive quality control and reduce trade disputes.

Financial Highlights& Guidance

The company reported FY24 revenue of INR 1.3 Cr with a gross margin of 52% per inspection, and a PAT of 10%, while current revenue as of December stands at INR 3.03 Cr, with expectations to close the FY25 at INR 5.7 Cr, and INR 23 Cr in FY26, INR 60 Cr in FY27, and INR 120 Cr in FY28. EBIT margins are projected between 30-35%, with gross margin expected to rise to 70-75% followed by technology enhancements, while PAT margins are forecasted to reach 15% by FY26.

Key Highlights

- Technology-driven quality inspections with rapid AI analysis, Three-way quality check ensuring transparency in rice exports, Current presence in seven countries with an expanding commodity portfolio, Significant revenue growth and margin improvement projections, Long-term contracts (7-10 years) signed with multiple foreign clients, and over 70 listed and unlisted clients served.

Challenges & Entry Barriers

- Indirect competition from traditional players like SGS, GeoCam, and InterTech, who primarily rely on manual and hardware-based inspections.
- Significant technical development and data collection required, taking over two years to build the AI database.
- Government certifications and approvals achieved, adding credibility and reducing market entry for new competitors.

Market Opportunity

- Rice quality inspection market size: INR 145 Bn.(Nearly 30% rice market is disturbed because of inspection issue after this only 5% issue is there.) Plans to diversify into other agricultural commodities and expand geographically.

Pricing & Unit Economics

- Quality inspections charged on a mandate basis.
- Pricing ranges from INR 2,500 to INR 3,500 per inspection.
- Current gross margin per inspection: 52%.
- Accuracy target: 90-95% (currently at 85% for rice).

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Garuda Aerospace Pvt Ltd

Garuda Aerospace appears positive, with projected revenue growth from 120 crores in FY25 to 400-450 crores in FY26, driven by expansion in agriculture drones, services, and entry into the defense sector. Garuda Aerospace shows strong growth potential in the agricultural drone market, with ambitious revenue targets for the coming years. The company's diversification into defense drones and focus on improving margins are positive signs. The company's patent portfolio and partnerships with established players like HAL and BEL provide some competitive advantages.

Key Highlights:

Garuda Aerospace is a drone manufacturing company founded in 2016, primarily focused on agricultural drones but expanding into other sectors like defense.

The company's revenue has grown significantly, from 15 crores in FY22 to 109.94 crores in FY24, with projections of 120 crores for FY25 and 400-450 crores for FY26.

Garuda has diversified revenue streams including drone manufacturing, pilot training, drone-as-a-service, and is entering the defense sector.

The company has 21 granted patents (5 international) and is working on 10 more, indicating a focus on innovation and R&D.

Garuda is targeting EBITDA margins of around 26% and PAT margins of 18-20% for the next two years, with plans to increase service revenue to 30% of total revenue in the next five years.

Manufacturing Facilities & Product Mix

- Main facility in Chennai, Contract manufacturing with HAL in Allahabad and BEL in Mysore
- 85% revenue from drone sales in FY2025, 15% from services

Future Projections:

- FY2026 revenue target: Rs. 400-450 crores
- FY2027 revenue target: Rs. 700 crores
- Aiming for EBITDA margins >25% and PAT margins of 16-16.5% in FY2026

Defense Segment:

- Recently launched 8 defense drones
- Partnerships with Tata Alexis and Thales
- Expected revenue of Rs. 10-15 crores in next 1-2 years from defense segment

Raw Materials:

- No imports from China
- Partnership with IIT Madras for in-house component manufacturing

OtherPay

- Company is launching HollyWallet a specialized payment solution designed to aggressively mitigate fraud specifically targeting tourists visiting India.
- The system employs dynamic PINs and security codes that undergo continuous change with each transaction thereby significantly enhancing security and rendering stolen card information virtually useless.
- The system offers user-friendly card activation and deactivation features providing users with greater control.
- HollyWallet facilitates seamless integration with users existing payment cards effectively eliminating the need for tourists to physically carry their primary cards and thus minimizing risk. The solution shifts from detecting fraud after it happens to preventing it before it occurs.
- The initial market focus is on Australian tourists visiting India with a comprehensive global expansion strategy to penetrate other international markets.
- Revenue is generated through the benefit of foreign exchange margins, a revenue stream that traditionally benefits international banks.
- Company holds patents on its core technology including the innovative inactive card feature, providing a distinct competitive advantage.
- Strategic partnerships with RuPay and UPI are being established to ensure seamless integration and widespread adoption within the Indian market.
- The company is actively exploring strategic partnerships with Indian Fintech companies to expand its reach and capabilities.
- A multi-channel distribution strategy is used by leveraging travel agencies, embassies, airlines, and hotels to maximize reach and accessibility.
- The company aims to retain transaction fees and foreign exchange profits within India contributing to the nation's economic growth.
- The launch is expected in four to five months, pending partnerships and regulatory approvals.
- Future expansion plans include extending services to domestic Indian customers and penetrating additional global markets.
- The system demonstrates versatile payment integration capabilities, supporting loyalty points, crypto currencies and various other payment methods.
- Company has established a strategic presence in Mumbai and is actively seeking investment to facilitate expansion within the Indian market.
- MOUs have been signed with Indian partners establishing a foundation for collaboration by the company.

Singhal Recyclers Pvt Ltd

- Singhal Recyclers recycles scrap tires into chips, granules, and crumb rubber for industries like sports, roads, and rubber products.
- Their current recycling capacity is 5,500 tons per month, increasing to 7,500 tons by mid-April 2025.
- For the current financial year (FY25), they expect INR 35 crore in revenue and INR 4-4.5 crore in profit.
- Next year (FY26), they are targeting INR150-167 crore in revenue and INR20-22 crore in profit.
- In January 2024, they raised funds at a INR 100 crore valuation, and now they are raising more at INR 300 crore valuation.
- SKVA Rubber, another company owned by the CEO, supplies imported scrap tires to Singhal and may merge with it in the future.
- Import licenses for scrap tires are hard to get, giving Singhal an advantage over new competitors.
- Their products include chips (65% of output), crumb rubber (15%), and steel (15-18%), each sold at different prices.
- They have strong demand from pyrolysis plants, sports companies, and road builders.
- Currently, 75% of their scrap is imported, but they want to increase domestic sourcing to 40% next year.
- Their total cost per kg is around INR 13.5-14, and they sell at INR 15.5-16, giving them a 20% gross margin.
- Government incentives help improve profits, especially for domestic scrap purchases.
- They are the largest chip recycler in India and focus on high-quality processing.
- The company has no debt, which is a positive sign for investors.
- Future expansion plans include adding new machines to increase profits by INR5-6 crore next year.
- They may go public in the next 2-3 years, either through an IPO or by merging with a listed company.
- The CEO's family has experience in the steel business, which helps in managing scrap supply.
- Risks include seasonal demand drops during monsoons and currency fluctuations affecting import costs.
- Their factory is in Vapi-Silvassa, employing around 50 people plus contract workers.
- The Indian market recycles 1.5 lakh tons of scrap tires per month, and Singhal aims to capture a bigger share.
- The company processes all scrap tire components with zero waste - even steel and fiber byproducts are sold, maximizing revenue streams.
- Their first plant was set up in just 4-5 months, showing rapid execution capability.
- They've already secured buyers for 8,000 tons/month of chips, indicating strong pre-sold demand that exceeds current capacity.
- The business is highly scalable - each new plant requires only INR 18-20 crore investment (excluding land).
- Government policies actively discourage batch pyrolysis plants (competitors), favoring Singhal's continuous processing model.
- They maintain long-term relationships with global scrap suppliers, some working with them for 7-8 years already.
- The company strategically stocks up inventory during monsoon slack seasons to secure cheaper raw materials.
- Their R&D efforts have developed proprietary chip quality that gives buyers better yield in their processes.
- Future plans include vertical integration by potentially setting up their own pyrolysis plant.

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HOLD	5% to 12%
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REDUCE	-5% to -12%
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