

**List of Participating Companies**

S.No.	Company	CMP (INR)	Mcap (INR bn)
1	<u>Accuracy Shipping Ltd</u>	10	1.52
2	<u>Aimtron Electronics Ltd</u>	498	9.98
3	<u>Ajmera Realty &amp; Infra India Ltd</u>	679	24.10
4	<u>Akme Fintrade (India) Ltd</u>	115	4.92
5	<u>All E Technologies Ltd</u>	435	8.79
6	<u>Allied Digital Services Ltd</u>	305	17.04
7	<u>Allsec Technologies Ltd</u>	1112	16.95
8	<u>Anant Raj Ltd</u>	654	223.70
9	<u>Apollo Pipes Ltd</u>	625	25.84
10	<u>Arihant Superstructures Ltd</u>	344	14.16
11	<u>Arvind SmartSpaces Ltd</u>	748	34.07
12	<u>Ashiana Housing Ltd</u>	330	33.22
13	<u>Associated Alcohols &amp; Breweries Ltd</u>	952	17.21
14	<u>Aurionpro Solutions Ltd</u>	1819	100.41
15	<u>AVG Logistics Ltd</u>	446	6.38
16	<u>Batliboi Ltd</u>	181	6.21
17	<u>BCL Industries Ltd</u>	61	17.87
18	<u>BEW Engineering Ltd</u>	1400	4.58
19	<u>Best Agrolife Ltd</u>	614	14.52
20	<u>Bharat Agri Fert &amp; Realty Ltd</u>	90	4.76
21	<u>BMW Industries Ltd</u>	72	16.25
22	<u>Brand Concepts Ltd</u>	679	7.57
23	<u>BSL Ltd</u>	224	2.31
24	<u>Capital SFB Ltd</u>	300	13.53
25	<u>Capri Global Capital Ltd</u>	212	174.60

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26	<u>Captain Polyplast Ltd</u>	85	4.71
27	<u>Century Enka Ltd</u>	727	15.88
28	<u>Choice International Ltd</u>	451	89.89
29	<u>CIE Automotive India Ltd</u>	562	213.33
30	<u>Cineline India Ltd</u>	124	4.26
31	<u>Crest Ventures Ltd</u>	490	13.94
32	<u>D B Corp Ltd</u>	339	60.40
33	<u>D P Wires Ltd</u>	424	6.57
34	<u>DC Infotech &amp; Communication Ltd</u>	221	4.17
35	<u>Dee Development Engineers Ltd</u>	318	21.92
36	<u>Deep Industries Ltd</u>	457	29.25
37	<u>Dev Information Technology Ltd</u>	131	2.94
38	<u>Dhruv Consultancy Services Ltd</u>	137	2.18
39	<u>Dilip Buildcon Ltd</u>	534	78.11
40	<u>Dodla Dairy Ltd</u>	1232	74.56
41	<u>Dollar Industries Ltd</u>	518	29.63
42	<u>Emerald Finance Ltd</u>	71	2.13
43	<u>EMS Ltd</u>	756	42.00
44	<u>eMudhra Ltd</u>	875	72.44
45	<u>Equitas SFB Ltd</u>	83	94.90
46	<u>Fino Payments Bank Ltd</u>	380	31.59
47	<u>Focus Lighting &amp; Fixtures Ltd</u>	119	7.87
48	<u>Foods &amp; Inns Ltd</u>	137	10.02
49	<u>Ganesh Green Bharat Ltd</u>	424	10.52
50	<u>Ganesh Housing Corporation Ltd</u>	808	67.37

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51	<u>Garuda Aerospace</u>		
52	<u>Gensol Engineering Ltd</u>	893	33.81
53	<u>GMM Pfaudler Ltd</u>	1442	64.82
54	<u>GTPL Hathway Ltd</u>	171	19.25
55	<u>Hariom Pipe Industries Ltd</u>	728	22.55
56	<u>Hero Motocorp Ltd</u>	6011	1202.08
57	<u>HFCL Ltd</u>	150	216.98
58	<u>HP Adhesives Ltd</u>	98	8.96
59	<u>HT Media Ltd</u>	24	5.69
60	<u>Indag Rubber Ltd</u>	236	6.19
61	<u>Indo Count Industries Ltd</u>	408	80.72
62	<u>Indostar Capital Finance Ltd</u>	288	39.17
63	<u>Infollion Research Services Ltd</u>	281	2.72
64	<u>InfoBeans Technologies Ltd</u>	422	10.27
65	<u>Insecticides India Ltd</u>	887	26.25
66	<u>Interiors &amp; More Ltd</u>	279	1.95
67	<u>IOL Chemicals &amp; Pharmaceuticals Ltd</u>	510	29.94
68	<u>Jai Balaji Industries Ltd</u>	1171	207.79
69	<u>Jeena Sikho Lifecare Ltd</u>	1375	34.18
70	<u>JG chemical Ltd</u>	436	17.10
71	<u>Jyoti Resins and Adhesives Ltd</u>	1450	17.40
72	<u>Kaka Industries Ltd</u>	269	3.67
73	<u>Kalpataru Projects International Ltd</u>	1389	225.62
74	<u>Khazanchi jewellers Limited</u>	538	13.30
75	<u>Kilburn Engineering Ltd</u>	428.0	19.38

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76	<u>Kolte Patil Developers Ltd</u>	422	32.05
77	<u>Krishna Defence &amp; Allied Industries Ltd</u>	719	9.85
78	<u>Kriti Industries (India) Ltd</u>	261	12.94
79	<u>Krsnaa Diagnostics Ltd</u>	825	26.63
80	<u>Laxmi Organic Industries Ltd</u>	286	79.10
81	<u>L T Foods Ltd</u>	424	147.41
82	<u>Linc Ltd</u>	722	10.73
83	<u>Lords Chloro Alkali Ltd</u>	148	3.71
84	<u>Macpower CNC Machines Ltd</u>	1370	13.71
85	<u>Madhya Bharat Agro Products Ltd</u>	216	18.90
86	<u>Magellanic Cloud Ltd</u>	125	73.02
87	<u>Magnum Ventures Ltd</u>	48	3.02
88	<u>Maharashtra Seamless Ltd</u>	670	89.79
89	<u>Manappuram Finance Ltd</u>	212	179.23
90	<u>Manorama Industries Ltd</u>	811	48.35
91	<u>Markolines Pavement Technologies Ltd</u>	238	4.55
92	<u>Maruti Interior Products Ltd</u>	76	1.15
93	<u>Marvel Decor Ltd</u>	102	1.74
94	<u>MAS Financial Services</u>	296	53.62
95	<u>Matrimony.com Ltd</u>	775	17.25
96	<u>MCON Rasayan India Ltd</u>	194	1.22
97	<u>Megatherm Induction Ltd</u>	368	6.93
98	<u>Meghmani Organics Ltd</u>	106	26.93
99	<u>Menon Bearings Ltd</u>	137	7.69
100	<u>Modi Naturals Ltd</u>	364	4.76

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101	<u>Moneyboxx Finance Ltd</u>	274	8.37
102	<u>Motilal Oswal Financial Services Ltd</u>	762	455.77
103	<u>Muthoot Microfin Ltd</u>	232	39.50
104	<u>Netweb Technologies India Ltd</u>	2714	153.00
105	<u>Newjaisa Technologies Ltd</u>	100	3.22
106	<u>Niyogin Fintech Ltd</u>	59	5.61
107	<u>Nuvoco Vistas Corporation Ltd</u>	369	131.88
108	<u>OnMobile Global Ltd</u>	88	9.37
109	<u>Onward Technologies Ltd</u>	419	9.48
110	<u>Orient Bell Ltd</u>	371	5.42
111	<u>Parag milk Foods</u>	179	21.40
112	<u>Patel Engineering Ltd</u>	60	50.56
113	<u>Pondy Oxides &amp; Chemicals Ltd</u>	2116	26.63
114	<u>Prataap Snacks Ltd</u>	806	19.25
115	<u>Premier Roadlines Ltd</u>	130	2.98
116	<u>Protean eGov Technologies Ltd</u>	2022	81.82
117	<u>Punjab Chemicals &amp; Crop Protection Ltd</u>	1218	14.93
118	<u>Puravankara Ltd</u>	432	102.49
119	<u>Pyramid Technoplast Ltd</u>	186	6.83
120	<u>Raymond Lifestyle Ltd</u>	2399	146.64
121	<u>Raymond Ltd</u>	1836	122.33
122	<u>Rishabh Instruments Ltd</u>	371	14.18
123	<u>Route Mobile Ltd</u>	1643	103.45
124	<u>ROX Hi-Tech Ltd</u>	121	2.76
125	<u>Royal Orchid Hotels Ltd</u>	367	10.08

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126	<u>RRP Semiconductor Ltd</u>	36	0.49
127	<u>Sahyadri Industries Ltd</u>	368	4.03
128	<u>Saraswati Saree Depot Ltd</u>	167	6.61
129	<u>Sarda Energy &amp; Minerals Ltd</u>	405	142.80
130	<u>SEAMEC Ltd</u>	1377	35.01
131	<u>Servotech Power Systems Ltd</u>	180	40.02
132	<u>Sg mart Ltd</u>	442	49.51
133	<u>Shriram Properties Ltd</u>	128	21.86
134	<u>Shyam Metalics &amp; Energy Ltd</u>	887	247.56
135	<u>SignatureGlobal India Ltd</u>	1485	208.62
136	<u>SIS Ltd</u>	416	60.00
137	<u>SJS Enterprises Ltd</u>	1026	31.85
138	<u>Sky Gold Ltd</u>	2575	35.16
139	<u>Solex Energy Ltd</u>	1621	14.00
140	<u>Sonata Software</u>	642	179.95
141	<u>Spectrum Talent Management Ltd</u>	124	2.86
142	<u>Spencer's Retail Ltd</u>	104	9.37
143	<u>SPML Infra Ltd</u>	269	15.96
144	<u>SRG Housing Finance Ltd</u>	364	5.19
145	<u>Star Housing Finance Ltd</u>	49	3.86
146	<u>Steelcast Ltd</u>	764	15.46
147	<u>Sunteck Realty Ltd</u>	566	82.93
148	<u>Suraj Estate Developers Ltd</u>	800	35.48
149	<u>Suryoday Small Finance Bank Ltd</u>	184	19.53
150	<u>Suyog Telematics Ltd</u>	1615	17.22

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151	<u>Swaraj Suiting Ltd</u>	276	5.04
152	<u>Tarachand Infralogistic Solutions Ltd</u>	397	6.14
153	<u>Thomas Cook (India) Ltd</u>	217	102.18
154	<u>Time technoplast Ltd</u>	434	98.39
155	<u>Tips Industries Ltd</u>	682	87.23
156	<u>Transteel Seating Technologies Limited</u>	68	1.37
157	<u>TruCap Finance Ltd</u>	43	5.05
158	<u>Uflex Ltd</u>	756	54.59
159	<u>UFO Moviez India Ltd</u>	134	5.18
160	<u>Ugro Capital</u>	257	23.87
161	<u>Uravi T and Wedge Lamps Ltd</u>	450	4.95
162	<u>Vaibhav Global Ltd</u>	308	51.22
163	<u>Vaidya Sane Ayurved Laboratories Ltd</u>	147	1.55
164	<u>Vascon Engineers Ltd</u>	69	15.54
165	<u>Vertoz Ltd</u>	33	27.99
166	<u>Vibhor Steel Tubes Ltd</u>	260	4.93
167	<u>Virinchi Ltd</u>	33	3.35
168	<u>Virtuoso Optoelectronics Ltd</u>	383	8.74
169	<u>Waaree Renewables Technologies Ltd</u>	1675	174.46
170	<u>Wealth First Portfolio Managers Ltd</u>	1275	13.59
171	<u>Wonder Electricals Ltd</u>	1384	18.54
172	<u>Zota Health Care Ltd</u>	668	17.72
173	<u>Z-Tech (India) Ltd</u>	340	4.35

**Accuracy Shipping Ltd****CMP INR 10.1 | Market Cap INR 1520mn**

Accuracy Shipping Limited offers comprehensive logistics solutions. Incorporated in 2008, initially specialized in custom clearance services. Ventured into freight forwarding, transport, and diversified into fuel retail sector. Expanded network with branches in key locations and agency agreements globally. Diversified into various sectors like marble, granite, ceramics, paper, tiles, and machinery.

**Segment-Wise Performance:** Logistics services segment faced challenges due to low freight and weakened global demand. Sale of heavy commercial vehicles and spare parts segment demonstrated consistent profitability. Sale of petrol and petroleum products segment strategically contributing to cost-saving and profitability.

**Future Outlook and Guidance:** Optimistic outlook for the sale of petroleum and petroleum products segment. Expecting growth in logistics business and commercial vehicle sales for FY25. Anticipating EBITDA of around 4-5% for FY25. Revenue guidance for FY25: logistics business (INR 700 crores), sale of commercial vehicles (INR 300 crores), sale of petroleum products (INR 35 crores).

**Clientele and Contracts:** Clientele includes industry leaders like Kajaria, Varmora, RK Marble, Adani, Godrej. New contracts signed with Borosil and BKT Tires, contributing around 2% each to total turnover. No single customer contributes more than 2% of revenue, total clientele of 2,500+ customers.

**Debt and Capital Employed:** Current debt level at INR 109 crores, with repayment plans to reduce it by 50% in the current year. Capital employed in fuel division, motors division, and shipping division.

**Revenue and Margin Guidance:** Anticipating EBITDA of 4% for FY25 and 5% for FY26. Revenue guidance for FY25: logistics business (INR 700 crores), sale of commercial vehicles (INR 300 crores), sale of petroleum products (INR 35 crores). Expecting growth of 10-15% in logistics industry for FY26.

**New Developments and Expansion:** Recently added 11 trucks to the fleet for Mumbai and Chennai operations. Partnered with Borosil and BKT Tires, expecting revenue contribution from these contracts. Planning for growth in logistics business, sale of commercial vehicles, and petroleum products.

**Challenges and Opportunities:** Challenges due to low freight, weakened global demand, and geopolitical tensions impacting industry performance. Opportunities for growth in exports, new contracts, and revenue diversification. Focus on negotiation capacity, service quality, and client diversification for improved profitability.



**Aimtron Electronics Ltd****CMP INR 489 | Market Cap INR 9.98bn**

Founded in April 2011, Aimtron Electricals Limited provides products and solutions for electronics system design and manufacturing ("ESDM") services, with a focus on high-value precision engineering products.

**Business Profile:** The company offers PCB design, assembly, and complete electronic system manufacturing for domestic and global manufacturers in India, the USA, Hong Kong, the UK, Spain, and Mexico.

Product Portfolio:

- i) Printed circuit board assembly ("PCBA"),
- ii) Box build assemblies in addition to finding their application in battery management systems used in electrical vehicles
- iii) Design solutions offering end-to-end services right from conceptualizing the design, engineering, product prototype development, and manufacturing of turnkey requirements for customers.

**Product Portfolio - Industry-wise**

Automobiles - Climate System, Onboard Chargers, EV chargers, Battery Control Unit, Battery Management system.

Gaming - Pinball Machine, Casino Slot Machine, Digital Cube PCBs, Controller PCBA

Industrial Sector - Monitoring System, Fuel Dispenser, Industrial pump controller unit, HVAC, Pressure Switch.

Drones & UAV - Drone, Automated Guided Vehicle, Warehouse Robotics, Water Flood Sensors.

Medical & Healthcare- Air Quality Measurement Device, Smart Watch, ICU - Ventilators, Dental Surgical Lights, Analyser Equipment.

**Manufacturing Facilities:** The company has 2 manufacturing facilities. One is in Vadodara, Gujarat, and the other is in Bengaluru, Karnataka.

**Backward Integration:** Co. plans to establish an integrated cable assembly line and has acquired the necessary machines to enhance operational efficiency. Co. will start producing components in-house, like Cable Assembly, and delve into PCBA assembly and complete end-to-end solutions.

Aimtron is working on expanding its sales and marketing globally, targeting regions like the USA, UK, Spain, and Hong Kong.

Leveraging the presence of Aimtron Corporation in the US to establish strong customer relationships and gain insights into best practices for manufacturing and development.

Margin Differentiation:

Aimtron aims to maintain higher margins compared to peers by focusing on niche markets, providing high-quality products, and leveraging its global exposure and strong customer base.

The company's unique positioning and strategic approach contribute to its ability to achieve margins above 20%.

**Ajmera Realty & Infra India****CMP INR 679 | Market Cap INR 24.10 bn**

Ajmera Realty and Infra Limited (ARIL) is in the business of providing residential and rented commercial properties. The company has a presence in the cities like Mumbai, Bengaluru, Ahmedabad in India as well as in foreign countries such as Bahrain and UK.

**Guidance:** For FY25, it is expected to launch 7 new projects in Mumbai & Bangalore of ~1.7Mn sqft with GDV of INR 42,700Mn. Pre-sales expected to reach INR 13,500Mn in FY25. Plan is to reduce debt and maintain debt/equity at 0.8x. For future, the company is looking to go asset light, non-capital commitment projects, Mhada projects or society redevelopment, etc

**Projects:** As per their plan, they launched Ajmera Vihara at Bhandup which contributed ~24% of presales and as of now ~27% of inventory was sold. The company is present in luxury with 1 project, mid-luxury is driving strong growth while it has strong pipeline of projects in affordable and semi-affordable segments.

For the company, Mid-luxury and Affordable segment is driving growth and focus is on launching more projects.

They are planning new launches in Mumbai in areas such as Wadala, Kanjurmarg, Vikroli, Bhandup and luxury project in Versova and in Bangalore their plan is to launch projects in Affordable & semi-affordable. Revenue potential expected to earn for OC received projects over the next 6 months is ~INR 870Mn and further the ongoing projects is expected to earn ~INR 18,860Mn over the next 2-3 years.

**Cash Flow:** Net cash flow of INR 8,500Mn is expected from ongoing and completed projects and additionally the company expects to generate net cash of ~INR 12,000Mn from the balance project pipeline of GDV INR 42,700Mn.

On the **business development activities**, the company plan is expected to spent additional INR 35,000Mn to acquire more projects and funding would be a mix of debt and internal accruals.

**Other Highlights**

Owns land bank in Wadala and Kanjurmarg with carpet area of 11.1Mn sqft. • Plan is to start construction of Wadala commercial project by the end of next year and would launch it phase-wise which would depend on demand-supply scenario. Further, it plans to sell few portion but major would be to lease out.

Kanjurmarg project is expected to be launched by the end of FY25. Also, the company is looking for adjacent plot in Kanjurmarg wherein they are getting basic approvals and post that would go for master planning and launch may be expected in the next year. Ajmera Realty had announced demerger of its 100% subsidiary Radha Raman Dev Ventures. The company has issued additional 2% equity shares to its shareholders and as per the scheme, the shareholders would receive 1 share for 50 shares already held. This demerger is proposed to segregate business pertaining to the development of mix- use project at Wadala (6.5 acres).

**Akme Fintrade India Ltd****CMP: INR 115 | Market Cap: INR 4.92 Bn**

**About Company:** Incorporated in the year 1996, Akme Fintrade India Limited is a NBFC registered with the Reserve Bank of India as a Non-systemically important non-deposit taking company with over 20 years of lending experience in rural and semi-urban geographies. They operate across 4 Indian states - Rajasthan, Maharashtra, Madhya Pradesh and Gujarat. The company focuses on vehicle financing and business loans to small businesses and SMEs. With 12 branches and over 25 points of presence, including digital and physical branches, it has served over 200,000 customers. The Company carries out operations in the format of “hub & spoke” business model.

**Strong rural and semi-urban focus:** Akme Fintrade India Ltd has a customer centric approach and deep understanding of target customers. They have a long history of serving rural and semi-urban markets with high growth potential and have maintained a track record of financial performance and operational efficiency through consistently high rates of customer acquisition and retention and low cost expansion into underpenetrated areas. We believe the company is well – positioned to leverage the growing credit demand in rural and semi-urban markets.

**Well established Vehicle Finance, small businesses lending business:** As of December 31, 2023, the Vehicle Finance Credit Exposure amounted to INR 787.9mn. Customers such as transport operators, small businesses, selfemployed individuals, and salaried persons typically contribute between 10.00% and 30.00% of the asset's purchase price. Business Finance accounted for INR 3,794.6mn., with SME/business loans comprising 79.23% of the total credit exposure, amounting to INR 3,006.6mn.

**Hub and Spoke business model that improves efficiencies and decreases costs:** Companies branches are the “hubs” and their points of sale are “spoke”. Their registered office and branches perform functions in respect of sales and credit, operations, risk containment unit, legal and technical checks and collections while, spokes are the smaller locations having points of sale, which are in Tier 3 and Tier 4 cities. The primary focus of smaller locations is to source new loans and provide doorstep services to the customers. Each “hub” typically supports spokes. We believe this model allows the company to penetrate into underserved markets with relatively low costs and will help them to optimize customer reach.

**Outlook:** Akme Fintrade India Limited is a growing NBFC with a strong presence in rural and semi-urban India. The company focuses on vehicle financing and loans to small businesses and SMEs. As of December 2023, the company’s business loan segment, which constitutes 76.08% of the total loan book, has experienced a degrowth of 21.08% from March 2023 levels and the Gross Non-Performing Assets in this segment have increased by 4.56%.

**All E Technologies Ltd****CMP: INR 435 | Mcap: INR 8.79 Bn**

All E Technologies Ltd specialises in Microsoft Business Applications and Digital Transformation. By implementing integrated operational systems of ERP, CRM, Collaboration Portals, and Mobile Apps, the company assists in bringing together - Company and customers, Factory and field Service, Store Front and Supply Chain, Patients and providers, People and governments - and enabling businesses to draw actionable insights from data. It also offers offshore IT services to some of the largest Microsoft Business Applications partners in the United States and Europe.

**Revenue concentration from top customers** has increased, with the top 5 and top 10 customers contributing 21.0% and 30.5%, respectively, in Q1 FY25. This indicates deeper engagement and potentially larger contracts with key clients, which could ensure stable and predictable revenue streams.

**Growth Drivers:** Microsoft Cloud and Dynamics 365 are major growth drivers, contributing 22% and 20% growth, respectively. The high percentage of repeat and recurring revenue (~90%) underscores the company's strong client retention and the ongoing value provided to existing customers.

The company is enhancing its digital core through strategic initiatives in collaboration, AI, and system integration. Data engineering capabilities further support these efforts. By engaging mid-size businesses with Microsoft 365 and leveraging open-source technologies, company ensures flexibility and innovation in its service offerings.

The US market continues to be a major growth area, while the customer concentration metrics highlight strong relationships with key clients. The substantial contribution from the food and beverages sector (25%) indicates a focused approach towards specific industries.

A strong, **long-standing partnership** with Microsoft is a cornerstone of the company's strategy. This collaboration, especially with Microsoft's engineering team, ensures that company stays at the forefront of technological advancements. The dedicated R&D team further strengthens its ability to deliver innovative solutions.

Competing with both Indian and global peers, including the Big 4, company strong recurring revenue model and focus on digital transformation provide a competitive edge. Their market strategy ensures stable income and adaptability to client needs.

**Outlook:** The company's expansion strategy is geared towards enhancing its international presence. The growing pipeline and partnerships with global organizations signal a promising outlook for future growth. Key risks include managing operating costs and ensuring timely completion of customer contracts, which typically take 6-9 months. The company's active management of these risks through strategic initiatives and R&D efforts is critical.

**Allied Digital Services Ltd****CMP INR 305 | Market Cap INR 17.04bn**

Allied Digital Services Limited (ADSL) is an IT services company. Providing services of designing, developing, deploying digital solutions, and delivering end-to-end IT infrastructure services, Enterprise applications, and Integrated solutions. The company's registered office is in Mumbai and it has a presence in India, the USA, UK, Singapore, Australia and Finland. Revenue from global customers is ~65% and 35% from domestic.

**Experienced Management and wide range of services:** It has subsidiaries in eight different countries and operates in more than 70 nations. A skilled and knowledgeable senior management team, adequately supported by a solid line of mid-level managers, oversees the group's activities. Over the years, the business has built solid relationships with reputable clients and suppliers thanks to the management's significant experience. With an established track record and knowledgeable management ADSL, which was founded in 1984, has a well-established track record of operation spanning more than three decades in the IT services sector.

**Pioneer in offering smart city solutions:** The company is a pioneer in offering Smart City Solutions to Indian State Governments. As a systems integrator, the business has completed numerous Smart City projects in the past in cities such as Pune, Aurangabad, Rajkot, and KalyanDombivli. We think that over the medium term, the organization will be helped by the management's expertise and reputable clients in lowering its business risk profile. In the current year the company has bagged 5 new Smart City projects in Solapur, Lucknow, Amritsar, Sultanpur and Jalandar.

**Strong operating performance:** Cloud services, cybersecurity, smart city solutions, infrastructure management services, software solutions, and workplace management services are the current six main revenue streams for ADSL. The group's operating performance has increased steadily, with sales increasing by 35% year over year. In comparison to FY2021, the group's revenue increased to INR 4840 Mn from INR 3580 Mn. The increase in revenue is the result of a greater demand for IT services and solutions on a global scale as a result of businesses reopening. ADSL's operating margin increased from 12.6% in FY2021, to 14.5% in FY2022. Increased operational scale and careful cost optimization by the business are key drivers for the improvement in operating profits.

**Strategic Developments:** Established a sales office in Dubai with plans to assemble a local team of over 50 members to target opportunities in the Middle East. Emphasis on enhancing capabilities in smart city projects, with 12 completed and 2 under implementation, and several in the bidding stage. The company is focusing on developing its Digital Desk platform, which integrates AI for improved automation and efficiency.

**Margin Guidance:** EBITDA margin for Q1 FY2025 remains steady at 11%, with expectations of improvement as revenue from services picks up throughout the year.

Management aims to reach mid-teens in EBITDA margins within the next 3-4 quarters, with a long-term goal of achieving 18-20% margins.

Targeting revenue of ₹1,000 crore by FY2027, with expectations to achieve quarterly revenues nearing ₹200 crore. Anticipating significant growth from smart city projects, with an estimated addressable market of around ₹50,000 crore over the next three years. The company is well-positioned to penetrate deeper into the enterprise market and expand its global footprint, particularly in the US, UK, Europe, and Africa.

**Allsec Technologies Ltd****CMP: INR 1112 | Mcap: INR 16.95 BN**

Allsec Tech is a global leader in outsourcing solutions offering future-ready, resilient business transformation services to industry heavy-weights, Fortune 100 companies, and growth-focused organizations. The services provided by the Company include data verification, processing of orders received through telephone calls, telemarketing, monitoring quality of calls of other call centers, customer services and HR and payroll processing. The Company has delivery centers at Chennai, Bengaluru and NCR. With 4,000+ FTEs spread across 5 contact centers in the US, Philippines, and India, the company manages over 1 Million customer contacts per day, via multiple touchpoints.

**Holding Company:** The company is a subsidiary of Quess Corp backed by Fairfax Holdings (Canada). Quess has 600+ Client engagements globally including Fortune 100 companies.

**Subsidiary Companies:** The Company has 2 wholly owned subsidiaries namely: Allsectech Inc., USA, and Allsectech Manila Inc., Philippines

**Services Offered:** 1 EXM - HR Services, Leave & Attendance, Reimbursement System, Payroll, LLC, CLRA & Factories Act and Retiral.

**CXM** - Transaction Processing, Compliance, Customer Experience Management, Credit Risk Management, Insurance and Healthcare.

**Facilities:** Company has headquarter in Chennai and offices in Bangalore and Noida in India, Manila in Philippines and New Jersey, USA. Company has 5 Inter-Connected Service Delivery Centers with site-to-site BCP. Company has Multi-Lingual hub offering 12+ International Languages using native speakers.

**Global Presence:** India, Sri Lanka, UAE, Malaysia, Philippines, Vietnam, USA, Canada and Singapore.

**Sale of Labour Law Compliance Business:** The company has sold the LLC Business on a going concern basis by way of slump sale for a lump sum consideration to Aparajitha Corporate Services Private Limited in May,24. The deal is valued at an Enterprise Value of Rs. 27 Crs.

**Anant Raj Ltd****CMP: INR 654 | Mcap: INR 223.7 BN**

Anant Raj Ltd was incorporated in 1985 as Anant Raj Clay Products by Ashok Sarin. It is primarily engaged in the development and construction of IT parks, hospitality projects, SEZs, office complexes, shopping malls and residential projects in the State of Delhi, Haryana, Andhra Pradesh, Rajasthan and NCR. The Company has successfully developed more than 20 msf of real estate projects in the Housing, Commercial, IT Parks, Shopping Malls, Hospitality, Residential and Affordable Housing sub-segments.

**Strategic MoU with Orange Business Services for data centers:** To Design, Build and provide Operation (Hardware & Software) services for ARC's Cloud Platform. To establish servers for its captive requirement at ARC data center. To support, promote and sell ARC Colocation data center and Cloud Platform Services to its existing and future customers.

**Cloud Services:** Orange has begun setting up cloud services facility, aiming to have it operational by Q4FY25. This project will enhance the service offerings and solidify company's position in cloud technology.

**Estate Residences:** Construction work started, expected to be completed in next 3.5 to 4 years.

**Ongoing Projects (Hospitality):** Anant Raj Center 1- Operational Leasable area of 0.7 lakh sq ft. Additional developable area of 4.90 lakh sq ft is currently under development, with construction ongoing. Approval for increasing FSI from 0.15 to 1.75 already received.

**Anant Raj Center 2:** Operational hotel with leased area of ~1 lakh sq ft. Additional developable area of 6 lakh sq ft to be developed after receipt of approval for increasing FSI from 0.15 to 1.75

**Ashok Tower:** Part of existing project Ashok Estate, comprising commercial shops and offices having total space of 1,60,000 sq. ft. To be developed in 0.80 acres having branded outlets and 2 Screen Multiplex, for catering to the daily needs of people living in the surrounding area.

**Joy Square (Sector 63A, Gurugram):** Construction of 0.32 msf ongoing for commercial and office spaces. Project at handing over stage.



**Apollo Pipes Ltd****CMP INR 625 | Market Cap INR 25.84 Bn**

Apollo Pipes is engaged in manufacturing and trading of cPVC, uPVC, and HDPE pipes, PVC taps, fittings, water storage tank and solvent etc. It is among the top 10 leading piping solution providing Company in India. The products cater to an array of industrial applications such as Agriculture, Water Management, Construction, Infrastructure, and Telecom ducting segments.

**Key triggers going ahead:**

**Increase in capacity from 218,000 tonnes to 286,000 tonnes by FY27.** This will have all the Value Added segments as well (OPVC, Window & Door profiles).

**Turnaround of Kisan Mouldings Ltd (KML):** Company is focusing on turning KML to profitability first and rationalizing business along with it. The aim is to increase B2C business which will be focused on plumbing pipes.

**Improvement in margins and pan India penetration:** Company has a focus to improve EBITDA margins to 12% going ahead (ROCE and ROE to reach 25%). At the same time, company wants to increase penetration in western and Central India. This will be done through KML and Varanasi plant.

**Key Highlights:** The decline in standalone volumes was due to lower HDPE sales (government orders) because of delayed budget and election. Ex of HDPE pipe sales, the growth in volumes in standalone business was 10%.

Post completion of Varanasi plant, OPVC and Window & door profiles, company will look for brownfield expansion in the southern market (total addition of 28,500 tonnes) which will take the total capacity of the company to 286,000 tonnes. The brownfield expansion in southern markets will happen after FY26. Window & door profiles facility will be available by end of FY25.

Window & door profiles facility will be available by end of FY25 • Capex in FY24 was of INR 2 Bn (excluding Kisan). Going ahead company will do INR 1-1.5 Bn per annum till FY27. For brownfield expansion in south, company will incur atleast INR 2 Bn (Post FY26) • Company doesn't see any cannibalization in sales between KML and Apollo since KML is largely in West India. Company was catering west India through Ahmedabad plant which was also less. In central India, Apollo was catering through Raipur but will now cater through Varanasi plant after it comes online. KML will also cater to central India going ahead

**Outlook:** Company expects 25% CAGR in topline for the next 2-3 years on standalone basis. Company also expects 25% volume growth in FY25 from standalone business. For FY27, company has a target of INR 26 Bn in revenues. For the next 2-3 years, standalone EBITDA margins will be 10% but after completion in capex by FY26, the EBITDA margin target will be 12-13%. For KML, company is aiming topline of INR 4.5-5 Bn in FY25, INR 6- 6.5 in FY26 and INR 7.5-8 Bn in FY27. For FY25, the EBITDA guidance is 7- 8% but going ahead, the guidance is for 10-12%. In 2-3 years, the company aims to achieve 25-30% ROCE and ROE in 2-3 years.



**Arihant Superstructures Ltd****CMP: INR 344 | Mcap: INR 14,160mn**

**Business Overview:** ASL is a real estate player in affordable and mid-income housing segment in the MMR region. It has recently ventured into premium luxury real estate segment to develop Villa projects, a hotel and a sports gymkhana. Company has expertise in land acquisition & procurement, liaison, design & engineering, EPC and marketing & sales. Company enters into JD, JV, and DM arrangements in the mid-income segment to remain Asset-Light with ~19% of Ongoing development area on asset-light model

-Company has the largest market share of 13% in Navi Mumbai and ~5% to 50% in most micro markets where they operate.

-Hotel Project - FY24: ASL is planning to develop a 221 key Hotel on 9 acres alongwith a sports club & gymkhana on 10.5 acres. The gymkhana would have a revenue stream of membership fees with additional revenues from sale of food, drinks, entertainment and sports venue sales, while the

Hotel would be ideal for wedding destination events & corporate events apart from rooms on rent

-Launch of Residential Projects- H1FY25: Project for development of 1738 units viz. World Villas, Adarsh, Avanti, Anmol, Anaika 7, Aloki, Arshiya, with an area of 20,03,284 Sq. Ft.

-Company treats its business like a manufacturing unit and doesn't speculate on the prices of its inventory. It's current inventory is also very low given the scale of operations the company undertakes. They plan to increase its construction area from current 40lakh sq ft to 80lak sq ft in the next 4-5 years.

-Taloja, Khargar and Panvel are the best performing areas of the company with 20 units per month sold on an average and 30-50 unit sold per month followed by Vashi and Kalyan with 8-12 units sold in a month and Khopoli with 6-8 units in a month.

-The company doesn't plan on entering the commercial segment as of now and wants to maximise on its strength of residential. The company takes about 3-12 months to get approval for its projects.

-Company acquired Arihant 7 Anaika in affordable housing segment adjoining to Arihant Anaika township which would comprise of 549 units spread across 3.73 Lakh sq. ft., and having a revenue potential of Rs. 1.85 Bn

-Additional land added to the project Arihant Aspire near ATAL-SETU (MTHL) route in Mid Income Housing segment, to enhance development potential by 5 Lakh sq. ft., leading to an added revenue potential of Rs. 3.5 Bn

-Arihant Aakarshan, stalled project is restarted and renamed as Arihant Adarsh in affordable housing segment, has received Commencement Certificate from Panvel Municipal Corporation. This project would comprise of 778 Apartments spread across 5acres, and having a development potential of 5.4 Lakh sq. ft. with a Gross Development Value of Rs. 2.7 Bn

**Arvind SmartSpaces Ltd****CMP: INR 748 | Mcap: INR 34.07Bn**

Arvind Smartspaces Ltd was incorporated as "Arvind Infrastructure Limited" in 2008 in Ahmedabad as a wholly-owned subsidiary of Arvind Limited. The company was incorporated with the objective of doing a real estate/infrastructure development business.

Arvind Smartspaces is the real estate arm of the Lalbhai Group, a \$2 billion dollar conglomerate. ASL is currently executing 9 projects through its own land, JVs and Joint Development model. ASL has also successfully executed 9 projects to date.

**Key Highlights**

**Economic Outlook:** India's economy shows resilience with the government revising FY 2023-24 growth estimate upwards to 8.2%. RBI increases real GDP forecast for FY 2024-25 to 7.2% due to improving rural and urban demand, favorable monsoon forecasts, and government capex thrust. Union Budget 2024-25 emphasizes urban development, with ₹11 lakh crore allocated for infrastructure and urban amenities, supporting the company's project goals.

**Organizational Restructuring:** Introduction of Chief Business Officers (CBOs) for different regions to drive business and P&L, enhancing agility and responsiveness. Sharvil Shah appointed as CBO - West; Manoj Chellani as CBO - South. Focus on treating each region as individual P&L centers, with head office acting as an integrator.

**Market Insights:** Residential market demand at an 11-year high, with a notable shift towards premiumization, particularly in homes priced over ₹1 Cr.

Mid and high-end categories expected to drive residential market growth.

No significant shift observed from real estate to other asset classes despite changes in indexation benefits.

**Upcoming Projects:** NH 47 project, a significant sustainable development with over 500 acres, expected to launch in the coming quarters with a potential inventory of ₹500 Cr. The Sarjapur project is evolving, with a shift towards high-rise offerings, indicating adaptive strategies to market demands. Surat project designs nearing finalization, with a launch anticipated within the year.

**Sales Strategy:** Emphasis on rapid liquidation of unsold inventory, with a focus on fresh launches contributing to overall sales. Targeting a sales booking target of ₹1,400 Cr for FY25, up from ₹1,100 Cr last year, driven by new project launches and healthy cash flows.

**Margin Guidance:** Current quarter shows lower EBITDA and PAT margins due to periodical costs and lower booking values compared to budgeted expectations.

Management expects margins to normalize as bookings catch up throughout the year.

**Challenges and Optimism:** Management expresses confidence in sustaining a growth trajectory of 25%-35% in the long term, supported by a robust pipeline and strategic organizational changes.

The company remains focused on residential markets, prioritizing cash flow generation over diversifying into commercial or annuity-based projects at this stage.

Ashiana Housing Ltd

CMP: INR 330 | Market Cap: INR 33.22bn

AHL was incorporated in 1986 in Kolkata by Mr. Om Prakash Gupta. The company has been involved in real estate development activities since its inception and has developed around 28 msf of area till date. At present, the company is developing several projects, mainly residential housing projects, including senior living accounting to around 6.7 msf of area.

### Focus on Quick Delivery

Ashiana's core business model is to buy land and turn it into a residential building and sell it. Inventories should be liquidated in a 5-7 year timeframe. Management targets projects with gross margins over 30%.

### Residential Segments

The Co. operates in 4 residential segments namely - Kids Centric Homes, Active Senior Living, Senior Living Homes and Premium Homes.

### Market Position

Co. ranks No. 1 in Senior Living Homes segment for the 6th year in a row (rated by Track2Realty).

### Future Pipeline

Ashiana has planned projects with estimated saleable area of ~94 lakh sq.ft with 22% in Chennai, 18% in Gurugram, 18% in Bhiwadi, 16% in Jaipur, 18% in Pune, and 8% in other locations.

**Loss** attributed to: Revenue booking from lower-margin projects (Ashiana Shubham Phase 4A, Chennai). - One-off costs: ₹2.7 crores in one-time incentives to staff and ₹0.92 crores in interest paid for delayed delivery to customers.

**Operational Highlights:** Expectation of continued losses in Q2 FY '25 due to lower deliveries planned. Anticipation of healthier performance in the second half of FY '25, with a maintained guidance of ₹2,000 crores in pre-sales for FY '25. Pre-tax operating cash flow: ₹74.92 crores in Q1 FY '25, down from ₹83.15 crores in Q1 FY '24 and ₹92.9 crores in Q4 FY '24. Completion certificate received for Phase 4 of Ashiana Utsav, Lavasa on July 4.

**Market Dynamics:** Sales velocity observed to be low in Gurugram for Q1 FY '25, with expectations for improvement in Q2 with the launch of Phase 4 of Amarah.

Bhiwadi market showing promising sales increases, with both senior living and regular housing experiencing price increases. Management indicates a shift towards senior living projects, which are perceived to be less cyclical and have higher barriers to entry.

The management remains optimistic about the second half of FY '25, anticipating increased deliveries and profitability.

Emphasis on maintaining a conservative balance sheet with low debt levels, despite willingness to take on more leverage due to strong cash flow visibility.

Plans to launch multiple new projects, including Ashiana Amarah Phase 4, Ashiana Malhar Phase 3, and ONE44 Phase 2, with a focus on maximizing pricing rather than immediate sell-out.

**Associated Alcohols & Breweries Ltd****CMP INR 952 | Market Cap INR 17.21bn**

Associated Alcohols & Breweries Ltd is in business of manufacturing and trading of ENA, Indian Made Indian Liquor (Country Liquor), Indian Made Foreign Liquor and Hand sanitizer.

The Company is one of India's prominent producers of ENA. It is also engaged in promotion and distribution of a varied range of liquor brands. It is diversifying to manufacture grain-based ethanol to capitalize on a favorable government policy. The company's product range comprises:

- 1 Premium extra neutral alcohol
- 2 Indian made Indian liquor (IMIL)
- 3 Indian made foreign liquor (IMFL)
- 4 Rectified spirit

**Product Portfolio:** Company launched two new IMFL proprietary products in FY24 - Central Province Rum and premium handcrafted Gin Nicobar. New blended whiskey, Hillfort, launched in Q1 FY25 in the premium category. Total portfolio of IMFL proprietary brands under the AABL name is now 9. Planning to launch premium ready-to-drink drinks and tequila in Q2 and Q3.

**Expansion and Projects:** Commissioned a 130 KLPD ethanol plant in the last financial year, now operating at full capacity. Established a subsidiary in UP to cater to the northern region. Planning to set up a malt plant costing around INR 80 crores, expected to commence before March '25. Preferential allotment of 11 lakh share warrants to investors at INR 679 per share for future expansion projects.

**Market Expansion:** Launching products in new states including Maharashtra, Pondicherry, Assam, Tripura, Goa, and Uttar Pradesh. Targeting to double IMFL sales in the next 18 months. Planning to launch Culture, a new ready-to-drink beverage, in premium markets like Goa, Bombay, and Delhi.

**Distribution and Sales:** Each state has one distributor for product distribution. Sales expected to start in targeted states from Q2 onwards. Registration process underway for new states to launch the product portfolio.

**Margin Guidance:** Targeting EBITDA margins of 11% to 13% in FY25 and 13% to 14% in FY26. Revenue expected to grow by 12% to 14% in FY25 and similar growth in FY26.

**Industry Insights:** Seasonal variations in sales volumes observed in IMFL and ENA segments. Strategic positioning of products to avoid competition within the product portfolio. Market demand and product mix influencing revenue and margin performance.

**Future Plans:** Internal accruals and preferential allotment funds to support expansion projects. Planning to expand bottling plant and set up bottling cum distillery in UP. Focus on premiumization and innovation to drive growth in the competitive market.

**Aurionpro Solutions Ltd****CMP: INR 1819 | Mcap: INR 100.41bn**

Aurionpro Solutions Limited works in providing business solutions in the fields of Transaction Banking Platform, Customer Experience (ACE Platform), Smart city and Smart Transportation experience and Cybersecurity solution. The company primarily offers software products and consulting services to banking industry in India and abroad.

**Business Verticals:** The company has customers which includes large banks & financial institutions, governments & government undertakings and other business organizations. It works in the following business verticals –

- a. **Banking and Fintech:** Aurionpro offers IP based solutions to Retail Banking, Wholesale Banking and Treasury & Capital Markets, which includes Transaction Banking Platform, iCashPro+ and Lending Platform – Smart Lender and ACE platform.
- b. **Technology Innovation Group:** The company is an established player in the Smart City segment in India. The company works with various departments of the Government to create Smart Cities and Smart Surveillance through system integration and big data /analytics. It has implemented 3D City, CPMS, City Surveillance projects with various state governments. Through Smart Mobility, Aurionpro offers Automated Fare Collection (AFC) Solutions panning different technologies like open loop EVM based ticketing, close loop based ticketing and account based ticketing. Aurionpro has also ventured into the Data Centre building, consulting and hybrid cloud services.

**Future Outlook:** They have guided for a growth of 30% to 35% on revenue and earnings. Confidence in delivering strong performance in upcoming quarters while building out high margin businesses.

They are expecting long-term growth potential from current initiatives.

**Market Expansion:** Strong partnerships with global technology players. Co. has entered into new markets like UK, US, Central America, Latin America, Australia. Management has strategic focus on transit business internationally.

**Product Development:** Integration of Arya.AI with enterprise applications ongoing. They witnessed a strong momentum in sales channels and is Expecting Arya.AI to grow by 50% to 60% for the full year.

**Challenges & Opportunities:** Building ecosystem for SME digitization through Aurobees platform.

They see long-term opportunity in SME space and are in engagement with US banks in initial stages. They are focused on expanding transit business globally.

**AVG Logistics Ltd****CMP: INR 446 | Market Cap: INR 6.38Bn**

AVG Logistics Limited is positioned as a sustainable, reliable, and integrated logistics partner for India's top businesses. The company provides multimodal logistics solutions across transportation, warehousing, distribution, supply chain management, and 3PL services. Focus on customer centricity and leveraging technology to enhance service delivery.

**Key Highlights****Services Offered:**

- a) Multimodal Logistics: FTL and LTL (Primary), Dedicated/Secondary Solutions, Express Delivery, Last Mile Logistics /Door To Door Services, Multimodal Transportation, Reverse Logistics, Freight Forwarding, Export to Nepal and Bangladesh, Packers & Movers.
- b) Cold Chain: Company offers End to End Cold chain services from the primary to secondary distribution for segments like Fruits & Vegetables, Food Processing, Dairy, QSR, Chocolates, Ice Creams, Retail
- c) Warehousing: Company has 7 owned & rented warehouses which provides flexible options for short, medium, and long-term storage
- d) Value Added Services: Company provides End-to-end Services to compliment all service verticals including Co Packing Service, E2E Solutions, Reverse Logistics, Consolidation center, Mid-last Mile Delivery, Custom Clearance, ODC, Port Logistics, E-commerce

**New Contracts and Client Acquisition:**

Partnering with UP State Road Transport Corporation (UPSRTC) as an authorized agent for courier parcel services through their extensive bus network, estimated contract value of ₹60 crores over 5 years. Long-term contracts signed with Dalmia Cement and Tata Steel for logistics services, leveraging electric and LNG vehicles.

**Market Strategy and Growth Outlook:**

Targeting a revenue of ₹700 crores for FY2024-25, with confidence in achieving this due to a strong growth trajectory and diversification into steel and cement logistics.

Anticipating 15-20% organic growth while exploring additional business opportunities in new sectors. Emphasis on enhancing operational efficiency and profitability through strategic partnerships and technology adoption.

**Challenges and Competitive Landscape:**

Facing intense competition in the logistics sector, management focuses on safety, sustainability, and service differentiation to maintain market share. Concerns over driver shortages in the logistics industry, prompting a shift towards multimodal solutions, including rail services.

**Margin Guidance:**

EBITDA margin guidance for FY2025 is expected to be in the range of 18-19%. Management remains optimistic about maintaining a PAT margin of 4-5% despite entering lower-margin industries like cement and steel due to quicker payment cycles and better fund rotation.

**Future Prospects:**

Plans to introduce over 100 electric and LNG vehicles by March 2025 to meet sustainability goals and enhance service offerings. Targeting to expand the cold chain logistics segment significantly, with a revenue target of ₹125-150 crores for FY2024-25.

**Batliboi Ltd****CMP: INR 181 | Market Cap: INR 6.21 bn**

Batliboi Ltd is engaged in manufacturing and trading of machine tool and textile engineering machines. It has three divisions - manufacturing division which manufactures machine tools, textile machinery, air-conditioning and refrigeration, engineering steel files, environmental control equipment, etc; the engineering and contracting division which takes up contracting in all the above areas and turnkey projects and the marketing division which handles marketing of all the above mentioned engineering products and instrumentation devices.

**Business Divisions:**

a) Machine Tools: The company manufactures CNC and conventional machines. Its Agencies division includes metal cutting machines, metal forming machines, and workshop machine packages. In FY24, the company installed 310 machines and 12 Quickmill.[2]

b) Air Engineering: The company produces humidification systems, waste collection, automatic controls, central monitoring, bale press systems, energy management, evaporative air cooling, and ventilation and air conditioning solutions.

c) Textile Machinery: The company is a leading agent for textile machinery in spinning, knitting, processing, technical textiles, effluent treatment plants, and oils and consumables.

**Industries Catered:** Auto Component, Infra Industries, Tractors, Dies and Molds, Light Engineering.

**Manufacturing:** The company has 2 manufacturing units. One in Surat, India, and another in Peterborough Canada(Quickmill Inc, Subsidiary of Batliboi Ltd). The company has a 45 acres of land in Surat. 4 Acres marked for sale waiting for the right price for ~Rs. 40 crores. 8 acres could be developed for other than use by the company.

**Clientele:** ABG Shipyard, Bajaj Auto, Cochin Shipyard, Endurance Technologies, Gammon India, HAL, Jindal Steel, Larsen & Toubro, Maruti Suzuki, Reliance Industries, etc.

**Capex Plans:** The company plans to double its Machine Tool Business capacity from 25 to 50 machines per month over the next two years, expecting an increase in revenues by approximately Rs. 80 crore post-expansion. Additionally, it plans to upgrade its foundry capacity from 90T/month to 200T/month for castings and expand its SKUs. The total capital expenditure for this expansion is estimated at around Rs. 20 crore. Under the textile Engg. division, company has capex plans of Rs. 5 cr. for capacity expansion.

**Foray in Green Hydrogen:** The company plans to foray into the Green Hydrogen Space. It estimates the market size of 5MMT of Green Hydrogen by FY2030.



**BCL Industries Ltd****CMP: INR 60.5 | Mcap: INR 17.87bn**

BCL Industries Limited is one of India's largest agro-processing manufacturing companies with diverse businesses and vertical integrations. Established in 1976, BCL Industries Limited is engaged in Edible Oils, Rice Milling, grain-based Distillery and Real Estate. It is present in Punjab and West Bengal.

BCL Industries operates one of India's largest grain-based distilleries with over 40 years of experience in grain procurement and processing. The company has successfully commissioned a new 100 KLPD ethanol-dedicated plant at Svaksha in Kharagpur, increasing total distillery capacity to 700 KLPD.

Distillery segment showed robust performance: Ethanol volumes doubled to 50,000 KL YoY. Revenue from ethanol was ₹357 crores, a 154% increase YoY. ENA volumes were 5,830 KL, reflecting a 40.38% decrease.

**Raw Material Insights:** Average raw material prices for maize in Q1 were around ₹23 per kg, currently increased to ₹25 per kg. There are fluctuations in maize prices due to harvest cycles; the current period is a stress period with no harvest. Strong demand for maize from the poultry and starch industries contributing to price increases.

**Biodiesel Expansion:** BCL is establishing a 75 KLPD biodiesel plant at Bathinda with all statutory clearances in place and civil work underway.

The biodiesel plant will enhance vertical integration and operational efficiency by utilizing technical maize oil derived from maize processing.

The government's focus on biofuels, including a target of 5% biodiesel blending by 2030, positions BCL for substantial growth in this segment.

**Strategic Initiatives:** The company plans to exit the edible oil business in the next financial year to focus on distillery and biodiesel operations. Gradual selling off of remaining real estate inventory for debt repayment. Expected top line of approximately ₹1,750 crores from the distillery segment, while maintaining sustainable margins.

**Market Dynamics:** The company is optimistic about the future due to the increasing demand for biofuels and the government's supportive policies. Management believes that the maize crop area is increasing, which may stabilize prices in the long run. There is a potential opportunity for inorganic growth as marginal players may struggle with high maize prices.

**Operational Improvements:** Plans to integrate advanced technology for processing various feedstocks to produce ethanol and ENA based on demand. Expected increase in ethanol capacity to 850 KLPD within the next year.

**Challenges:** Current volatility in global edible oil markets has posed challenges, but BCL has maintained stable margins. Management is cautious about the impact of elevated maize prices on margins in Q2.



**BEW Engineering Ltd****CMP: INR 1400 | Mcap: INR 4.58 Bn**

BEW Engineering Ltd designs and manufactures special range of filtration mixing and drying equipments.

BEW designs and manufactures special range of filtration, mixing and drying equipment specifically used in Pharmaceuticals, Sterile Applications, Intermediate Compounds, Fine Chemicals, Chemicals, Agro Chemicals, Pesticides, Insecticides, Dyes and Food Products.

Company is authorized by ASME for U Stamp on manufacturing of pressure vessels and authorized by The National Board of Boiler & Pressure Vessel Inspectors for NB Mark in Pressure Vessels and other pressure retaining items.

**Exports:** It exports to Canada, Japan, Turkey, Nigeria, Indonesia, Thailand, Saudi Arabia, Malaysia, Nepal, Israel, Bangladesh, Brazil, etc.

The Company's major products are Agitated Pressure Nutsche Filter Dryer (ANFD), Rotocone Vacuum Filter Dryers (RVFD), Cantilever Rotocone Vacuum Dryer (RCVD), Retractable Plough Shear Mixer Dryer, Agitated Pan Dryer, Rotary Vacuum Paddle Dryer (RVPD) and Spherical Dryer. The portfolio of products currently includes design and manufacturing of filters and dryers for chemicals industry comprising of Pharmaceuticals Bulk Drug, API Agro Chemicals and Specialty Chemicals.

The Company has developed long term relationships with reputed and renowned customers globally, which include corporations such as Cipla, Ipca, Lupin, Dr. Reddy's, Sun Pharma, SRF, Mylan, Biocon, Jubilant Ingrevia, Gharda Chemicals, PI Industries, Teva API India, Piramal Pharma and among others.

**Best Agrolife Ltd****CMP: INR 614 | Market Cap: INR 14.52 bn**

Best Agrolife is a leading agrochemicals manufacturer and is among the top 15 agrochemicals companies. It is one of the fastest growing manufacturers of Technical, Formulations, Intermediates and Public Health products. The Company is recognized for its niche product category which promotes sustainable agriculture by delivering high quality, modern, innovative and cost-effective crop protection solutions to farmers across the globe.

**Key Highlights:** The past several quarters the Company's performance has been impacted due to adverse industry headwinds along with high inventories. The Company is in the process of changing their business strategy from B2B to B2C in order to achieve better margins and market their Patented products better. The Company has increased their Branded business to 60% in FY24 against 30% in FY23 while the Institutional business has decreased in the mix to 40% in FY24 from 70% in FY23. The Company has 10 patents in place and 32 Patents are in the Pipeline. The Company has launched 6 Patented products in FY23 & FY24, which are being marketed by the company. The Company is engaging with more than 10,000 Dealers and Distributors to market their Patented products. The Company has employed more than 1,000 marketers who are working on educating the dealers and farmers regarding the benefits of their Patented products.

The Company has launched several products: 6 Herbicides, 4 Fungicides and 1 Insecticide, and is expecting growth of 25-30% YoY growth. Over the last 3 months, they have launched 3 products and will be launching 2 more in the next couple of quarters.. The development of Patented products takes between 3-5 years for them to R&D, registration of the Patent, Testing, marketing and launch the Product. On the contrary, the non-patented products require between 9-12 months to make a product which is already present and sold by Peers, and launch under their company's branding. The Patented products of Best Agrolife are generally the combination mix of 3 or more different chemicals which the company does registration for Patents and claims are more beneficial for farmers and would lead to better farm productivity.

The Company has done a Capex of INR 500 mn in FY24, and is looking to do capex of up to INR 2.5 bn in the future, which will be funded mostly by debt. This capex will be Brownfield expansion in their current facility in Uttar Pradesh. However, the Company has not finalized the Products and no contracts have been assigned on the development of the Capex yet.

The Company's recent launched Products included: Ronfen, Tricolour, Warden Extra, Defender, Nemagen and Orisolium.

**Guidance:** The Management expects the excess Inventories in their books will be cleared by the end of July 2024 as it is due to the cyclicity of their business. The Company is looking to do a capex of INR 2.5 bn brownfield expansion for the newer Patented products at their existing facility. However, the Capex plan is still in the Planning stage as the Company's working capital is tight and they have lower Cash in Hand, and will be requiring debt for the Capex which they claim to recover over 3 years after completing the Capex.

**Bharat Agri Fert Realty Ltd****CMP: INR 90 | Market Cap: INR 4.76 Bn**

Bharat Agri Fert & Realty Ltd. is in the business of construction & development of residential complexes, manufacturing of agro-chemical Single Super Phosphate and operating a theme based luxury Resort. The company has 5.22 mn sq. ft. (120 acres) of land bank which includes 20 acres of land which houses the Single Super Phosphate plant of 1lakh tonnes capacity and the theme based luxury Resort spread over 8 acres of land. The Company has started the construction of a residential tower in Majiwada, Thane which upon completion will be the tallest building in Thane of 59 storeys with 4 lakh sq. ft. carpet area for 457 units of 2 & 3 BHK apartment flats.

**Realty Division constructing 59 floor residential Tower in Majiwada, Thane:**The Company had constructed a residential complex in Thane with 6 towers of average 11-12 storey buildings constructed between 2007-08 to 2015-16. The units in these 6 towers were all sold out. The company has earlier gained approval for the Wembley tower for 19 floors only, which after the Covid pandemic, was extended till 59 storeys. The 'Wembley' tower G Project was launched in 24th Oct 2023, and the construction work has started. The Tower will house 457 units of 2 & 3 BHK apartment flats. The Company aims to complete the Project over the next 4 years and we expect the Project to generate revenues up to INR 8,000 mn yielding a Profit of INR 4,000-5,000 mn during the period.

**Expansion of Room Capacity of Anchaviyo Luxury resort** The Company operates thematic Luxury Resort branded as 'Anchaviyo' which currently has 45-50 rooms all exclusively designed in different themes. The current occupancy levels of the resort is 65-70% with average rent of INR ~20,000 per room generating annual Turnover of INR 200-210 mn (occupancy levels vary with seasons). The Company intends to increase the number of Rooms to 125-130 in the next 2 years, and become a preferred Wedding Destination along with Corporate bookings. This will generate up to INR 400-500 mn per year.

**Redevelopment of Promoter's Residential Building situated in Ville Parle:** The Company is in discussion for redevelopment of Promoters Residential Building situated at Prime Location in Ville Parle (E) for making 3 & 4 BHK luxurious residential flats in G+13 floor with a revenue potential of INR 1,750-2,000 mn respectively.

**Leasing of the Fertilizer facility:** The Company's fertilizer facility operated at less than 10% capacity utilization for FY23 impacted by the supply and availability of raw Material for the production of Single Super Phosphate. Hence, they are in discussion with Chambal Fertilizers and Indian Potash Limited for a suitable lessee who will operate the plant efficiently benefitting both Bharat Agri as well as the Lessee's company with a Lease rental income of INR 100-120 mn per year.

**Outlook:** Bharat Agri, Fert & Realty is utilizing the land bank of 120 acres that the company has, and another 30 acres of land in the name of the Promoter which could also be transferred in the company's books at an appropriate time in the future. Going ahead, we believe the Company will also utilize the opportunity of redevelopment of commercial building Bharat House in Fort Area for a JV with Shapoorji Pallonji Group, which could generate a cash Flow of INR 2,000 mn.

**BMW Industries Ltd****CMP: INR 72.2 | Market Cap: INR 16.25 Bn**

BMW Industries Ltd is primarily engaged in manufacturing, processing and selling of steel products consisting of engineering and other products and services related to the same. BMW Industry Limited (BMWIL), incorporated in 1981, is one of the largest steel processing company in India, having manufacturing units at multiple location. It is engaged in Manufacturing & Processing of HRPO Coils, CR Coils, GP Coils, GC Sheets, MS and GI pipes, TMT rebars, etc. for marquee steel players in India.

**Business Strategy:** Focus on adding value to semi-finished steel products to maintain stable margins. Strong track record with a 30-year relationship with customers. Expansion plans in pipes and tubes segment driven by strong demand. Strategy to establish own brand through various initiatives. Focus on strengthening the conversion business and market presence.

**Operational Highlights:** Achieved highest ever quarterly profit after tax in Q1 FY '25. Record production volumes across verticals. Operating revenue of Rs. 174 crores in Q1 FY '25, a year-on-year growth of 10.20%. Successfully commissioned a solar energy project at the Calcutta plant. Launching a second solar energy project in Jamshedpur.

**Future Outlook:** Expecting a top-line CAGR of around 17% to 18% and an operating EBITDA margin of approximately 27% to 28% by FY '26. Focused on sustainable growth and profitability. Confident in maintaining stable margins due to operating leverage and better utilization. Long-term contracts in place for the entire capacity, ensuring revenue visibility.

**Challenges and Risks:** Potential risks related to zinc prices impacting margins due to pass-through costs. Uncertainties around negotiations with customers for contract renewals. Pressure on TATA Steel to improve margins may impact future contracts.

**Expansion and Capex:** Expanding pipes and tubes capacity to 534,000 metric tons by Q2 FY '25. Successfully installed and commissioned 414,000 metric tonnes out of the proposed capacity. Second solar energy project in Jamshedpur with an approximate capacity of 6 megawatts.

**Customer Relationships:** Engaged in discussions with customers for potential downstream capacity expansion. Long-term contracts with customers for the entire capacity, ensuring steady demand.

**Margin Guidance:** Expecting to maintain EBITDA margins of 27% to 28% through operating leverage and better utilization. Margins may fluctuate due to pass-through costs, but absolute profits expected to increase with production volumes.

**Contract Renewals:** Negotiations ongoing for contract renewals with customers like TATA Steel. Extension of contracts until specific dates to allow for further negotiations.

**Capacity Utilization:** Targeting around 70% utilization as optimum for pipes and tubes. Expected production volumes of 200,000 tons in FY '25 based on current capacity.

**Diversification Strategy:** Exploring opportunities to derisk business in case of potential changes in customer contracts. Focused on nurturing Bansal Super brand and building a sustainable supply chain.

**Overall:** Management remains optimistic about future growth and profitability. Confident in the company's ability to navigate challenges and capitalize on opportunities. Strategic initiatives in place to drive sustainable growth and maximize capital efficiency.

**Brand Concepts Ltd****CMP INR 679 | Market Cap INR 7.57 bn**

Brand Concepts Ltd specializes in the manufacturing of bags, backpacks & fashion accessories for the Indian & International markets. The Company enters into franchise or trademark license agreements with reputed brands. Analyses the brand and other factors and creates a product design, a sample is manufactured, and on approval from the brand, it outsources its manufacturing activities to the manufacturers located in India and China (majorly).

**Products:** The Co. manufactures trendy backpacks like laptop bags, duffle & gym bags, rucksacks, and school backpacks. Handbags, Clutches, Men's belts & wallets, Luggage Bags etc.

**Project Updates:** IFF merger and new hard luggage plant are on track. IFF merger currently in NCLT, expected to complete in the next few months. New hard luggage plant expected to be commissioned by the end of FY'25. A seasoned professional has been appointed as the plant head.

**Brand Development:** Juicy Couture positioned in the premium segment with expected price points between ₹5,000 to ₹15,000. Anticipated contribution of women handbags to overall top line expected to be 15-20% in the next couple of years. Focus on differentiating Juicy Couture from mass-market brands like Caprese and Lavie.

**CSD Channel Performance:** Canteen Stores Department (CSD) contributed approximately 9% to the top line. Initial traction observed, with plans to expand presence in the CSD channel. Current gross margins in CSD are lower due to pre-existing pricing agreements, with potential for improvement post a year.

**Institutional Business Insights:** Institutional business experienced a decline from 22% to 15% of sales. Strategic partnerships with chain stores like Shoppers Stop are in place, but performance can fluctuate.

**Online Sales Growth:** Online sales grew by 33% year-on-year but faced pressure from discounting and lower average selling prices (ASP). Management emphasizes the need for healthy value growth rather than volume growth driven by discounting.

**New Brand Strategy:** Exploring additional brands to complement the handbag segment, with a focus on lifestyle and fashion accessories. Emphasis on creating a curated experience for consumers, particularly through the e-commerce platform Bagline.

**BSL Ltd****CMP: INR 228 | Market Cap: INR 2340mn**

BSL Ltd is a vertically integrated textile company manufacturing Poly Viscose, Worsted, Fashion Fabrics and Yarns. BSL is an IS/ISO 9001-2008 certified manufacturer of textile products ranging from synthetic, worsted, and now cotton yarn to synthetic & worsted suiting's and a variety of furnishing fabrics. It is a supplier of furnishing fabrics to IKEA and to 25 other nations.

Company has a vertically integrated unit with spinning, weaving, processing, and manufacturing capacity of 20 million meters of fabric annually viz. Fabrics ~178 Looms, Worsted Yarn ~8,768 Spindles, Synthetic Yarn ~20,544 Spindles, Vortex Yarn ~400 Positions, Fabric Processing ~288 Lac Mt., Top, Fiber & Yarn Dyeing ~2,352 MT, Cotton Yarn ~29,184 Spindles.

Company had earlier planned capex of Rs 1,350 million to setup a cotton yarn plant and enhance capacities of its existing products. The capex was to be funded through 75% of term debt and the rest through internal accruals. However, BSL incurred a higher-than-estimated debt-led capex where the new plant was set up with a higher-than-expected capacity and also added higher capacity in an existing product. The repayment of partial debt would start from mid-FY24 and the rest in FY25.

Indian Textile Market: : The future of the Indian textiles industry looks promising, buoyed by strong domestic consumption as well as export demand. India is working on various major initiatives to boost its technical textile industry. Owing to the pandemic, the demand for technical textiles in the form of PPE suits and equipment is on the rise. The government is supporting the sector through funding and machinery sponsoring. Top players in the sector are achieving sustainability in their products by manufacturing textiles that use natural recyclable materials.

With consumerism and disposable income on the rise, the retail sector has experienced a rapid growth in the past decade with the entry of several international players like Marks & Spencer, Guess and Next into the Indian market. The growth in textiles will be driven by growing household income, increasing population and increasing demand by sectors like housing, hospitality, healthcare, etc. The technical textiles market for automotive textiles is projected to increase to US\$ 3.7 billion by 2027, from US\$ 2.4 billion in 2020. Similarly, the industrial textiles market is likely to increase at an 8%CAGR from US\$ 2 billion in 2020 to US\$ 3.3 billion in 2027. The overall Indian textiles market is expected to be worth more than US\$ 209 billion by 2029.

Any increase in interest rate can affect the finance cost. The Company's policy is to borrow long term borrowing in Indian Rupee to avoid any rate variation risks. The Company has adopted a prudent and conservative risk mitigation strategy to minimize interest costs. The textile industry faces various financial risks, from having lenient payment terms to negotiating weak contracts.

**Capital Small Finance Bank Ltd.****CMP: INR 300 | Market Cap: INR 13.53 Bn**

**Guidance** Management aims to improve its NIM to 4.5% over the next three years, up from the current 3.9%. Currently operating with 177 branches across 5 states and 1 Union Territory, the Bank plans to enhance its footprint by adding 25 branches in FY25 and 35 branches in FY26. This expansion will include entering new states as the business grows. Opex ratio for the FY24 stands at approximately 3%. Management expects it remain at similar levels on the back of increasing scale of business and growing matured branches. The GNPA ratio stood at 2.8% for FY24.

Management is optimistic about future recoveries, which are expected to enhance asset quality. Bank is targeting to achieve a loan portfolio growth ranging from 22% - 24% in FY25. The Bank has provided a ROA guidance of 1.4% for FY25, an improvement from the current 1.3%. Additionally, the ROE is expected to increase to 16% in FY25, up from 14.6% in FY24. Management is focused on growing the middle - income group (MIG) segment.

**Business Highlights:** Capital Small Finance Bank Ltd. commenced operations as India's first small finance bank in 2016, offering a range of banking products on the asset and liability side, in Punjab, Haryana, Delhi, Rajasthan, Himachal Pradesh and Union Territory of Chandigarh.

Prior to becoming a Small Finance Bank, it started operations as a local area bank, with 47 branches, in Jalandhar, Kapurthala and Hoshiarpur and expanded its operations into Ludhiana and Amritsar, thereby extending its outreach to a total of 5 districts.

The core strategy of the Bank is to build a retail focused business model with special emphasis on rural and semi urban geographies and Middle - Income Group segment. Its asset products primarily include 37% agriculture loans, 19% MSME and trading loans (working capital, machinery loans etc.) and 26% mortgages (housing loans and loans against property).

They are a secured lender with 99.9% secured book, with an average ticket size of INR 14.2 Lakhs. The security is valued at collateral value rather than market value. The management of the company is optimistic about future recoveries, which will help them to improve their asset quality. The GNPA ratio stood at 2.8% for FY24. Capital SFB is predominantly operating in Punjab and Haryana, where market opportunity is believed to be immense. They currently have a market share of only 1.15% in Punjab with an incremental share of 1%. Their USP lies in providing RM and personnel services specifically in Punjab and Haryana, markets where competitors do not offer these services. This strategic differentiation is expected to enhance their market share in these regions.

Company has a high rollover ratio of 91.15%, depicting a stable deposit base. More than 65% of the branches are matured and as the scale of business increases, more branches will mature. This will help them to maintain their Opex ratio at 3% levels. Quarter 1 is generally weak for banks but management projects a healthy Q1FY25, due to the availability of growth capital.



**Capri Global Capital Ltd****CMP INR 212 | Market Cap INR 174.6 bn**

Capri Global is a diversified Non-Banking Financial Company (NBFC) with a presence across diverse segments like MSME, Affordable Housing, Construction Finance segments, and Car Loan distribution; forayed into Gold Loans.

**Growth Projections:** Strong growth in gold loans is expected to continue, with plans to add 50 more branches in the coming years, building on the existing 750 branches.

The company is confident in the MSME sector, with 28% growth projected, alongside 30% growth in gold loans and 23% in housing loans as government actions also align to boost growth in MSME. Initial losses from technology platform development and team training have stabilized, with anticipated growth in revenue.

**Other Highlights:** Company gold loan lending increased to INR 54,001 Mn (237.6% YoY, 54.7% QoQ), with a net profit of INR 750 Mn, supported by an extensive network of 750 branches. The company shifted focus to improve branch and employee productivity, leading to a 5.9% YoY decline in costs. Significant investments in technology and process streamlining have reduced the cost-to-income ratio by 5.9% QoQ.

The company's GNPA and NNPA ratios remained stable at 2% and 1.1%, respectively also stage 3 ratio stood at 43%. Retail lending accounts for over 80% of the portfolio. Capri Global aims for an AUM of INR 300,000 Mn to fuel growth and is well-positioned to achieve this target. The company plans to raise INR 20,000 Mn through equity, debt, convertible securities, or QIP. Capri Global has tied up with 11 insurance companies, generating INR 120 Mn in income.

**Technology and ESG Initiatives:** Full digitization of the loan life cycle with significant investments in technology, including in-house developed systems for loan origination and management. Established systematic ESG practices aligning with international standards and guidelines.

**Outlook:** The company is focused on expanding its gold loan portfolio and retail lending, leveraging its extensive branch network and technological investments to achieve robust growth. With plans to raise capital through equity and debt, Capri Global aims to fuel further expansion in key segments such as MSME, gold, and housing loans.



**Captain Polyplast Ltd****CMP- INR 85 M.Cap- INR 4.71 bn**

Incorporated in 1997, Captain Polyplast Ltd does manufacturing of forged and machined bearing rings and automotive components. CPL does manufacturing of advanced micro irrigation technologies which include drip irrigation systems and sprinkler irrigation systems that are produced in German and Israel technology. It has a marketing and distribution network across 16 states of India with 750+ dealers.

**Business Segments:** a) Micro Irrigation Systems: Company does manufacturing, selling, and installation of quality Micro Irrigation Systems and allied products, providing agronomical services to farmers

b) Polymer Business: Company does business activities on DCA cum CS basis of Indian Oil Corporation Ltd. (IOCL) of Polymer Business

c) Solar EPC Services- Company is providing a comprehensive service that provides end-to-end solutions for solar power projects. This model encompasses the entire process of setting up a solar power plant, from initial planning and design to the final installation and commissioning of the project.

**Product Profile:** 1 Drip Irrigation - Emitting Pipe, Inline Emitters, Online Emitters and Lateral Pipe.

2 Sprinkler Irrigation - Sprinkler Pipe, Mini Sprinkler and Sprinkler nozzles.

3 Solar EPC - Rooftop mounted solar system, Solar water pump.

**Manufacturing Facilities and Capacity:** Company operates 2 manufacturing facilities: 1 Rajkot (Gujarat) - Drip line Capacity: 170 MT p.a., HDPE Pipes; Capacity: 4,000 MT p.a. 2 Kurnool (Andhra Pradesh) - Drip line, HDPE Pipes and PVC Pipes; Capacity: 9,000 MT p.a.

**Clientele:** GGRC, GAIC, Gujarat Water Supply & Sewerage Board, Water & Sanitation Management Org., Junagadh Agricultural University, Tata Chemicals Ltd.

**Geographical expansion:** The company has expanded export division to Africa, Latin America, and the Middle East.

**Century Enka Ltd****CMP: INR 727 | Market Cap: INR 15.88Bn**

Established in 1965, by BK Birla group and Enka International which is part of Akzo Nobel group, Century Enka is into manufacturing of industrial yarn, textile yarn & fabric such as Nylon Filament Yarn (NFY) & Nylon Tyre Cord Fabric (NTCF).

**Market leader**

The company has become one of the largest producers of Nylon Filament Yarn (NFY) and Nylon Tyre Cord Fabric (NTCF) in India with a share of ~23% in the domestic market in NTCF and ~25% in NFY. The company's brand '**Enkalon**' stands testimony to the high quality of material which gives a soft, lustrous and elegant feel to the finished fabric.

**Nylon Filament Yarn(NFY)**

It is a long continuous lustrous fibre, extensively used to produce a comprehensive range of textile fabrics such as sarees, draperies, furnishings and upholstery, sports-wear, mosquito nets and also for embroidery. Its properties make it the preferred choice over natural yarn options, such as cotton, silk and wool.

Usage : Ethnic/ Active/Work wear, Technical textiles / Industrial packaging, Eco- green, Nylon blends.

**Nylon Tyre Cord Fabric(NTCF)**

Century Enka provides high quality NTCF for reinforcement of tyres which are used in motor cycles, scooters, light commercial vehicles (LMVs), heavy commercial vehicles (HCVs) and off the road (OTR). They provide shape to the tyres and support the weight of the vehicle. They are designed to keep tyres running longer and have significant effect on the performance of the tyres.

**Manufacturing facilities**

The Company's has two manufacturing facilities located in Pune, Maharashtra and Bharuch, Gujarat, with a capacity of ~86,000 MTPA.

**User Industries**

High quality Nylon Yarns are used for various applications including fish-twines, conveyor belts, sports and activewear, sarees, intimate and foundation wear, etc. Nylon tyre cord fabric for reinforcement of tyres are used in motorcycles, scooters, light commercial vehicles (LCVs), medium & heavy commercial vehicles (MHCVs) and off the road (OTR) vehicles.

**Distribution:** The company is present through 34+ dealers.

**Exports**

Century Enka currently is exporting Green polymer to USA & China where it is having a leadership position.

**New Developments and Projects:**

Focus on value-added products, particularly in the Nylon Filament Yarn segment, with potential for multiple levels of value addition.

Capex for FY '25 is expected to be routine, with a spend between INR 35 crores to INR 50 crores on modernization and energy-saving projects.

Looking into future growth capex opportunities, with plans to share updates once approved by the Board.

**Choice International Ltd****CMP INR 451 | Market Cap INR 89.89bn**

Choice International Ltd was incorporated in 1993. It is an integrated and diversified financial services group. It provides a wide range of financial services that includes Broking & Distribution, Investment Banking, Financial Services to Business Advisory, Regulatory Compliances to Government authorities & other corporate entities, Retail loan distribution, Mutual Fund distribution, technical services, and other ancillary services. The registered office of the Company is in Mumbai.

**Business Segments:**

1. Broking and Distribution Business: It includes Stock Broking, Wealth, Insurance. Company is more prevalent in Tier III and beyond cities.
2. NBFC Services: MSME Business Loan & Solar Finance
3. Advisory Services: Government Infrastructure Consulting, Government Advisory, Investment Banking: ~57% projects are in Maharashtra.

Revenue Mix - FY24: Broking Services - 60%; Advisory Services - 29%; NBFC Services - 11%.

The previous year was marked by several strategic initiatives and accomplishments for choice. Focus on SIPs was maintained, resulting in an increase in the average SIP amount from ₹4,700 to ₹5,900, and approximately 10,000 new SIP clients were added, reflecting the commitment to systematic investment plans as a key growth driver. The relationship between relationship managers and clients was strengthened, ensuring personalized service and better client retention. Niche products were introduced, targeting the Affluent, HNI, and UHNI segments, including Structured Products, PMS, and AIF.

This diversification broadened market reach and appeal. A steady increase in subscribers for Portfolio Management Services (PMS) and Alternative Investment Funds (AIF) was observed, indicating growing investor confidence. Significant investments were made in research for other wealth products, ensuring that innovative and competitive investment options continue to be offered. The best fixed income products, along with PMS and AIF, continued to be provided, maintaining the company's reputation for reliable and high-quality investment offerings.

Strategic roadmap for the coming year includes ambitious expansion plans and enhanced service offerings: Branch Expansion & Global Presence Co. plans to establish teams in key wealth management hubs across India, including Mumbai, Ahmedabad, Delhi-NCR, Bangalore, Hyderabad, Jaipur/Jodhpur, and Chennai.

NRI Desk Setup: They are setting up a dedicated NRI desk to cater to the unique needs of NRI clients, providing them with specialized wealth management services.

- Phase II Expansion: After the successful implementation of Phase I, they will expand to tier 2 and tier 3 cities through wealth managers or by partnering with external wealth managers, ensuring comprehensive coverage and accessibility. International Presence: Co. aims to establish wealth management operations starting with the UAE and the Middle East, leveraging the success of NRI desk to offer services globally.

**CIE Automotive India Ltd****CMP: INR 562 | Mcap: INR 213.33bn**

-Mahindra CIE Automotive Limited is a subsidiary of CIE Automotive S.A, Spain. Mahindra Vehicle Manufacturing Ltd. is also a significant shareholder in the company. The company is engaged in the business of production and sale of automotive components to original equipment manufacturers and other customers in India and overseas.

-Company is part of the CIE Automotive Group of Spain and is the Group's vehicle for its forgings business globally. It is a multi-locational and multi-technology automotive components company with manufacturing facilities and engineering capabilities of its own and its subsidiaries in India and in Germany, Spain, Lithuania, and Italy and Mexico.

-The company has been reporting healthy volume offtake across key business segments, outperforming the underlying market consistently, supported by the addition of new customers and increasing wallet share with its existing customers.

This has resulted in healthy revenue expansion for CAIL, which coupled with focus on its profitability has supported it in reporting a healthy margin profile as well as improvement in its core return indicators. Presence across multiple technologies, segments and geographies is expected to enable CAIL to maintain its revenue growth momentum and healthy profitability, going forward as well.

-The company is expected to continue to benefit from CIE Automotive SA's (CIE) strong technological expertise, along with its established relationships with global original equipment manufacturers (OEMs), which support its business prospects.

-CAIL is present across six business segments—forging, stamping, casting (iron and aluminium), gears, composite and magnetic products, and caters to multiple automotive segments including the PV, CV, tractors, 2W and off-highway segments. Further, the company is well diversified in terms of its geographical revenue base, including India (contributed 63% of its revenues in CY2023) and Europe (37%), as well as in terms of clients, catering to several reputed automotive OEMs in India as well as Europe. CAIL sold off its German forging business (CFG) in CY20.

-In terms of revenues, CAIL is among the largest auto component suppliers in India. In Europe, it is one of the leading suppliers for forged components for the PV and off-highway segments. Its position as a leading auto-component supplier, along with its established track record, help the company in client retention and acquiring new customers across the key business segments.

-Being one of the largest global automotive component suppliers, CIE enjoys a diversified automotive footprint across multiple geographies and product segments, such as forgings, castings and stampings, providing CAIL with ample access to operational and technological support.

Moreover, CAIL enjoys strategic importance for CIE's global operations as the auto component division for the South Asian and South-East Asian markets. The company is expected to continue to benefit from CIE's strong technological expertise along with established relationships with global OEMs

**Cineline India Ltd****CMP: INR 124 | Mcap: INR 4260mn**

Cineline India Ltd, established in 2002, initially specialized in leasing properties and operating windmills. The company subsequently managed its own Multiplex chain, known as "Cinemax," and divested it to PVR in 2012. Following the conclusion of the non-compete agreement, the company re-entered the cinema industry in 2022. The company's re-entry into the movie exhibition sector was marked by the introduction of the "MovieMax" theater chain on April 1st, 2022.

**Hotel business:**

-The company has plans to sell the hotel and divest from the Hotel business. They currently also own 8 other properties which they will look to liquidate and eventually use the incoming capital in the expansion of Cinema business. The rationale behind the divestment is the hotel business has saturated and the management does not see very high growth in the business going forward. The company expects to close the Hotel deal within the next two quarters. The deal amount was not disclosed but it is around INR 3000mn.

Future outlook: The management believes this is a good opportunity and time to expand their cinema business by increasing screens pan India. With no major releases planned in the next year, the company expects FY24-25 to be flat in terms of revenue and EBITDA but there are possibilities of 5-10% degrowth of the business next year. While FY25-26 is expected to be a blockbuster for the entertainment industry and the company anticipates robust growth.

Occupancy is also expected to see exceptional growth from CY2025. The company mainly focuses on ROCE expansion and providing affordable pricing. The company targets to add 30-36 screens every year which will require about INR 600-900mn yearly capex.

-The company started with **multiplexes** in the Western India while competitors like PVR were present in Northern India. The company exited the Cinema business in 2012 with 130+ screens and returned back to the business in March 2022 seeing the growth opportunities. They anticipate to achieve INR 2,000mn revenue in FY24 with combined EBITDA of more than INR 500mn. There has been in the F&B segment while occupancy has not seen growth. Current occupancy is 22% below pre covid levels. The company does not see OTT as a bigger threat as they feel OTT is in competition with social media like Youtube, Tiktok. The management is positive that OTT will not affect the movie industry to a large extent as the cinemas provide a viewing experience has its own audience. Interest is also coming back from big studios in making content for cinemas. The company currently has 160 screens in total. Out of those 160 screens, 68 are operational. Of the 68 operational screens, 20 are owned by the company, while the remaining screens are leased. Most of the leased screens operate on a revenue-sharing basis, where the company shares a portion of the revenue generated from those screens with the lessor. Some of the leased screens have a fixed rental fee.

The company aims to have 100 operational screens by the end of FY25. Additionally, they plan to secure a total of 300 screens by the FY26, with more than 125 of those screens being operational. Current ATP is at INR 220 while F&B revenue is INR 85/person and is expected to see significant growth. The company follows a bottom up approach in property selection. They also look for refurbishment opportunities of screens in small cities as they require less capex. They also get some new screens partly financed by developers. The capex for screen additions has already begun in August but due to delay the major screen additions have been pushed to FY25. Payback period for a screen is about 5 years and capex per screen is about INR 25 to 30mn. EBITDA/screen is about INR 4-5mn with tickets business having 56% margins while F&B has 76% margins.

**Crest Ventures Ltd****CMP: INR 490 | Mcap: INR 13.94 Bn**

Incorporated in 1982, Crest Ventures Ltd is in the business of real estate and related services, financial services and investment and credit. CVL is a Systematically Important Non Deposit Taking Non-Banking Finance Company, and is classified as an Investment and Credit Company. It provides loans and invests mainly in real estate projects and financial services sector. Company also has certain real estate projects on its balance sheet under own book and has demonstrated exits from such projects on completion. Company has invested in the sectors such as real estate and financial services either through special purpose vehicles or through joint venture partnerships.

**Key Highlights:** In the **Real Estate vertical**, company continue to leverage on strengths in planning, execution and capital management to build some marquee projects in Mumbai, Jaipur, Chennai and Raipur. Company has developed some key partnerships in Mumbai which have allowed the Company to secure projects in various landmark locations while being capital efficient. Looking at the vertical's growth trajectory, the company has hired top quality talent in various divisions to better manage increasing number of projects. Company believe that with healthy pipeline of projects company will be able to establish brand in the premium and luxury segments of residential real estate.

In the **Financial Services**, Investments and Credit vertical, company has delivered consistent profits and focused on risk management. Debt broking division continues to dominate market share and launched operations in GIFT city as well. Over the past year company took some strategic decisions and unlocked value in recent investments. Have also built a healthy credit book which lends against the projects developing in partnerships. This gives flexibility and provides adequate capital to ensure timely execution of projects while providing good returns on capital.

Company remain steadfast in vision of building high quality projects in a timely and efficient manner. The coming year presents exciting opportunities, and company is well-positioned to capitalize on them with strategic initiatives and strong foundation. Company's focus will continue to be on delivering and executing pipeline of projects while being financially judicious.

**Investment Book:** In FY24, company had investments of Rs. 297 crore, of which 57% comprises exposure towards group companies in the form of equity and convertible debentures along with joint venture and limited liability partnerships, around 34% comprises investment in equity shares and portfolio management services, 0.25% comprises investment in mutual funds and around 9% comprises investment in Alternative Investment Fund.

**Projects Undertaken:** a) Completed Projects: Company in partnership with Phoenix Mills Limited has built Phoenix MarketCity Lucknow, Bangalore & Pune. In Chennai, it has built projects like One Crest, Phoenix Marketcity, Palladium, Crest Mukta, Crest Greens, Crest Towers, Design Hotel, Club Crest

b) Ongoing Projects: Mumbai: Crest Parkview, Crest Link, Crest Oaks Chennai: Crest @ Palladium Jaipur: Crest Park

c) Upcoming Projects: Mumbai: Crest Ashoka, Crest Blooming Heights, Crest Cedar, Lotus, Lalbaug, Saidale, Bandra Commercial, Central, Raipur: Crest Greens Phase 2 & 3.

**D B Corp Ltd****CMP: INR 339 | Market Cap: INR 60.4bn**

D.B. Corp Ltd is engaged in the business of publishing newspapers, radio broadcasting, providing integrated internet and mobile interactive services and event management. Its major brands include Dainik Bhaskar (Hindi daily), Divya Bhaskar and Saurashtra Samachar (Gujarat daily) and Divya Marathi (Marathi daily).

**Business Segments:** 1. **Print Division:** As India's largest print media company, DBCL publishes 5 newspapers, namely, Dainik Bhaskar (43 editions), Divya Bhaskar (8 editions), Divya Marathi (6 editions), Saurashtra Samachar and DB Star in 3 languages, i.e., Hindi, Gujarati, and Marathi. Under this division, the company also publishes monthly magazines such as 'Aha Zindagi', 'Bal Bhaskar', etc.

2. **Radio Division:** In the FM radio segment, the brand has a strong presence in '94.3 MY FM', which is available in 7 states and 30 cities, creating a valuable package for advertisers in tier II and III cities.

3. **Digital Business:** DBCL also has a strong online presence with 4 internet portals and 3 mobile applications. It holds ~67% of the Indian language media space. DBCL is the No.1 digital player in Hindi and Gujarati languages as well. DBCL launched "Dainik Bhaskar+" App – a new app that is set to provide news in the Hindi-speaking markets. It also launched a new version of the Divya Bhaskar Plus App to strengthen its leadership position in Gujarat. Monthly active user base has grown from 2 million in January 2020 to more than 14 million in March 2023.

**Geographical Footprint**

The company has a geographical presence in various states viz. Himachal, Haryana, Punjab, Delhi, Rajasthan, Gujarat, Maharashtra, Madhya Pradesh, Chhattisgarh, Jharkhand, and Bihar. It has a presence across 48% of the total land area of India. It has a network of 2,000 journalists working for the company. The company has expanded its brand Dainik Bhaskar by launching it in Mumbai in May 2023.

Strong brand equity driving growth in non-metro markets for the core print media business. Radio segment maintained industry-leading EBITDA margins. Digital presence flourishing with over 18 million monthly active users. Strategic focus on content excellence and audience engagement in the radio segment for sustainable revenue growth.

Efforts underway to enhance circulation and engage with emerging markets to drive revenue growth.

Expectation of circulation improvement post-September to increase copies. Ad revenue growth driven by various sectors like auto, government, education, real estate, etc.

Experimentation with digital paywalls and e-paper ongoing. Positive response to digital paywalls and advertising on the app. Opening up limited areas for advertising on the app to gauge response from readers and advertisers.

Newsprint cost is a significant portion of total cost, impacting margins. Mitigation strategies beyond newsprint cost needed to protect margins. Expectation of some newsprint price increase in the next quarter, with the potential impact on margins.



**D P Wires Ltd****CMP: INR 424 | Market Cap: INR 6.57 bn**

Incorporated in 1998, D P Wires Ltd is in the business of manufacturing Steel Wires, Plastic Products, Laying of Plastic Films, and acting as Commission Agent and Generation of Power through Wind Mill. DPWL is an ISO 9001-2015 manufacturer, exporter and supplier of premium quality specialized Steel Wires and Plastic Films. It has a Branch Network in 8 Cities and caters to 100+ Clients.

**Product Profile:** a) LRPC Strands: Low Relaxation Pre-Stressed Concrete Steel Strands are used in pre-stressing of concrete for different kind of construction works. They are used in concrete slabs which are usually fitted in the roofs of commercial and domestic establishments, bridges, tunnels and aqueducts.

b) Induction Tempered Wire: ITW help transferring energy from one place to the another through process of induction

c) Spring Steel Wire: These are made from ductile alloys which can be rolled into wires

d) Geomembrane Sheet: Company manufactures PVC Geomembranes Sheets and HDPE Geomembranes Sheets

**Production Capacity:** Company has manufacturing facility in Ratlam, with an installed capacity of ~1 Lac MT per annum. It is also engaged in power generation through 2 wind farms of 0.80 MW each in District Jamnagar and trading of plastic granules. Company entered into PPA with Gujarat Urja Vikas Nigam Limited for sale of electricity generated through these wind farms for a period of 20 years.

**User Industries:** Automobile Industry, Infrastructure Projects such as Dam, Bridge, Flyover, Metro, Bullet Train. in Railways and also in construction of Nuclear Power Plants, Malls and High-Rise Buildings

**Clientele:** Hindalco, L&T, APCO, Gannon Dunkerley, Simplex Infrastructures, Vascon Engineers. Company is an approved supplier for Bullet Train Project, Metro Projects of India, and most of the mall constructions in Mumbai, Delhi.

**Key Highlights:** Global steel prices were on a declining trend in Q1FY25, due to a combination of local and global issues. Due to General Election conducted during the Q1FY25 has impacted overall demand & supply of the LRPC products. Plasticated LRPC commercially launched from Apr'24 with yearly projected capacity of 10,000 MT. Sample testing of Spring Steel Wires are approved by RDSO for further processing of Wagon Spring. Maintaining Zero Net Debt level. Continuing Strong credit rating - LT rating of CRISIL A2-/Stable and ST rating of CRISIL A2+ ▪ Continuously focusing on addition of New Clients.

Company's vision is to be the leading player in the wire business by providing a complete solution, adopting cutting-edge technologies, and ensuring long-term, inclusive growth for all the stakeholders.



**DC Infotech & Communication Ltd****CMP- INR 321 M.Cap- INR 4170mn**

Company Overview: DC Infotech & Communication Limited specializes in providing innovative networking, unified communication, and data security products and solutions. Established in 1998, the company has positioned itself as a leading provider in the sales and support of networking, UC, and security products and services.

The company's core competency lies in understanding existing network needs and deploying effective functional networks. They have received recognition for their growth and achievements, including being featured among the top 500 fastest-growing companies in Asia Pacific.

Future Plans: The company aims to maintain a growth trajectory of 15% to 20% year-on-year for the next 2 to 3 years. Focus will remain on securing more segments and expanding presence in those areas to deliver sustained value to stakeholders.

Simplifying segmental revenue reporting into networking, unified communication, and enterprise security businesses. Plan to continue aligning products with services, optimizing product mix, and improving operational efficiency to enhance margins.

**Key Drivers of Growth:**

Growth in revenue was contributed by all business segments, with a significant spike in the security software and services segment in the JFM quarter. Orders that were supposed to be executed in OND got pushed to JFM, leading to the spike in revenue. Expansion plans include tapping into the Southern India market and exploring opportunities in the overseas market.

Challenges and Opportunities: The company faces challenges related to working capital cycle elongation due to post-COVID normalization.

Working on expanding regions like Southern India and considering international market expansion.

Top customers contribute around 40%-50% of the business, with a focus on maintaining and growing these relationships.

Margin Guidance: Margins in the networking segment are around 5% to 7%, in the UC segment approximately 7% to 9%, and in the security segment, margins are in double digits.

Expectation to maintain or improve margins through product mix optimization, efficiency improvements, and service bundling.

**Employee and Operations:**

The company has a team of approximately 70+ employees, including sales, sales support, engineers, technicians, finance, and admin staff.

No in-house development, but expertise lies in configuring existing products and solutions for customers.

Conclusion: The company remains committed to growth and innovation, focusing on maintaining strong customer relationships, expanding into new markets, and enhancing operational efficiency to drive future success.

**DEE Development Engineers Ltd****CMP: INR 318 | Market Cap: INR 21.92 Bn**

DEE Development Engineers Ltd specializes in providing engineering, procurement, and manufacturing solutions for process piping across industries such as oil and gas, power (including nuclear), chemicals, and other process industries. At present, it is the largest player in process piping solutions in India in terms of installed capacity. DDEL has seven strategically located Manufacturing Facilities at Palwal in Haryana, Anjar in Gujarat, Barmer in Rajasthan, Numaligarh in Assam and Bangkok in Thailand, with three Manufacturing Facilities located at Palwal, Haryana.

**Comprehensive Solutions Provider with a Diverse Product Portfolio:** Diversified product portfolio includes piping spools, induction pipe bends, industrial pipe fittings, pressure vessels, modular piping (skids and modules), industrial stacks, wind turbine towers and pilot plants which minimizes dependence on individual products and addresses different business cycles across industries. Further, the company plans to leverage its market leadership, expertise, and infrastructure, to expand its capacity and product offerings to capitalize on growth opportunities particularly in the pharmaceutical, hydrogen energy, and chemical sectors.

**Enhancing operational efficiency through automation:** DDEL is focused on utilizing cost-effective technologies and automation to enhance operational efficiency and reduce costs, aiming to provide comprehensive process piping solutions to customers. It has ongoing investments in automation and digitization across its facilities which is designed to improve productivity, maintain quality, and support sustainable business growth in the specialized process piping solutions industry. Company has lower execution costs attributable to integrated operations, strategically located manufacturing facilities and investment in technology.

**Strategic Inorganic Expansion and Technological Alliances to Enhance Operational Scale and Market Position:** Intend to augment scale of operations through inorganic expansion strategies, including selectively evaluating targets for technical alliances, collaborating with a multinational oil and gas company to trial pipe fabrication automation, with both parties bearing their own costs. DEE also aims to establish similar technology partnerships with other global OEMs to improve product cycles, ensure timely deliveries, and expand into new markets, thereby strengthening its engineering capabilities and overall market position.

**Strong Customer Base and Order Book:** With over three decades of experience, company has established long-term relationships with a balanced mix of domestic and international clients, including Fortune 500 companies, by consistently meeting stringent quality and technical specifications, leading to high customer retention and ongoing business. Long standing relationships with customers is well equipped to retain company's presence in the market and enhance its ability to benefit from increasing economies of scale, ensuring a competitive cost structure to achieve sustainable growth and profitability.

**Outlook:** The company boasts strong clientele such as RIL, Mitsubishi Heavy Industries, John Cockerill SA, etc. Largest client contributed to 12.46% of revenues and ~40% of revenues come from business outside India (9MFY24). The topline has grown at 13.7% CAGR from FY21 to FY24 (9MFY24 annualized). Company has an operational capacity of 94,500 tonnes per annum and adding another 9,000 tonnes in its Anjar facility. Post issue, company will have a net debt of INR 2,191.18 Mn.

**Deep Industries Ltd****CMP: INR 457 | Mcap: INR 29,250mn**

Deep Industries Ltd is in the business of Oil and Gas field services. The company specializes in providing Air & Gas Compression Services, Drilling and Workover Services, Gas Dehydration Services, etc.. The company also provides integrated project management services.

**Key Highlights:** -Gas Compression Division - The company is India's largest natural gas compression service provider on a chartered hire basis, executing turnkey projects for both the public and private sectors. Its subsidiary, Deep International DMCC, has acquired several gas compression packages in the USA to serve the Middle East.

-Gas Dehydration Division - Gas dehydration is the process of removing water and heavy hydrocarbons from natural gas for transmission through pipelines. The company provides gas dehydration systems on a Build, Own, and operate basis in India on a charter hire basis. It is one of the largest Gas Dehydration service providers in the country.

-Drilling and Workover Services -The company has a healthy market position in providing Drilling and Workover Rig services on a charter hire basis. It has long-term contracts with PSUs and Private E&P companies. It is also an approved Drilling Contractor in Kuwait Oil Company for providing the Rigs.

-Integrated Project Management (IPM) - The company has adopted Integrated Project Management as a turnkey solution to drill and complete a well or several wells under a single contract. Its IPM services include surface hold drilling, air drilling, cementing, geophysical logging, etc.

-Gas Processing - As a part of 'Value Added Offerings' the company has forayed into EPC of entire Gas Processing Facilities on a charter hire basis and has become the first entity in India to provide such services.

Outlook: For FY25, the company expects a top-line growth of 25% and EBITDA margins of 42% to 45%. The focus will be on expanding the Onshore Drilling Business, it is also exploring platform supply vessel opportunities in both local and international markets.

Order Book: As of FY24, the company has a total order book of Rs. 1210 Cr executable over 2.5 to 3 years compared to Rs. ~630 Cr order book in FY22. In Q4 FY24, it won a major order of Rs. 81 Cr from OIL for Charter Hiring of 1 No. of 1000 HP Mobile Rig package.

-Further on 13th July 24, it received an order of Rs 82 Cr from ONGC for Charter Hiring Of 01 Number Of 100MT Workover Rig for Tripura & 150MT Workover Rig for Rajahmundry for 3 Years each.

New Subsidiary: The company has incorporated a WOS "SAAR International FZ-LLC" in Ras Al Khaimah Economic Zone, UAE on Mar 24. This WOS will conduct business of Oilfield & Natural Gas Equipment & Spare Parts Trading, Solar Energy Systems & Components Trading, etc.

Project Execution Capability: The company completes projects in 4-6 months, compared to others' 10-12 months. It uses fully mobile units, enabling swift relocation nationwide within months. The company forecasts contract renewals and minimizes downtime by using equipment between contracts for re-engineering or client re-configurations, achieving an operational efficiency rate of 99.6%.

Dolphin Vikrant: Dolphin Vikrant (Prabha) is a key asset of Dolphin Offshore Enterprises (India), a listed entity in which Deep has a 75% stake. Dolphin Offshore has a market cap of ~Rs. 2670 Cr as of July 24 compared to a market cap of Rs 2000 Cr of Deep Industries itself. The company acquired 95% stake in Dolphin in March 2023 through its subsidiary Deep Onshore Services. Dolphin Vikrant (Prabha) is a dynamically positioned Accommodation Barge with a total capacity of 275 men and material handling capabilities.

**Dev Information Technology Ltd****CMP- INR 131 M.Cap- INR 2.94bn**

Established in 1997, Dev Information Technology Ltd specializes in providing IT-enabled services, focusing on digital transformation through the utilization of Cloud, Automation, and Data technologies. Dev IT aims for strong revenue growth and margin improvement through service diversification, market expansion, and profitability optimization, with a focus on increasing export and newer technology services, targeting a global revenue share of 40-50% by FY26 and expanding presence in North America.

**Business Overview:** Dev IT functions as a Technology Solutions Provider, facilitating Digital Transformation by harnessing Cloud, Automation, and Data technologies.

**Services Offered:** -Cloud Services: Offerings include Cloud Advisory, Application Modernization, Managed Cloud Services, Enterprise DevOps, and Backup & Disaster Recovery.

-Digital Transformation: Services encompass Modern Workplace solutions, M365 Migration Services, Hybrid and Remote Work solutions, Cyber Security Services, Data & Analytics solutions, and Blockchain Solutions.

-Enterprise Applications: Services include implementation and support for Microsoft D365 F&O, Microsoft D365 CRM, D365 Business Central, and Microsoft Power Platform.

-Managed IT Services: Services cover Data Center Support and Managed Digital Workplace solutions.

-Application Development: Expertise in developing bespoke software solutions tailored to client needs.

**Product Profile:**

a) Talligence: An AI/ML powered business intelligence solution designed to translate Tally accounting data into actionable business insights.

b) Byte Signer: An automated and secure platform for digitally signing various types of documents including invoices, legal documents, and contracts in PDF format.

**Alliances:** Dev IT holds partnerships with major tech players such as Microsoft (Gold and Silver Partner), AWS (Consulting Partner), Adobe (Certified Partner), among others. **Overseas Subsidiary:** The company operates a subsidiary in Canada known as Dev Info - Tech North America Ltd.

**Clientele:** The client base includes both international and domestic entities such as BM Offshore & Marine Engineers, Harsha Engineers, Gruber Logistics, Govt of Gujarat, Govt of Rajasthan, and various others.

**Dev'x Ventures:** Dev IT manages a co-working space and startup accelerator, aiming to nurture innovative startups, increase revenue, export business, and profitability by 2026, with IPO plans. Dev'x valuation is INR 2200 Mn, with Dev IT holding a controlling stake of 33-34%, possibly leading to an IPO next year

**Dhruv Consultancy Services Ltd****CMP INR 137 | Market Cap INR 2180mn**

Dhruv Consultancy Services Limited is engaged in the business of consultancy services for infrastructure industry. The company is involved in providing design, engineering, procurement, construction and integrated project management services for highways, bridges, tunnels, architectural, environmental engineering and ports. Their services include preparation of detailed project report (DPR) and feasibility studies for infrastructure projects, operations & maintenance (O&M) works, project management consultancy (PMC) services, independent consultancy, project planning, designing, estimation, traffic & transportation engineering, financial analysis, technical audits, structural audit, inspection of bridges and techno legal services.

The company has provided consultancy services of around 175+ projects, on-going 53+ projects, DPR completed for 4793 KM, PM/Supervision completed for 1958 KMs, having presence in 21 states across India. The consultancy services were provided on projects bagged largely from government bodies and public sector undertakings. The company is empaneled with banks and government bodies, thus deriving significant revenues through repeat orders.

The order book of the company is reasonably diversified, in geographical terms, with its projects in multiple states, such as Maharashtra, Uttar Pradesh, Madhya Pradesh, Punjab, and Haryana among others. The counterparty risk also remains low as the entire order book is awarded by government entities, including urban local bodies.

The company is shifting its focus from domestic to international markets for FY '25 and '26, targeting large-scale projects exceeding ₹50 crores.

Plans to enter African markets (Tanzania, Zambia, Uganda, Mozambique, Kenya) and Gulf countries (Saudi Arabia, Dubai) to drive revenue growth.

Current order book stands at ₹646 crores, with an unexecuted order book of approximately ₹303 crores.

Order book execution is expected to span 30 to 36 months, with about 90% of the order book to be executed within this timeframe.

Currently, 100% of the order book is from the Indian market, with expectations for international orders to begin contributing soon.

The company's technical strength is highlighted as a key competitive advantage, scoring 95+ marks in technical evaluations, which allows for higher profitability in bids.

Competitors identified include multinational firms such as Louis Berger Group, AECOM, and local firms like F. Infrastructure and Feedback.

Emphasizes the necessity of local partnerships in international bids due to currency and language barriers.

Management is actively engaging in international conferences and B2B meetings to enhance market presence and secure opportunities.

Employee Dynamics: Current employee strength is over 350, with most being project-based. Expected increase of 50-70 employees to manage the anticipated order book growth.

**Dilip Buildcon Ltd****CMP: INR 534 | Market Cap: INR 78.11 bn**

Dilip Buildcon is a large road construction company with capabilities in roads, bridges, mining excavation, dams, canals, metro rail viaducts, airports, industrial, commercial, and residential buildings, with a presence in 19 states and 1 union territory in India. As a result of the natural growth of road construction business and rising opportunities in new business areas, it has expanded into irrigation, mining excavation, airports and metro rail viaduct businesses. The Company is presently in the business of development of infrastructure facilities on Engineering Procurement and Construction basis (EPC) and undertakes contract from various Government and other parties and Special Purpose Vehicles (SPVs) promoted by the Company.

**Order Inflow:** Received a single order of ₹926 crores in the railway segment during the quarter; confident of achieving an order inflow of ₹15,000 crores to ₹16,000 crores for the full year due to a robust order pipeline across all segments.

**Order Book Composition:** Current order book stands at ₹18,600 crores, including ₹2,400 crores from coal MDOs, which will contribute to estimated revenue of ₹5,500 crores over three years.

**Execution Challenges:** Experienced payment-related challenges primarily from JJM projects, leading to higher debtors and stretched working capital. Management expects normalization of payments as the financial year progresses.

**Debt Levels:** Gross debt increased by ₹700 crores due to working capital needs. Targeting a reduction to ₹1,000 crores net debt by the end of the fiscal year.

**Working Capital Management:** Aiming to normalize debtor days back to around 48-50 days by the end of FY25.

**Shrem InvIT Deal:** Successfully concluded the transfer of a 51% equity stake in the Patharapali-Kathghora project, completing the deal with the Shrem Group, while continuing O&M of their assets.

**Alpha InvIT Asset Progress:** Transferred 26% stake in four out of 18 assets; InvIT formation process is progressing well with SEBI

**New Developments: Optic Fiber Segment:** Participating in a joint venture for optic fiber projects, with bids submitted for 16 packages totaling ₹50,000 crores.

**Outlook:** DBL 2.0 Strategy: Aiming to diversify operations across 8-10 infrastructure sectors, targeting zero net debt in the next two years while ensuring a healthy mix of assured cash flow businesses. Revenue Guidance: Expecting a 5% degrowth in revenue for FY25, with a more optimistic outlook for FY26 as order inflows improve. Margin Expectations: Current EBITDA margin guidance revised to 11%-12% for FY '25, with potential recovery in subsequent years.



**Dodla Dairy Ltd****CMP INR 1,232 | Market Cap INR 74.56 bn**

Incorporated in the year 1995, Dodla Dairy Limited is an integrated dairy company based in Telangana. The company derives the majority of its revenue from the sale of Milk and dairy-based value added products in the branded consumer Market. Currently, its procurement is centered in 5 states and its products are available for purchase in 11 states. It has 94 milk chilling centers. Some of their plants are ISO 22000:2005 Certified while two are ISO 50001:2011 (EnMS) Certified.

Impressive VAP growth: VAP sales reached INR 3,139 Mn(+21.4% YoY) and now constitute 35.4% of total revenue vs 32% in Q1FY24.

**Maharashtra government incentivizes direct procurement:** The Maharashtra state government announced an INR 5 per liter subsidy to dairy companies, effective July 11th, 2024. The subsidy will be paid directly to farmers who supply milk to companies, incentivizing direct procurement.

**Seasonality:** Q1 experienced an earlier flush season due to early monsoon onset in South India. This may lead to a longer flush season overall and potentially impact procurement prices and volumes in subsequent quarters.

**Milk Procurement & Sales:** Average milk procurement increased by 10.9% YoY to 17.6 LLPD. Average milk sales saw a 2.5% YoY increase, reaching 11.3 LLPD.

**Curd Sales:** Curd sales volume reached 467.4 MTPD, reflecting a 6.3% YoY growth.

**Competitive Intensity:** Increased competition, particularly from smaller players entering the market due to surplus milk availability and utilizing lower pricing strategies is a point of concern indicating further fragmentation of the market.

**Milk Volume Growth:** Milk sales volume growth remains relatively muted at 2.5% YoY.

**Branding and Marketing:** Dodla is increasing brand awareness through various marketing activities, including advertising in high-traffic areas and participation in trade events. They are also strengthening their farmer network by providing fair milk pricing, quality cattle feed, timely veterinary services, and other farmer-centric programs

**Distribution Strategy:** Utilizing distributor channel for 50% of business, agents for 26%, and own distributors for 17%. Concentrating on B2C distribution over B2B to differentiate on quality and command a premium.

**Procurement Strategy:** Increased procurement to match sales, ensuring availability during peak summer months. Planning well in advance based on price structure and market proximity for efficient procurement.

**Revenue Outlook:** Expecting Africa business revenue to almost double to INR360 crores in FY25. Orgafeed business revenue expected to double to around INR160 crores in FY25.

**Market Expansion:** The company acquired a plant in Kenya which started production in January, FY25. Expecting stable growth and numbers in the African market with a revenue growth rate of 10% to 15%. Average EBITDA margin in Africa is almost double compared to India. Sustainable revenue growth rate in Africa is expected to be around 10% to 15%. PAT and EBITDA growth in Africa is projected to be around 20% for FY25.

**Dollar Industries Ltd****CMP INR 518 | Market Cap INR 29.63bn**

Dollar Industries Limited is engaged in manufacture and sale of hosiery products in knitted inner wears, casual wears and thermal wears. The Co has a diverse portfolio of products under brands, catering to the requirements of men, women, and children such as Vests, Leg wear, T-shirts, Briefs, Casual wear, Bermudas Trunks, Panties, Socks, Tank tops, Crewnecks, Polos Henley, Capri, Track pants, Joggers, and much more.

**Integrated Manufacturing Facility:**

The entire process of converting cotton to garment is done through in-house manufacturing.

Spinning - Single yarn is produced with an average monthly output of 400 tonnes from Ne 20s to 40s single yarn.

Knitting - Monthly capacity of 300 tonnes

Dyeing & Bleaching - Installed capacity of monthly 400 tonnes

Captive Elastic Production Capacity - Elastic production capacity is 2.5 Mn meters per month and cutting capacity of 0.3 Mn pieces per day.

Project Lakshya: Co. launched Project Lakshya to reinvent the entire distribution network. The Co. is marketing its products directly to retailers, thereby replacing the traditional push model with the pull model. On boarded 11 new distributors, increasing total distributor count to 301. Contribution of Project Lakshya to domestic sales increased from 26% in FY '24 to 31% in Q1 FY '25. Aiming for Project Lakshya distributors to contribute 65% to 70% of revenue by FY '26. Expansion of Project Lakshya into Madhya Pradesh, Himachal Pradesh, and Jharkhand planned for FY '24-'25.

Joint Venture: Co. has been in a joint venture partnership with Pepe Jeans Europe since August 2017. In Dec 2021, the entire stake of Pepe Jeans Europe in the JV was sold and vested in the G.O.A.T Brand Labs Pte. Ltd. The JV is currently headed by 4 directors from G.O.A.T. brands and the Co. has invested Rs.13 Cr in the JV till 31 March 2022.

E-commerce revenue surged by 161% year-on-year in value terms, now accounting for 5.5% of total revenue. Export revenue grew by 17.5% year-on-year, contributing 3.9% to overall revenue.

Management maintains annual revenue growth guidance of 12% to 13%.

Targeting EBITDA margins of 11% to 11.5% for the current year, with aspirations to reach 14% to 14.5% in the next two years.

Anticipates strong demand in Q4 FY '25 due to favorable market conditions around the Eid festival.

**Product Performance Insights:**

Rainguard product line contributed 4% to revenue with a value growth of 46% and a volume increase of 78%.

Force NXT athleisure and mid-premium segment Big Boss are driving growth, with South India showing a revenue contribution increase from 7-8% to 9% in Q1 FY '25.



**Emerald Finance Ltd****CMP INR 70.6 | Market Cap INR 2.13bn**

Emerald Finance Limited (Formerly known as Emerald Leasing Finance and Investment Company Limited) is a non-deposit taking NBFC based out of Chandigarh. The company is engaged in the business of retail and MSME lending. In addition, Emerald acts as a loan origination platform for more than 40 financial institutions across India through its subsidiary Eclat Net Advisors Private Limited. Emerald received the NBFC license in the year 2015 and initially commenced its lending operations with only personal loans as a product but today the company caters to a suite of financial products such as personal loan, business loan, gold loan, Invoice discounting and micro-finance.

On the loan origination front, the company has partnered with more than 40 financial institutions across India and caters to thousands of customers every month. The company hosts various products like Home Loan, Loan Against Property, Machinery Loan, Vehicle Loan etc. on its origination platform. As part of its latest offering, Emerald has developed a completely digital and seamless product to serve its retail customers known as Emerald Early-Wage-Access. This product entails tying up with employers to offer short term loan as salary advance. The amount lent is then collected through salary deduction. This is a niche product in India. This product is in vogue in developed countries like US and Europe. Emerald feels that this can grow into a significant business in future. The company already has experience of this product due to its earlier partnerships

**Business Model:** EWA product targeted towards employees in the salary bracket of INR15,000 to INR50,000. Processing fees deducted upfront from disbursement amount. Repayment comes from the employer the following month, reducing delinquency risk. Fee-based income doubled, majorly from new clients. Distribution model covers various retail products including gold loans, personal loans, etc.

**Growth Strategy:** Targeting to tie up with 100-120 corporates in the current year. Appointing sub-agents pan-India to expand reach. No plans to increase the ticket size for EWA as it depends on the employee's salary bracket. Working on technological infrastructure to streamline processes and reduce HR workload.

**Competition and Market Position:** Competitors include Refyne, Jify, and FatakPay in the EWA segment. Company aims to double the loan book size in the next few years. Leveraging robust technology to handle high transaction volumes.

**Financials and Funding:** Debt-to-equity ratio is currently low, with plans to raise more debt, primarily from State Bank. No plans for equity placement as of now. Zero NPA in the last quarter, showcasing strong credit quality and relationship with long-standing clients.

**Future Prospects:** Optimistic about future growth prospects, especially in the EWA and syndication business. Targeting significant revenue growth in the coming years. Focus on maintaining strong credit quality and client relationships to drive business expansion.

## EMS Ltd

**CMP: INR 756 | Mcap: INR 42 bn**

EMS Limited is a multi-disciplinary EPC company, headquartered in Delhi that specializes in providing turnkey services in water and wastewater collection, treatment and disposal. EMS provides complete, single-source services from engineering and design to construction and installation of water, wastewater and domestic waste treatment facilities.

**Order Book and Pipeline:** Current unexecuted order book exceeds ₹1,800 crore. Bid pipeline exceeds ₹4,000 crore, with expectations of converting 10%-15% into orders within one to two months. Participation in tenders slowed due to elections, but recent successes indicate a recovery.

**Expansion into Real Estate:** Plans to enter the real estate sector as an EPC contractor through joint development with real estate players.

Revenue will be based on a fixed per square foot rate, independent of the sale price of the real estate projects.

**Manufacturing Sector Involvement:** Acquired a manufacturing entity in Fatehpur, UP, focusing on using the property as collateral for banking facilities.

Current manufacturing involves flex paper, but the primary focus is on collateral for business operations.

**Margin Guidance:** Management confident in maintaining EBITDA margins of 24%-26% by selecting projects wisely, particularly in the HAM model. Emphasis on maintaining strong margins while exploring growth opportunities in road EPC without compromising on water sector focus.

**Competitive Positioning:** EMS Limited positions itself as an engineering company rather than just an EPC contractor, which contributes to higher margins (25%-26%).

Strong engineering capabilities and an asset-light model with no debt on the balance sheet are key differentiators. Competition primarily from niche players and some larger companies, but EMS Limited remains focused on engineering excellence and low overhead costs.

**Employee Structure:** Approximately 250-300 permanent employees, with site-based work leading to variable headcounts. Employee costs primarily consist of performance-linked payments, with a focus on maintaining competitive salaries.

**Cash Flow and Working Capital Management:** Anticipation of improved cash flow as retention money from completed projects is released. Payment cycles typically span three months due to project verification processes, but no significant delays anticipated.

## eMudhra Ltd

**CMP: INR 875 | Mcap: INR 72,440mn**

Emudhra is a licensed certifying authority involved in issuing digital signature certificates in India under its eMudhra brand. The company is licensed by the Controller of Certifying Authorities (CCA), Ministry of Information Technology, and operates under the guidelines set by the Information technology Act.

### **Strategic Developments**

Acquisition of TWO95 International based in New Jersey to enhance service capabilities and access a new customer base. Regulatory changes in the trust services sector effective July 15, 2024, requiring certifying authorities to invoice end customers directly, leading to a temporary decline in certificate purchases through partners. Anticipated improved revenue in coming quarters due to direct invoicing to end customers.

### **Key Project Wins:**

Secured significant deals in various sectors, including: Digital transformation for a large state university in the U.S. Midwest. Implementation of PKI stack for a gaming technology company in the U.S. Rollout of e-signature workflows for a large e-government project in Kenya. Bank-wide digital transformation using e-signatures for a large bank in Qatar. E-signature workflow implementation for a large hospitality chain in the Philippines. Continued deal wins in identity and access management across smart cities and digital banking in India.

### **Challenges and Headwinds:**

Government project delays due to central elections impacting timelines. Revenue dip of INR 6 crores in the trust service business due to changes in the sales model, leading to a decline in stock purchases by partners.

Anticipated reduction in overall volume of digital signature certificates due to a recent announcement by the Income Tax department allowing alternative methods for tax audit acceptance.

### **Product and Service Enhancements:**

Introduction of email security certificates (S/MIME certificates) to complement existing trust services.

Anticipated revenue potential from email security product could reach USD 3 million to USD 4 million within one to two years.

Rebranding of the eMudhra Authentication Solution to a comprehensive identity and authentication management suite named Secure Path.

**Market Insights:** Opportunities anticipated from the introduction of the European Identity Wallet, enhancing trust services and enterprise solutions in Europe. Positive results from investments in Kenya, supported by a national drive for digital transformation. Engagement in several digital transformation projects in eGovernment, despite delays due to central elections.

**Equitas Small Finance Bank Ltd****CMP: INR 83.4 | Mcap: INR 94.89bn**

Equitas Small Finance Bank Ltd before acquiring small bank license, operated as a wholly-owned subsidiary of Equitas Holding Ltd. The holding entity started its operations in 2007 in the microfinance segment & diversified into vehicle & housing finance in 2011. Also entered into SME & LAP in 2013. It merged with the other two subsidiaries named Equitas Microfinance Ltd & Equitas Housing Finance Ltd & formed a bank. After receiving a license in Sept 2016 the company commenced operations under Equitas small finance Bank.

**Geographical Diversification:** It is present in 18 states & UTs with 964 Banking outlets & 365 ATMs. Company has highest number of branches in Tamil Nadu (335), Maharashtra (152), Karnataka (110). Similarly, Company get maximum business from Tamil Nadu (Advances 49%, Deposits 28%), followed by Maharashtra (Advances 15%, Deposits 13%) & Karnataka (Advances 12%, Deposits 9%).

**Customer Engagement:** Investments in technology aimed at enhancing customer stickiness through mobile applications. Upcoming products include credit cards, personal loans, and AD1 (Account Debit 1) products. A new CRM app on Microsoft Dynamics is under development, expected to roll out shortly.

**Selfie Loan App:** The Selfie Loan app has gained traction with 1.5 lakh downloads in the last quarter, generating leads for potential borrowers.

**Disbursement Slowdown:** Q1 disbursements were low, particularly in April, attributed to external factors such as elections and heat waves. Collections were weaker than expected, leading to elevated credit costs.

**Credit Costs:** Credit costs spiked due to a one-time adjustment in the Provision Coverage Ratio (PCR) from 55% to 70% to comply with RBI guidelines for conversion to a universal bank. The net NPA (Non-Performing Assets) was slightly above 1%, necessitating this adjustment.

**Slippages:** Slippages increased to 4.49%, above the comfort level of 4%, primarily driven by microfinance and commercial vehicles (CV). Microfinance slippages rose significantly from ₹35 crores in Q1 last year to ₹85 crores this year.

**Credit Cost Guidance:** Current credit cost stands at approximately 1.44%, with a more definitive guidance expected by the end of Q2. The bank aims for a loan growth of 25% for the year, despite a slower start in Q1.

**Cost-to-Income Ratio:** The cost-to-income ratio is expected to remain stable as investments in technology and product initiatives continue.

**Long-term Strategy:** Focus on building a retail bank with attractive interest rates for depositors while diversifying the loan portfolio.

Plans to enhance ROA (Return on Assets) to 2.25% and ROE (Return on Equity) to high teens over the next few years.

**Fino Payments Bank Ltd****CMP- INR 380 M.Cap- INR 31.59 Bn**

Fino Payments Bank has maintained its margins within a range of 31% to 33%, consistent with their outlined expectations. Looking forward, the company is focused on leveraging digital services to enhance margins over time. This strategic shift not only promises improved profitability compared to conventional banking practices but also presents avenues for cross-selling. Typically, profit growth guidance aligns with revenue growth, set at approximately 1.5 times the percentage increase, factoring in substantial investments in digital and technological infrastructure. With a vision for superior performance, Fino Payments Bank is poised to excel in FY25 and beyond, driven by anticipated growth in Current CASA, Cash Management Services, and digital offerings.

**CASA and Digital Initiatives:** Fino Payments Bank crossed INR 10 Mn accounting for a significant milestone in their acquisition phase. The CASA business contributed 23% of the overall revenue, driven by new account acquisitions and renewal income. Digital initiatives are gaining traction, with INR 0.3 Mn digital accounts and 40% of customers being digitally active. The Fino Pay app is now available on the Apple Store, targeting a broader customer segment and enabling digital cross-selling opportunities. The company aims to establish itself as the preferred digital bank for rural and semi-urban India, known as Bharat.

**Technology and Innovation:** Fino Payments Bank is investing heavily in technology and digital platforms to enhance user experience, security, and compliance. Around 4 Mn customers, constituting 40% of the total customer base, are digitally active, with average balances per account exceeding INR 2,000. The company spent INR 1,030 Mn on technology and digital initiatives during FY24 and plans to continue similar investments in the next 12-18 months.

**Competition and Industry Landscape:** One major player exited the wallet and digital payments space, leading to some volume shift to Fino remittance business. Not facing significant competitive pressures or merchant churn at present, despite another player becoming more aggressive in certain segments.

**Geographical Expansion:** Fino Payments Bank has a wide geographic presence, with operations across multiple states in India. The company sees growth opportunities in the southern and eastern regions of India and plans to deepen its presence in these areas.

**Merchant Network and Distribution:** Fino Payments Bank currently has a merchant network of INR 1.8 Mn merchants. The company plans to expand its merchant network to around INR 2 Mn merchants as it prepares for the transition to a Small Finance Bank. There is a focus on deepening the merchant network in the southern and eastern regions of India, where the company sees growth opportunities. The merchant network is seen as a key touchpoint for enhancing digital penetration and cross-selling opportunities.

**Product Diversification and Cross-selling:** Fino Payments Bank plans to introduce asset products and investment offerings after transitioning to a Small Finance Bank, enabling cross-selling opportunities. Fino Payments Bank sees digital cross-selling as a key opportunity, especially with the Fino Pay app now available on iOS devices.

**Focus Lighting & Fixtures Ltd****CMP: INR 119 | Mcap: INR 7.87Bn**

Focus Lighting & Fixtures Limited is engaged in manufacturing and trading of innovative LED lights and fixtures.

**Products:**

The Company offers a range of products for retail industry, office and home lighting, hospitality lighting, and lighting for infrastructure projects. It has a product range of cabinet lights, Dione Cove, EOS, Lightning systems, Pendant, Recessed, Semi-recessed, surface, track, and trimless.

Brands: Co. sells its products under three brands - "Plus Light Tech", "Trix", "Lumens & Beyond". Experience Centers Co. has set up its experience centers in Bengaluru and Hyderabad. Going to open a 4500 Sq Ft experience center at Nariman Point. Company's clients include BMW, Arvind, Dune, IKEA, Reliance, Tata Motors, Guess, Mercedes-Benz. The Company has three subsidiaries Plus Light Tech - F.Z.E., (UAE), Focus Lighting & Fixtures Pte. Ltd (Singapore) and Focus Lightning Corp in Delaware, USA.

Partnership for Product Development: Co. partnered with Bartenbach GmbH, an international leader in the creation for development of state-of-the-art optics. Contract Manufacturing: Co. has tied up with Schweitzer, the largest retail light vendor in Europe. Co. will manufacture the product for Schweitzer and supply them to its clients. Co. has developed indigenous products for Vandhe Bharat Trains and has received seven product approvals so far.

Product Development: Actively developing outdoor profile lighting, specifically targeting landscape and facade lighting. Introduction of technical lighting and decorative lighting in the home segment, enhancing market presence. Working on a patented technology for outdoor lighting, with efforts to secure patents in China.

Debt Management: Increased debt levels due to delayed payments from channel partners in the Middle East and Southeast Asia; expected to streamline by September-October 2024. Assurance received from partners about clearing outstanding debts, with an expectation of significant collections in the upcoming months. Management emphasizes low risk of bad debts due to strong relationships with established channel partners.

Market Dynamics: Observed cyclical nature of revenue spikes related to large project contracts, particularly in the home segment. Management remains optimistic about sustained growth based on long-term investment plans across multiple verticals.

Government Projects: Engaged in several government projects, including work with Ahmedabad Tourism and Surat Municipal Corporation for street lighting. Approved vendor status with Airport Authority of India, with ongoing discussions for future airport projects.

Channel Partner Strategy: Focusing on expanding the network of channel partners, with a target of increasing from 35 to 50 partners. Opening experience centers in key cities to enhance customer engagement and support channel partners. Emphasis on trust and relationship-building with channel partners to secure ongoing business.

**Foods & Inns Ltd****CMP- INR 137 M.Cap- INR 10.02 Bn**

**Demand:** The demand for pulp is increasing, with new players like Reliance entering the market. The company currently fulfills 45% of the mango pulp requirement for Coke for Maaza.

**Capacity:** Major capacity expansions have been completed, setting the current profit margins as a baseline and the company should benefit from operating leverage.

**Revenue Guidance:** The target for FY26 is INR 18,000-20,000 million (which is 2x the FY24 revenue), with a projected PAT of INR 1,000 million or more. The breakdown includes INR 13,000-14,000 million from mango pulp, INR 2,000 million from tomato pulp, INR 1,000 million from guava pulp, INR 1,500-2,000 million from frozen food, INR 1,000 million from Kusum spices, and INR 500 million from spray-dried powder.

**Capital Infusion:** The recent capital infusion of INR 1,000 million working capital debt will improve the working capital situation, which will lead to better credit ratings, reduced interest costs, and the ability to negotiate better advances with customers which will improve the overall inventory situation what has been shot for FY24.

**EBITDA margins:** Overall EBITDA margins are likely to improve from current levels. EBITDA margins are projected to be 12-15% for the Kusum spices business (35% Gross Margin) and 25% for the spray drying business.

**Tetra Recart:** The company has recently ventured into the Tetra Recart business with a recent capacity expansion of INR 300 million, which has a revenue potential of INR 900 million, with a gross margin of 15%. This can scale up to 40% gross margin in the next 2-3 years.

**Tomato Pulp:** The company is adding a tomato processing line at its Nashik plant, a prime region for tomato pulp production. Additionally, they have begun exporting tomatoes to Spain and Sri Lanka.

**Banana Pulp:** Tensions between Russia and Ecuador have opened up an opportunity for India in the banana pulp market, which is expected to materialize by FY25-26.

**Debt Equity:** The long-term target for the debt-to-equity ratio is 2:1, with the majority of the debt being working capital debt.

**Outlook:** The company has completed majority of capacity expansion and we believe that the company can reach a revenue of INR 18,000-20,000 million in FY26. The revenue of mango pulp can reach to INR 14,000-15,000 million from the current revenue of INR 8,000 million. The frozen food segment is witnessing good demand globally and the company can generate a revenue of INR 2,000 million by FY26 from the current revenue of INR 460 million.



**Ganesh Green Bharat Ltd****CMP: INR 424 | Market Cap: INR 10.52 bn**

**About company:** Incorporated in April 2016, Ganesh Green Bharat Limited is an Electrical Contracting Service company. Co. began in 2016 as a partnership firm focusing on electrical contracting services. By 2017, it ventured into the renewable energy sector, becoming an integrated solar energy solutions provider offering EPC and O&M services for solar home lights, street lights, power plants (On Grid and Off Grid), highmast lighting, and pumping systems. Achieving Channel Partner status with MNRE in 2016, it completed a significant project in 2018 involving 16,486 SPV home lighting systems in Rajasthan through RRECL.

**Water Supply Business:** In 2019, co. diversified into Water Supply Scheme Projects, engaging in the design, construction, supply, testing, and commissioning of piped water supply systems with polyethylene storage tanks and household tap connections in villages.

**Manufacturing Solar Module:** Its subsidiary, Souraj Energy Private Limited, manufactures solar PV modules with a capacity of 192.72 MW.

**Business Profile:** Solar System & Allied Services, Electrical Contracting, Water Supply Projects, and PV module manufacturing, providing comprehensive EPC services and bidding for government tenders.

**Completed Projects:** They have completed projects under various government schemes, such as the Saubhagya Scheme, KUSUM Scheme, and Saur Sujla Yojna. Additionally, we have ventured into designing, building, installing, operating, and maintaining water supply projects like the Mukhya Mantri Nishchay Quality Affected Yojna, and Har Ghar Jal (Jal Jeevan Mission).

- i) 17 work orders under Solar System & Allied Services, totaling Rs 185.15 Crores
- ii) 7 work orders under Electrical Contracting Services, totaling Rs 21.46 Crores
- iii) 2 work orders under Water Supply Scheme Projects, totaling Rs 16.68 Crores

**Clientelle:** The company's clients include government departments of 8 states, such as Gujarat Industrial Development Corporation (GIDC), Ahmedabad Municipal Corporation (AMC), Rajasthan Renewable Energy Corporation Limited (RRECL), and several others. It also sells Solar PV modules to private sector organizations.

**Foray into Manufacturing:** To reduce their dependence on solar panels manufacturers, co. plans to start manufacturing solar panels. This initiative includes setting up an additional manufacturing line at its facility in Mehsana, Gujarat. This expansion will boost its overall plant capacity to approximately 400 MW.



**Ganesh Housing Corporation Ltd****CMP: INR 808 | Mcap: INR 67.37 Bn**

Ganesh Housing Corporation Ltd is in the business of real estate development in residential and commercial segment and infrastructure projects. Company has completed projects in the retail, business, and residential sectors. Furthermore, Company's goal is to expand into the building of townships and Special Economic Zones.

**Market Outlook:** Residential segment has continued to strengthen with increase in demand. Consumer shift towards premium housing is driven by introduction of new lifestyle oriented projects offering better amenities and larger spaces. This shift has resulted in robust sales, with the premium segment now contributing about 20% to the residential market, up from 11% earlier. The company remains focused on the Ahmedabad market, which is well-positioned to sustain its growth trajectory. However, the company also evaluates opportunities in other markets.

**Projects:** Company completed Malabar Exotica project ahead of schedule which resulted in significant revenue bookings. For Malabar Retreat, company has recorded a strong pre-sales of INR 720 Mn with collection of over INR 70 Mn.

As construction commences further, sales is expected to pick up in Q3 & Q4FY25. Total sales value for Malabar Retreat project is expected to be INR 4500 Mn and the estimated cost for the project is ~INR 3400 Mn. The project is expected to complete within 3 years with targeted completion by H2FY27. During this period company expects to sell ~80-85% of its inventory by the time they completed major construction work.

Company plans to launch Million miles residential projects, phase1 in Q3FY25 and phase2 in Q4FY25 having combined development area of about 1.8 million sqft. Recently added One Thaltej, a commercial project is expected to generate a revenue of INR 21 bn.

**SEZ Projects:** Phase 1 of SEZ commercial project has been invested around INR180 crores, with further investment required. Expected rental income potential of INR70-80 crores per annum at full occupancy. Phase 1 of SEZ residential project to have a sales potential value of INR500 crores, with Phase 2 contributing to a total of INR10 Bn.

**Outlook:** No plans for debt or equity financing, relying on internal accruals and project sales for funding. Emphasis on quality, brand reputation, and strategic project planning for future growth.

## Garuda Aerospace

Garuda Aerospace pioneers transformative advancements in Precision Agri Tech and Industry 4.0. Established in 2015 with just five members, the company has burgeoned into a workforce exceeding 200. With a colossal fleet of over 400 drones and 500 pilots across 84 cities, Garuda Aerospace leads India's drone industry. Offering 30 drone models and a suite of 50+ services, the company caters to diverse industry needs. Garuda Aerospace's innovative drive fuels its growth and shapes India's tech landscape.

**Products:** An Agri Drone, also known as an agricultural drone or farm drone, is an unmanned aerial vehicle (UAV) specifically designed for agricultural applications. These drones are equipped with various sensors, cameras, and other technologies that enable them to collect data and perform tasks related to farming and crop management.

Garuda Aerospace has focused on building advanced drone solutions for the armed forces in collaboration with global giants in the defense & aerospace sectors.

**Surveillance Drone:** A Surveillance Drone, also known as a monitoring or reconnaissance drone, is an unmanned aerial vehicle (UAV) specifically designed for surveillance and monitoring purposes. These drones are equipped with advanced technologies that enable them to gather real-time visual and data intelligence from the air.

**Mapping & Survey Drone:** A Mapping & Survey Drone, also known as a surveying drone or an aerial mapping drone, is an unmanned aerial vehicle (UAV) specifically designed for conducting mapping and surveying tasks. These drones are equipped with advanced sensors and imaging technology that enable them to collect accurate geospatial data from the air.

**Surya Solar Panel Cleaning Drone:** A Solar Panel Cleaning Drone is a specialized unmanned aerial vehicle (UAV) designed for the purpose of cleaning solar panels. These drones are equipped with specific features and mechanisms that enable them to efficiently and effectively clean solar panels installed in large-scale solar power plants or residential rooftops.

**Prestigious partners & clients** Company have worked with TATA, Godrej, Adani, Reliance, Swiggy, Flipkart, Delhivery, L&T, Survey of India, SAIL, NTPC, IOCL, Ninjakart, Narayana Health, Intel, Amazon, Wipro, IISC, MIT Boston, NHAI & so on.

**Outlook:** Company seek to design cost-effective & human-centric drone solutions that will help Industries & India flourish. Company aim to expand drone capabilities by catering to emergencies with drone ambulances & emergency supply deliveries. Company wants to revolutionize the way organizations gather, store & analyze data to promote business growth by cutting down costs

**Gensol Engineering Ltd****CMP: INR 893 | Market Cap: INR 33.81 Bn**

Gensol Engineering Ltd is engaged in the business of Solar consulting & EPC. Company's Offerings include EPC, EV Manufacturing and EV Leasing.

**Revenue:** Revenue is expected to reach INR 20bn by FY25E. Q1 is generally 10%-15% of revenue share and Q4 is around 40% of revenue share.

**Margins:** EBITDA margins are expected around 15%-18% going forward. However, the company is targeting EBITDA of 4bn (~20% margin) in FY25E. Solar EPC PBT margins are around 15%-16%. BESS In BESS projects, the company has awarded 570MW from GUVNL, which will generate revenue of INR 31bn over 12 year BESPAs tenure. Order book The consolidated order book stood at INR 50.25bn as of Q1FY25. EV leasing order book stood at INR 3.3bn as of Q1FY25. BESS bid pipeline is around 65bn in Q2FY25E and further expected pipeline is around INR 150-200bn going forward.

**EV:** The EV greenfield plant capacity will be 30,000 units per annum. The company is focused on producing 7,000 units in 1st year (FY26E) of commercialization and gradual improvement over the next 2 years. The breakeven point is expected around 12,000 units. EV commercial sales are expected to start from Apr-25.

**EV Leasing:** EV leasing business margins are around -10% to -12%. Leasing business AUM is around INR 6bn and focused on INR 30bn going forward.

**Working capital days** In Solar EPC, debtor days are around 60 days and creditor days are around 40-45 days. Working capital days is around 20-25 days and expected to be the same in FY25E. Working capital requirement is around INR 6bn. The fund limit is around INR 2.5bn and non-fund limits is around INR 3.5bn. GUVNL GUVNL will pay INR 2.6bn per year for 2 projects. The EBITDA margins are around 90%-95% of these projects.

**Other highlights:** The company has recently awarded a solar plant project of INR 4.63bn at Gujarat Khavda RE Power Park. The company has won 116MW of solar projects in Gujarat and distributed across 27 states. 500MW solar EPC projects execution time is around 8-10 months and 500MW BESS projects execution time is around 15-20 months.

The company is focused on renewable energy and e-mobility sectors. The board has approved for INR 5bn fund raising. The QIP funds will be utilized for new projects and debt reduction. Subsidiary loss is around INR 170mn; the breakup are EV business – INR 70mn, EV leasing – INR 90mn and remaining from others.

The company has allotted 60 lakhs warrants and raised INR 5.3bn and INR 5.5bn through QIP.

**GMM Pfaudler Ltd****CMP: INR 1442 | Market Cap: INR 64.82 bn**

GMM Pfaudler manufactures corrosion resistant glass-lined equipments. It is a leading supplier of process equipments to the pharmaceutical and chemical industries. Over the years GMM P has diversified its product portfolio to include Mixing Systems, Filtration & Drying Equipment, Engineered Systems and Heavy Engineering Equipments.

Strong Order Intake of INR 8.82 Bn driven mainly by heavy engineering, mixing technologies and systems. Order Backlog stands at INR 17.77 Bn, +5% QoQ. Strong execution across geographies during the quarter. Order intake has been strong for the past 2 quarters, current quarter saw the highest intake in 8 quarters. Opportunity pipeline remains stable across all business platforms, excluding agrochemicals.

India GLE business order intake has been strong and is expected to be strong in Q2 and Q3 as well. Margins in India GLE have been suffering. Company expects strong performance from Non GLE and Systems in international business.

60-70% revenue contribution comes from chemical and pharma space which is seeing a slowdown. However, company is in a better position as compared to 2-3 quarters ago Agrichem outlook not so positive as Chinese players are dumping products.

Company has received large orders for mixing in Australia and India. Company is more positive on domestic pharma as they see 3-4 big projects coming in a few weeks. Company is the market leader in GLE. International Pharma is still soft due to overstocking and Chinese dumping. Pricing in GLE is not growing. Margins in mixing is usually same as GLE but GLE margins have been down for 2-3Q. All other businesses doing decent margins. 30% of business coming from services which is sticky and high margin business.

Systems segment has OB of INR 2 Bn Vs INR 700 Mn QOQ. Company received order of USD 10-12 Mn in Q4 from Australian client, then received another order of USD 10 Mn in Q1, received INR 230 Mn order from a client in Bangalore. Company expects to receive an order from Europe worth USD 10-15 Mn as well. Company has some capabilities for nuclear biz as well. Most of the current OB will be completed this year itself, some might spillover for next year. Currently company has no expansion plans till FY26. Maintenance capex to be ~2.5-2.6%.

**Outlook:** Company will announce its 3 year plan in Q2/Q3 which will highlight growth opportunities across all platforms and regions. Margins are currently down but the orders received in Q4FY24 and Q1FY25 have not been executed. These are expected to be orders with higher margins. Company has guided that the FY25 margins will be better than FY24 and that the company will see 5-7% topline growth in FY25.

**GTPL Hathway Ltd****CMP: INR 171 | Market Cap: INR 19.25 bn**

GTPL Hathway Limited is India's largest MSO providing Digital Cable TV services and is one of the largest Private Wireline Broadband service provider in India. The Company is the largest Digital Cable TV and Wireline Broadband Service Provider in Gujarat & is a leading Digital Cable TV Service provider in West Bengal. The Co has partnered with Harmonic Inc, USA for its Head-end System, with Oracle for its database, with Aprecomm's A.I. Technology for Broadband, and some more.

**Segment Performance**

**Cable TV** Subscriber base reached 9.6 Mn, with 8.9 Mn paying subscribers, marking a YoY increase of 550K (6%) and 600K (7%) respectively.

**Broadband Segment:** Active subscribers totaled 1.03 Mn, with an addition of 70K new subscribers, reflecting a 7% YoY growth. The Home Pass stood at 5.90 Mn, with 75% available for FTTX conversion. The broadband ARPU remained stable at INR 460, while average data consumption/customer increased by 13% YoY to 350 GB.

Addition of 10K new subscribers, with a 70% split towards B2B and 30% towards B2C. Focused on converting B2B customers to direct subscribers. Expansion into seven states with plans to add two more states by the end of July.

**Technology Implementations:** GIVA Company's AI-powered chatbot, represents a significant leap in customer service automation. Integrated with WhatsApp, this MLP-trained AI solution offers 24/7 support, addressing a wide range of customer queries and concerns.

Genie ATM enables GTPL to fine-tune its network performance, leading to improved service quality and resource allocation.

TV Key Cloud Collaboration with Samsung and Nagra to launch TV Key Cloud, allowing linear TV content access on connected TVs without additional wires or set-top boxes. Positive initial response with potential to significantly expand the subscriber base. Also the company is targeting a large market of Samsung connected TV users, with discussions on expanding to other OEMs.

**Growth Initiatives:** Continued expansion into new territories and strengthening infrastructure and Focus on maintaining a stable and growing subscriber base amidst industry churn post-COVID.

**Strategic Focus:** Efforts to reduce costs if expansion does not meet expectations. Also focus on maintaining operational efficiency and leveraging technology to improve performance.

Continued investment in tech solutions to enhance customer experience and drive digital collections. Focus on customer retention and acquisition through enhanced service offerings and improved operational tactics.

**Hariom Pipe Industries Ltd****CMP Rs 728 | Market Cap INR 22.55bn**

Headquartered in Hyderabad, Telangana, Hariom Pipe Industries Limited is an integrated steel manufacturer with a stronghold in the South Indian market. It has a diverse product portfolio consisting of Mild Steel (MS) Billets, Pipes and Tubes, Hot Rolled (HR) Coils, and Scaffolding Systems, top-quality products cater to a variety of industrial applications across multiple sectors.

**Product Portfolio:** The Company's products include Mild Steel (MS) Billets, GP, GI Pipes and Tubes, Hot Rolled (HR) Coils, Cold Rolled (CR) Coils, Galvanized Coils, and Scaffolding Systems.

**Value Added Products:** In FY23, it added 10+ new value-added products, such as GP pipes and coils. In FY24, value-added products accounted for 92% of total sales compared to 80% in FY23.

**Distribution Network:** It has 1,500+ Points of Sales and 650+ dealers across Maharashtra, Odisha, Karnataka, Andhra Pradesh, Kerala, and Tamil Nadu. It is focused on expanding its presence in other regions of Western India, Eastern India, and Union territories.

**Manufacturing Capabilities:** The Co. has three manufacturing facilities in Telangana, Andhra Pradesh, and Tamil Nadu. The total capacity is 701,323 MTPA, including 437,000 MTPA for value-added products.

**Expansion:** In FY24, The new GP unit (capacity of 120,000 MTPA) and the enhanced MS pipe unit (capacity of 48,000 MTPA) added in Telangana, along with the GP/GI plant in Tamil Nadu (capacity of 180,000 MTPA), were ramped up.

A Cold-Roll Tandem mill and an annealing furnace were commissioned at the Mahabubnagar Plant in Telangana during Q4 FY24. This addition has added new customers from industries such as fans, packaging strips, furniture, auto components, and pre-engineered building products to the company's portfolio.

**Strategic Location:** Unit I & III, situated near Jadcherla in Mahabubnagar District, benefits from easy access to raw materials, power, water, and labor. Unit II, located in Anantapur District near Bellary, provides logistical advantages for serving southern markets efficiently. Unit IV is located at SIPCOT Industrial Growth Centre, Perundurai, Tamilnadu.

**Asset Acquisition:** On May 24, it announced the acquisition of Operating Assets (Building Plant & Machinery) of its related party Ultra Pipes for Rs. 40 Crs. In Dec 2022, it agreed to purchase RP metal operating asset which manufactures Galvanized Pipe and Cold Roll coil, spread across 13.83 acres of land for Rs. 55 Crs.

**Customers:** It serves industries such as infrastructure, construction, agriculture, Commercial, engineering, fabrication, furniture, and electrical. Some of its clients are Navayuga, Sri Aditya Homes, TATA Projects, Chaurasia Infrastructure, Coastal Projects Ltd, Continental Hospitals, KCP, etc. ~21% of the clients have been associated with the company for 5+ years.

**Hero MotoCorp Ltd****CMP: INR 6,011 | Market Cap: INR 1202.08bn**

Hero Moto Corp earlier also known as “Hero Honda” is one of India’s first motorcycle manufacturers. The company started in 1984 as a Technological collaboration with Honda, Japan. Before this collaboration, Hero was selling Cycles under the brand name, Hero Cycles. In 2011, Honda group sold its 26% stake in the company to the Munjals (promoters) and ended the JV. Post the termination of JV, the name of the company was changed to Hero Motocorp.

Established Brands and market share: It is the world’s largest manufacturer of 2 Wheelers, in terms of unit volumes sold by a single company in a calendar year, for more than 2 decades. The company has some strong brands under its names like Splendor, Passion, Glamour in the bike segment and like Pleasure, Maestro in the scooter segment and others, etc.

Their charging Infra for VIDA + AHER is present in 100+ cities with 1,900+ points. The company reinvigorates operations in Nepal. For this it has partnered with CG Motors as its distributor in Nepal.

Financing of vehicles through Hero Fincorp: Hero Fincorp is the financing division of the co. and its share in total financing is 41%. In Q4FY22, 54% of the vehicles were financed by hero fincorp. Hero FinCorp recently raised INR 20bn in growth capital, which will help it expand its reach and offering and drive two-wheeler sales.

Expansion in Market share: The company is gearing up for the festive season. Fewer marriage dates in Q1 FY25, but more are expected in November. Dispatch market share moved up QoQ from 30.2 to 30.3, while Vahan MS have moved up from 30.7 to 31.1 So retail market shares remain ahead of the wholesale MS.

Margin below estimates led by EV spending: The company's product mix shifted towards entry-level items during the wedding season, led to decrease in spare parts sales to 12.5% of revenues, down from 14.7% QoQ. Spending on EV amounted to INR 1.8 bn. In Q1, raw material costs increased modestly by INR 340 per unit. The company expects input costs to remain stable within a certain range in the near term.

The company anticipates a boost in 2W market share through increased rural demand, premium segment product enhancements, and the launch of a massmarket EV. The emphasis on new launches in the 125cc, scooters and premium segments, and a ramp up in exports. We believe a positive stance on the rural market is supported by an evident revival in demand, PAM business expansion, expanding the EV portfolio and global expansion. This shift indicates a notable improvement in rural sentiment compared to recent months.



**HFCL Ltd****CMP: INR 150 | Market Cap: INR 216.98bn**

HFCL Ltd (Himachal Futuristic Communications Limited) is a diverse telecom infrastructure enabler with active interest spanning telecom infrastructure development, system integration, and manufacture and supply of high end telecom equipment, Optical Fiber and Optic Fiber Cable (OFC).

**Product Portfolio:** Company's product portfolio includes Optical Fiber Cable (OFC), indoor & outdoor WIFI, Cloud-based network management system, High density cabinets, PCL splitters, Railway communication solutions, Ethernet, and others.

**Sectors Served:** With its wide array of products & services, the company serves Telecom, defense, railways, utilities and security & surveillance networks; both in Private and government sector. Company's client base includes Jio, Airtel, Vodafone, LT, SIFY, SCCI, ALTSTOM, BSNL, GLOBE, LIQUID, MAYFLEX, etc.

**Manufacturing Capabilities:** Presently, the company has 5 manufacturing facilities across Telangana, Tamil Nadu and Goa. Capacities are: Optical Fibre Cable - 25.08 Mn fkm p.a.; FTTH Cable - 702k cable km p.a.

Company's Hosur, Tamilnadu facility manufactures raw materials like Aramid Reinforced Plastic Rods, Fiber Reinforced Plastic Rods, Impregnated Glass Fiber Reinforcement and Polymer Compound used in manufacturing of OFC.

HFCL is spreading product innovation through tech-centric R&D, operating in Bangalore, Gurugram and Hyderabad. Products under developments like 5G Indoor and Outdoor FWA & CPE, 5G radio 8T8R, Software-defined radios, round surveillance radars, etc.

**Business Strategy:** Focused on R&D and innovation in the telecom and defense sectors.

Strategic partnerships with global tech giants and capacity enhancements.

Development of cutting-edge products like 5G Fixed Wireless Access Customer Premises Equipment, defense products, and optical fiber cables.

**Telecom Segment:** Expecting revenue from telecom equipment segment to reach approximately INR 2000 crores in FY'25. Strong demand for 5G Fixed Wireless Access Customer Premises Equipment. Dominance in the Unlicensed Band Backhaul Radios market. Developing Point to Multipoint UBRs for higher market opportunities.

**Defense Segment:** Intensive focus on developing defense products for domestic and global markets. Enquiries and trials for Electronic Fuzes, Thermal Weapon Sights, and other defense products. Expecting substantial revenue from defense segment in the near future.

**Optical Fiber Cable Business:** Temporary slowdown in the global optical fiber cable market. Diversifying into Passive Connectivity Solutions market. Expecting revenue of INR 250 crores from Passive Connectivity Solutions in FY'25. Considering installing an in-house preform plant for operational efficiency. Evaluating make versus buy decision for economic viability.



**HP Adhesive Ltd****CMP: INR 97.6 | Market Cap: INR 8.96 Bn**

HP Adhesives Ltd manufactures and distributes adhesives and sealants along with other ancillary products. HPAL manufactures solvent cements, synthetic rubber adhesives and PVA adhesives, silicone sealants and gasket shellac & also trades in Ball Valves, PTFE and Masking Tape. HP Adhesives Limited has positioned itself as a prominent manufacturer and distributor of high-quality adhesives and sealants. The Company has evolved from its initial focus on a singular adhesives category into a multifaceted organization catering to a wide array of end-user applications.

**Production Facility:** Company has a manufacturing unit in Khopoli, Maharashtra, with an installed capacity of ~13,000 MTPA.

**Company's products:** The Company's flagship product category includes solvent cements specially formulated for plastic pipes and fittings, such as PVC, cPVC, and uPVC. In addition to solvent cements, the product portfolio encompasses silicone sealants, synthetic rubber adhesives, PVA adhesives for woods and paper, among others epoxy putty for repairs and leakages, etc., spray paints, ball valves, Teflon tapes, and masking tapes to cater a broad range of market needs. Other ancillary products include sealants, rubber lubricants, PU foam, shellacs, etc.

**Expansion of Market Presence:** Company has over 1,450 distributors across India and are expanding footprint globally. Extensive distribution network is serviced by six depots across India which ensures timely availability of materials to customers. Thus, reinforcing capability to serve a growing and diverse market effectively. This strategic expansion will allow company to reach a more extensive customer base and enhance market presence.

**Product Development** Developing new products remains at the core of company's strategies. Company will continue to introduce new and improved products that cater to evolving market trends and customer needs. Based on the available opportunity and requirement of customer, company is constantly working on a wide variety of chemistries for adhesives and sealants portfolio to serve multiple end-user applications. Recent product launches have already established a strong foothold in the market, and plans to expand portfolio further, particularly in sustainable and low-VOC product lines that align with global environmental standards.

**Outlook:** HP Adhesives is primed to leverage the booming Indian market with its diversified product portfolio and emphasis on innovation with a focus on expanding distribution network and customer base. The commitment to high-quality products with efficient manufacturing capabilities will ensure sustained profitable operations for the coming years. Furthermore, by capitalising on the growth in end-user industries, HP Adhesives is poised to strengthen its market position and drive substantial growth.

## H T Media Ltd

### CMP INR 24.4 | Market Cap INR 5.69 bn

HT Media Ltd is in the business of print, radio broadcast and digital services. Company's key publications are under brands Hindustan Times and Hindustan, which are the English and Hindi dailies in India. HT is the 2nd-largest English daily in India, with an average daily circulation of ~7 lakh copies. Also, Hindustan is the third-largest Hindi daily, with a circulation of around 17 lakh copies. Other publications include Mint –a business paper.

**Cost Management:** Strategic initiatives in cost management and operational efficiency have partially mitigated the negative impact on profitability.

**Advertising Revenue:** Advertising revenue was notably affected, showing a 10% YoY decline and a 26% sequential decline, attributed to the elections.

**Hindi Segment:** The Hindi segment observed a reduction in government-led revenue and a 10% YoY decline in circulation revenue.

**Radio Revenue:** The radio segment demonstrated marginal YoY growth in operating revenue, maintaining a breakeven operating profit.

**Digital Revenue and Profitability:** Digital revenue surged by 31% YoY, with sequential improvements in key business areas. However, ongoing investments in OTT have led to losses, making the digital business largely profitable excluding the OTT segment. The company does not anticipate overall profitability in the digital segment for FY25.

**Advertising Pressure:** Ad revenue remains under pressure due to competitive pricing, with industry volumes declining by 12% in the relevant markets.

**Future Advertising Strategy:** The company intends to aggressively improve ad pricing and increase ad revenue share to overcome the cycle of low revenues and operating losses.

**Strategic Focus:** Management is committed to building sustainable long-term businesses, particularly in the digital space, despite current financial pressures. There is an emphasis on improving topline growth while managing costs effectively. Management expressed optimism about the core business's ability to avoid significant losses moving forward, with a focus on pricing strategies to enhance advertising revenue.

**Indag Rubber Ltd****CMP: INR 236 | Market Cap: INR 6190mn**

INDAG Rubber Ltd manufactures and sells Precured Tread Rubber and allied products.

**Business Overview:** IRL was formed by Khemka group in joint venture with M/S Bandag, USA. It provides fleet owners with retreading solutions and help reduce their expenses on buying new tyres providing lower tyre Cost-per-Km and curtailing carbon footprints.

Company manufactures retreading materials and allied products ranging from precured tread rubber for truck bus tyres, LCV tyres, passenger vehicles' tyres, off-road tyres to bonding cushion gum, rubber cement and envelopes.

IRL has recently invested in its 51% subsidiary, Millenium, which is involved in contract manufacturing of PCS for one of the reputed global companies. The remaining 49% has been invested by the Sun Renewables WH Private Limited and Elcom Innovations Private Limited. IRL will be investing Rs.11.1 crore in the venture over a period of 2 years.

Company provides products for different types of vehicles including medium and heavy commercial vehicles, light commercial vehicles, Passenger vehicles, and Off-road vehicles (mining trucks especially). There are products designed based on the different road applications vehicles ply on such as long-haul highways, short-haul roads, mining, off-road, hills or mountains, on-off road, a mix of good paved roads and bad unpaved /kaccha road, etc

IRL is an established player in India's tyre retreading business and has a strong presence through a wide network of retreaders and distributors. Through its plant in Nalagarh, Himachal Pradesh, IRL caters to the entire country with its strong brand, Indag. IRL can leverage its established market presence and strong value in the organised segment and its technical knowhow to increase its scale as the demand scenario improves. Further, IRL's increased focus on exports augurs well for its business prospects, going forward.

Since its inception, the company had a single source of revenue from manufacturing and sales of retreading materials. As a result, its scale continued to be modest, given the limited size of the industry and significant presence of unorganised players. Nevertheless, IRL has maintained its revenue base and grew significantly in FY2023 and FY2024 amid favourable demand witnessed in the market. Further in FY2024, IRL forayed into the energy space through an investment of Rs.11 crore in its subsidiary, which will be engaged in contract manufacturing of PCS for one of the largest global companies in this space. The diversification augurs well for IRL and will provide an impetus to its scale, which remained range bound for the past several years.

At a standalone level, the company has remained debt free over the last several years. Going forward, Millenium is expected to raise debt for bridging its working capital gap once the commercial operations commence. Despite additional debt, the capital structure and coverage indicators of IRL are expected to remain comfortable at the consolidated level.

**Indo Count Industries Ltd****CMP: INR 408 | Market Cap: INR 80.72 Bn**

Indo Count Industries Limited (ICIL) is engaged in the home textiles & bedding industry. The company is a manufacturer and exporter of bed sheets, bed linen and quilts. It is the largest global bed linen player.

**Products:** The comprehensive product portfolio in the premium segment comprises bed sheets, fashion bedding, utility bedding, and institutional bedding. It is the Largest Global Home Textile Bed Linen Company. [1] The company has invested Rs. 1000 crs. in last few yrs. to build capacities. Expanded market opportunity with a foray into newer products like Bed Sheets, Fashion Bedding, Utility Bedding, Institutional Bedding, and a few more products under this.

**Strategic Growth Initiatives:** Focus on utilizing capacities effectively, enhancing product range, and expanding geographical reach. Leveraging advanced technologies and boosting customer engagement through digital platforms. The acquisition of Wamsutta and licensing of Fieldcrest & Waverly brands will drive innovation and broaden market presence. Plans to enhance presence in the developing domestic market while maintaining core export activities.

**Guidance:** Some revenue from Wamsutta expected to contribute starting Q4 FY25, with significant value anticipated in FY26. Management maintains guidance for volume growth at 110 million to 115 million meters for FY25.

Targeting 100 million in branded goods sales over the next three years, with expectations of improved margins as branded product sales increase. EBITDA margins projected to improve towards 18% to 20% with the transition to branded products.

**ESG Initiatives:** Bhilad unit operating at 90% renewable energy, significantly reducing carbon footprint. Achieved a freshwater intake reduction to 25% through upgraded facilities. Strong commitment to sustainability reflected in Standard & Poor's Global 2022 ESG rating of 42, above the industry average.

**Outlook:** Indo Count Industries is strategically positioned for growth, leveraging acquisitions and a focus on branded products, while navigating logistics challenges. Management expresses optimism about future performance and market share gains, backed by a debt-free balance sheet and a commitment to sustainability.

**Indostar Capital Finance Ltd****CMP: INR 288 | Market Cap: INR 39.17bn**

**Housing Finance Business:** Achieved record disbursements of ₹211 crores in Q1 FY '25, with AUM reaching ₹2,395 crores (37.6% YoY growth). Customer base expanded to over 30,000, with a focus on operational efficiency and digital transformation. 90+ days past due portfolio at 0.93% with GNPA at 1.34%. Strong capital adequacy at 56.2% and a debt-to-equity ratio of 2.6.

**Technological Investments:** Significant investments in technology for end-to-end loan origination. Expansion in Tier 3 and Tier 4 cities to capture rural demand.

**Strategic Outlook:** Committed to enhancing analytics for flexible growth and exploring new product offerings. Plans to launch ancillary products around the trucking industry to enhance customer benefits. Focus on sourcing funds from banking channels to reduce borrowing costs, with a target of improved profitability in the coming quarters.

**Challenges and Management Optimism:** High interest rates and rising vehicle costs are challenges for new vehicle demand. Management remains optimistic about the growth potential in the used vehicle segment and the overall business strategy. Anticipated normalization of delinquency rates post-monsoon, with expectations of stable or declining GNPA metrics. The focus on SME products is expected to leverage existing branch networks without significantly increasing costs.

**Future Guidance:** Targeting AUM growth to around ₹9,500 crores for standalone and ₹12,500 crores for consolidated by FY '25. Credit costs expected to stabilize at around 1.5% to 2% in the long term. Continued focus on maintaining strong asset quality and enhancing operational efficiencies.

**Employee and Branch Expansion:** Increased employee strength by approximately 500, with a focus on SME business and productivity enhancement. Targeting a total branch count of around 460-470 by the end of FY '25.

IndoStar has diversified its product offerings in retail finance with consolidated assets under management (AUM) of Rs 8,763 crore as on March 31, 2024. While the company has primarily been a wholesale financier, retail loans are now seen as the key growth driver with steady expansion in retail segments over the last few years.

Brookfield, a Canada-based global alternative asset manager, is the largest shareholder and promoter with 56.20% stake in IndoStar. Brookfield made its first investment in India in the financial services space in IndoStar with capital injection of Rs 1,225 crore in May 2020. The infusion enhanced the capital base and financial flexibility of IndoStar. Brookfield has also actively supported IndoStar in putting in place the new management team and leadership and has articulated its intent to continue supporting IndoStar in raising funds.

The company has strategically prioritised its focus on used CV and affordable housing segments while running down their corporate and small and medium enterprise (SME) books. The company sold two portfolios, mainly from their stage 2 book to ARCs during the fiscal: i) corporate portfolio, amounting to Rs 915 crore to Phoenix ARC in August 2023; and ii) SME portfolio amounting to Rs 366 crore to Encore ARC in the third and fourth quarters of fiscal 2024. As a result, corporate loans came down to ~4% of AUM as on March 31, 2024, from 15% a year earlier; SME loans were down to 6% of AUM, compared with 17% for the same period. The company has stopped disbursements in the SME book and incremental disbursements in the corporate book are residual in nature towards existing sanctions. Over the medium term focus will continue to be on the used CV financing and affordable housing finance segments at the group level

**Infollion Research Services Ltd****CMP: INR 281 | Market Cap: INR2.72 Bn**

Incorporated in 2009, Infollion Research Services Ltd operates in the B2B Human Cloud segment in India. IRSL is a tech-oriented marketplace, operating in the B2B Human Cloud segment, catering to on-demand contingent hiring and work arrangements with senior management talent, subject matter experts, and high-ranking, seasoned professionals.

**Services Offered:** Company provides a platform for workers, knowledge providers (gig workers) and employers to connect and find synergetic outcomes. Its key clients include top-tier Global Management Consulting firms, Private Equity funds, Hedge funds, and mid-tier Corporates IRSL operates in the premium segment of the gig-economy and is the enablers of contingen hiring, temporary workforce management, contracting SOW-employees, high-level independent consultations, knowledge tours, etc. It caters to global hiring requirements for its domestic and international clients and helps them by enabling knowledge sharing sessions and provides flexi-staffing solutions.

**Business Model:** Company's business model is primarily a work intermediation platform for B2B Human Cloud companies. It arranges contractual work arrangements for clients by identifying, screening, vetting, and matching work requirements based on various parameters viz. nature, duration, objective, location, and pricing. It offers hiring services to its clients.

**Business Performance:** Company had a good year, growth was on the higher side as expected. Achieved results that were anticipated at the start of the year Hope to continue growth as a derivative of the economy, especially in consulting. Focusing on expansions in the US Market and peripheral marketplaces.

Seeing green shoots in the US with outbound projects, although not yet reflected in export revenue. Planning to turbo charge US expansion in the coming years. Exploring expansion into peripheral marketplaces with a large expert base. Considering low value, high volume markets and new products to utilize supply base better.

**New Developments:** Started doing a lot of projects for US experts, awaiting revenue impact. Have a large expert base for potential expansion into peripheral marketplaces. Turbo charging US expansion in the future. Considering low value, high volume markets for expansion. Planning to come up with more products to utilize the supply base better.

**InfoBeans Technologies Ltd****CMP: INR 422 | Market Cap: INR 10.27bn**

InfoBeans Technologies Ltd is in the business of software development services. It was founded in 2000 and has around 1500 employees. They have strong partnerships with Salesforce, ServiceNow, Agenio, and Microsoft. Presence in four geographies - US, Middle East, Europe, and India. Key cities in India include Indore, Pune, Chennai, Vadodara, and Bangalore.

**Business Segments FY24**

The company is primarily involved in 2 areas in the IT-BPM industry:-

- 1. Product Engineering (52%)**- Offers design & innovation, rapid prototyping, product strategy & road-mapping, enterprise application development & sustenance for web & cloud, etc.
- 2. Digital Transformation (48%)** - Offers services such as application modernization, automated QA, DevOps Infrastructure, cloud-native development, UX design, etc.

**Margin Compression**

EBITDA and PAT margins declined from 21% and 9% in FY23 to 17% and 6% in FY24. Due to lower team utilization in the first 3 quarters, there is a drop in the yearly margins. The utilization levels improved from 74% to 80% in Q4 FY24.

Clientele: CoAdvantage, SMBC, IQVIA, ALM Media, etc. It has a customer base of 193 clients including 14 Fortune 500 companies and 15 Enterprises (> \$1bn). 10 new clients were added in FY24. It generates about 92% of business from existing clients. As of FY24, 50% of the revenue comes from Top 10 clients averaging 9 years of relationship.

Presence: The company's main offices in India are at Indore, Pune, Chennai, Bengaluru and Vadodara. It is also present in 4 global locations- Dubai, Silicon Valley, Frankfurt, and New York.

**Partnerships**

The company has partnerships with Salesforce, ServiceNow, Creatio, Automattic, and Mendix. In FY24, it partnered with agineo, the largest German ServiceNow elite partner to expand its presence in the European and the Global markets.

Focus: The company has a focus on exploring acquisition opportunities in defined capabilities, geographies, and cultures. It is investing in AI and ML initiatives to enhance service offerings. It is optimistic about growth in FY25.

Key Business Updates: Onboarded Phaneesh Murthy as an advisor.

Onboarded six clients in the last quarter, including three large enterprises.

Actively evaluating a ServiceNow company for acquisition.

Received the ServiceNow Partner of the Year award for the APAC region.



**Insecticides India Ltd****CMP: INR 887 | Market Cap: INR 26.25 Bn**

Insecticides India is into manufacturing of agrochemicals (technicals and formulations) and biological and household products. They cater to Indian market where they directly sell to the end consumer and also sell technicals and formulations to the companies who are in the business of formulation. They also export to 30 countries with more than 100 customers through registrations. IIL has more than 75 registrations so far.

**Product Front & Sales Channels:** The Company is gradually reducing the contribution of lower margins Generic products and increasing the Premium products in their Portfolio. The reason for doing so is that the Generics have very low margins at 10% or below while the Premium products have high margins at +35%. The Company has 10-12 products in the Focus Maharatnas category and around 32 products in the Maharatna category apart from the generic product portfolio. The Products which generate sales of more than INR 350 mn on Net basis annually are categorized as Focus Maharatnas. The margins for both Maharatna & Focus Maharatna products are in the similar range of 35% around.

In terms of margins, in major markets the Distributors make up ~5% margins while Retailers make up to 20% margins in the generics products, causing very little margin left for the manufacturers apart from the fact that the product is Off Patent. All the products made by Insecticides India are marketed under the "Tractor" brand name across all Television, News channels, social media, Newspaper, etc. The Tractor brand is packaged in attractive bottles with patented branding and packaging, and being marketed by "Ajay Devgan" as the Brand Ambassador.

The Company is focussing in the awareness programs and connectivity with the farmers at the grass root levels in villages and educating their distributor network of the efficacy of their Premium products. There are over 2 lakh retailers across India, among which the Company has made their reach to 70,000 retailers. Similarly, the Company has reached out and connected with 7,500 distributors.

**Guidance:** The Company maintained their Volume growth guidance at 15% YoY for full year FY25. The Company is seeing good traction in North America, Latin America and Australia where they are looking for partnerships with local distributing companies in order to diversify from excessive risk.

**Upcoming Products:** The Company is coming out with several new products in the next 1-2 years of time in the Premium category of 35% margins bracket. In the Herbicides segment, the Management says they have several products which are seeing very high acceptance in the markets, as seen during the Q1FY25 segmental mix as well. The Company will be launching an advanced form of "Tori" by the name Tori Super with which the Company expects even bigger demand and sales than Tori. Similarly, the Company will be launching a sub brand named Altair for a product developed in Partnership with Japan's Nissan next year. The Nissan product which will be launched next year is for Paddy crop's weed controls.



**Interiors & More Ltd****CMP INR 279 | Market Cap INR 1950mn**

Interiors & More Limited trades, imports, and sells artificial flowers. The company manufactures and trades quality artificial flowers, plants, and decor items for homes and offices.

**Product Portfolio:** The company offers various products, including artificial flowers such as Roses, Yellow Marigolds, Green Grass in Mats, green Leaves, carnations, Hydrangea, and Hanging orchids. Company trades in Fountains, battery-operated Candles, Chandeliers, vases made of Wood and Glass, artificial trees, Furniture, and Tables.

**Trading Business:** Co. imports a wide range of decorative products and artificial Flowers from various countries and sells them in the domestic Market.

**Manufacturing Facilities:** The company has two manufacturing units. One is located in Umargam, Gujarat, and measures 57,000 sq. ft. The other unit is situated in Umbergaon, Gujarat, and measures 7,000 sq. ft.

**Geographical Presence:** The company has expanded to various locations over the years, including Mumbai and Delhi, with the factory operating from Umbergaon. The company's main corporate office is located in Fort, Mumbai.

The company possesses manufacturing facilities strategically located in Umargam and Umbergaon, Gujarat, with a combined footprint of approximately 64,000 square feet.

Their scalable business model leverages a digital approach to quickly acquire and retain customers, optimizing resource utilization to achieve economies of scale. They offer a large and diverse product portfolio, including artificial flowers, plants, wedding props, and other decorative items, catering to various customer needs. With an integrated manufacturing facility, they maintain up-to-date infrastructure and technology to meet dynamic market demands. Their strong distribution network, customer-centric operations, and dedicated sales and marketing teams enable them to deliver customized solutions efficiently across India, enhancing their brand value and market presence.

**Market Opportunity:** The global "Artificial Flower Market" report indicates a consistent Growth pattern in recent times, which is anticipated to maintain an upward trend until 2032. A prominent trend in the Artificial Flower market is the increasing demand for products that are environmentally sustainable and eco-friendly. Another significant observation in this market is the rising incorporation of technology to elevate both the quality and efficiency of products. Cutting-edge technologies like artificial intelligence, machine learning, and blockchain are being utilized to develop revolutionary goods that outperform traditional options in effectiveness and efficiency. By 2032, the global Artificial Flower market size is projected to reach multimillion figures, displaying an unexpected compound annual growth rate between 2024 and 2032 when compared to the figures observed in 2022.

**IOL chemical & Pharmaceuticals Ltd****CMP- INR 510 M.Cap- INR 29.94 bn**

IOL Chemicals & Pharmaceuticals Ltd is a leading pharmaceutical (APIs) company and is a significant player in the specialty chemicals space. It serves the domestic and export market. It is the largest player of Ibuprofen (pain killer) globally with a world market share of 35%.

**Company guidance:** Expect ~10% increase in volume and 5% increase in price increase. Continues to maintain 13%-15% EBITDA margin guidance. The company is open to M&A opportunities to utilize cash, but first priority will be organic growth. CAPEX plan for F25 would be INR 2000 Mn and INR 1500 Mn for FY26, this will be utilized towards land, infra, and automation. Aims to increase export contribution to 40%-50% in the next 2-3 years. The company's chemical segment without inter-segmental sales grew 6% YoY to INR 2400 Mn.

The company received approval from China's CDE for exporting Fenofibrate and CEP certificates from EDQM for Pantoprazole Sodium Sesquihydrate (Process-2), Valsartan, and Allopurinol. ICP has filed 15 DMFs with the USFDA and 17 CEPs with EDQM.

**Other Highlights:** Although API companies face price pressure, the market is expanding with China + 1. Paracetamol prices fell 40% and ibuprofen prices 20% over the past year. API prices are expected to recover in the coming quarters, with 50% of pharma revenue projected to come from other products in the next 2-3 years. Ibuprofen prices have stabilized, with current capacity utilization at approximately 80%.

Quarter-over-quarter, Ibuprofen prices have remained steady at USD 9, though inventory levels in the channel have declined.

Utilization for non-Ibuprofen products is around 60%, up from 50% YoY and 40% two years prior. A US-based Ibuprofen manufacturer is closing a facility with a capacity of 4,500-5,000 mtpa. The share of Paracetamol in non-Ibuprofen revenue has significantly dropped to below 10%, whereas Metformin now represents 35%.

Company with recent approvals in the EU, the company is seeing a rise in requests for quotations (RFQs). The company has several upcoming non-Ibuprofen product launches in the pipeline, but these are still in the research and development phase.

**Jai Balaji Industries Ltd****CMP INR 1171 | Market Cap INR 207.79 bn**

Jai Balaji Industries Limited is engaged in the manufacturing of Iron and Steel products. The company has a portfolio of value-added products including DRI (sponge iron), pig iron, ferro alloys, alloy and mild steel billets, reinforcement steel TMT bars, wire rods, ductile iron pipes, and alloy and mild steel heavy rounds.

**Capacity:** DI Pipes Capacity Expansion: Increasing capacity by 120% to 6.6L TPA. Ferro Alloys Capacity Growth: Expanding capacity by 14% to 1.9L TPA. Utilization Rate: Achieved and maintained utilization rate above 90%.

**Value-Added Products Focus:** Strategy centered on margin expansion and sustainability through Ductile Iron Pipes and Specialized Ferro Alloys.

**Capex Plan:** Strong capex plan of INR 10,000 Mn, with INR 6,052 Mn already spent from internal accruals. Remaining capex to be completed in the next 12 months through internal accruals.

**Debt Reduction:** Aim to become net debt-free within the next 12 months.

**Capacity Expansion and Production Targets:** The company aims to increase DI pipe production capacity to 6 lakh tons by FY26, up from the current target of 4-4.5 lakh tons for the current fiscal year, supported by a strategic focus on value-added products and margin expansion.

**Manufacturing Facilities** The company has 4 manufacturing units present across West Bengal & Chhattisgarh. It is one of the largest manufacturers of value-added products (DI Pipes & Specialized Ferro Alloys) in the private sector in Eastern India.

**Outlook:** Jai Balaji Industries Ltd remains optimistic to maintain its guided margins and expects continued robust demand for DI pipes over the next 3-5 years, driven by strong government spending and healthy order books from government tenders and EPC companies. Company aiming to maintain an 18-20% EBITDA Margin.

**Jeena Sikho Lifecare Ltd****CMP: INR 1375 | Market Cap: INR 34.18 bn**

Jeena Sikho Lifecare is one of the leading ayurvedic healthcare system providers in India. The company is providing healthcare services for the last ten years. Jeena Sikho Lifecare is a developing healthcare product & services provider in India. The company has a portfolio of a wide range of Ayurvedic products. The company also conducts various health checkup camps, and yoga sessions free of cost to make people aware of their health problems.

**Ayurveda Clinics:** The company offers over 300 products and personalized treatments through a network of 119 clinics and hospitals, including 84 clinics, 14 HIIMS, and 21 Shuddhi Panchakarma Day Care Clinics. 17 of its facilities (5 HIIMS and 12 Shuddhi Panchakarma Day Care Clinics) have been accredited by NABH.

**Hospital:** Through Shuddhi Ayurveda Panchkarma Hospital (HIIMS) company offers treatment for Cancer, Diabetes, Liver problems, Arthritis, Cholesterol, Thyroid, Leukoderma, Joint pain, and many more through different methods such as Ayurveda, Allopathy, Homeopathy, and Naturopathy.

**Industry Positioning:** Positioned as a unique player in the industry with a focus on treatment rather than wellness. Leveraging Ayurvedic expertise and quality medicines to differentiate from competitors. Planning gradual bed count expansion to ensure sustainable growth and operational efficiency.

**Business Process:** The company is also engaged in retailing Ayurvedic products. The products are manufactured by a third party with prescribed quality standards which are branded under "Shuddhi". After that, the company advertises it and the consumers connect with their Customer Support and can buy their products through their distribution channels.

**Operational Strategy:** Utilizing a patient-centric approach to improve occupancy rates. Shifting focus from COD business to clinic and hospital sales for better patient outcomes. Offering ESOPs and incentives to doctors to ensure quality service and retention. Emphasizing on patient education and well-being to build trust and loyalty.

**Product and Revenue Insights:** Gross margin in the medicine business is approximately 85%. Net margin for the medicine business was 22% in the last year. Planning to launch new OTC products to boost revenue. Targeting a PAT of more than 25% next year due to effective cost management and revenue growth strategies.

**J.G.Chemicals Ltd****CMP INR 436 | Market Cap INR 17.10 bn**

JG Chemicals Limited (JGCL), incorporated in 1975, is the largest manufacturer of Zinc Oxide in India. The company started off with a small plant in Kolkata in 1975 with a capacity of about 600 MTPA, and has today scaled up to become amongst the top 5 manufacturers globally and the largest in Asia\*, with a capacity of 70,000 MTPA of Zinc chemicals. From an initial customer base of about 10, today JGCL serves the requirements of over 200 domestic customers and over 50 global customers in more than 10 countries. Catering to a wide spectrum of industrial applications with a high degree of customization, including Rubber and Tyre, Ceramics, Paints & Coatings, Pharmaceuticals & Cosmetics, Electronics & Batteries, Agrochemicals & Fertilizers, Specialty chemicals, Lubricants, Oil & Gas and also Animal feeds.

**Manufacturing Facilities:** The company operates 3 manufacturing facilities in Jangalpur and Belur, both in Kolkata, West Bengal, and Naidupeta in Nellore District, Andhra Pradesh. Naidupeta is the largest facility, owned and operated by the Material subsidiary.

**Key Highlights:**

Healthy growth in topline was driven by good demand across all user segments in Zinc Oxide. The Tyre segment which represents the largest customer base for the company, is in a very strong position and is expected to grow in double digits in terms of volume. Zinc Sulphate segment recorded significant growth on the back of strong monsoons and is expected to continue in the on-going fiscal.

The company is aggressively deep-mining customers across new industries and application. The proposed capex plans for the new manufacturing plant in Gujarat are progressing satisfactorily. The company is also working towards optimising cost and increasing efficiency across its manufacturing units which will help increase margins going forward.

**Direct customer relations** - Over 95% of sales are directly to end customers, helps build strong relations.

**Long term associations** - Strong and built over several decades.

**Leading Market position** - Fueled by consistent product delivery, established infrastructure and strategic location of manufacturing facility.

**Competitive Advantage** - Product pricing, economies of scale, ability to process scrap material and preferred buyer status

**Jyoti Resins and Adhesives Ltd****CMP: INR 1,450 | Market Cap: INR 17.4bn**

Jyoti Resins And Adhesives Ltd. is a manufacturer of synthetic resin adhesives. The company manufactures various types of wood adhesives (white glue), under the brand name of EURO 7000, which was launched in 2006, and is now the second largest selling wood adhesive brand in India in the retail segment.

**Market Leadership:** The company's brand Euro 7000 is the 2nd largest wood adhesive white glue brand in India in the retail segment.

**Product Portfolio:** The company manufactures synthetic resin adhesives, with several features and different substrates: Anti Termite: Waterproof-Fast drying.

**Wider Coverage:** Fungal resistance-Heat resistance.

**Weatherproof:** High fixing strength.

The products have cold and hot press applications and multi-purpose uses for wood, PVC, and acrylic.

**Business Model:** The company imports raw materials from various countries, processes them, and manufactures white glue at its Santej plant. The finished product is packaged in sizes ranging from 500 grams to 70 kg and sold through distributors, consignees, and sales agents in the retail market. It operates on an asset-light model, with manpower costs limited to 15-16% of revenues, selling and distribution expenses maintained under 12%, and an asset turnover of 8 times.

**Distribution Network:** The company services 14 states in India, including Gujarat, Madhya Pradesh, Rajasthan, Maharashtra, Karnataka, and others. It operates through 38 branches and 60 distributors, catering to 12,000 active retailers and 3.5 lakh carpenters across India. It also employs 400 sales and business development executives.

**Volume Driven Growth:** The company saw a 28% YoY sales volume growth in FY23, with flat growth in FY24, resulting in a 43% revenue increase in FY23 and a slight decline in FY24. EBITDA margins rose from 13% in FY22 to 33% in FY24, and PAT margins improved from 11% to 26%, driven by lower raw material costs and a higher share of premium products.

**Manufacturing Capacity:** The company's manufacturing facility is located at Santej, Ahmedabad, Gujarat, with a capacity of 2,4000 TPA operating at a utilization of 55%.

**Capex:** The company has planned a capex of Rs. 30-35 Cr starting from FY26 and is expected to be executed within 2 years. It has applied for environment clearances to increase its capacity to 60000 TPA. [15] It is establishing a warehouse facility to enhance storage capabilities for both raw materials and finished goods to meet market needs over the next 3 years.

**Focus**

The company targets a 20-25% volume CAGR over FY24-FY27. It aims to maintain 30-40% ROE and 40% ROCE. It is focusing on entering into new states & increasing market share in existing states.

**Kaka Industries Ltd****CMP INR 269 | Market Cap INR3.67 Bn**

Kaka Industries Ltd is a manufacturer of polymer-based profiles and fabricates factory-made PVC and solid PVC doors. Company operates three manufacturing units and one integrated manufacturing unit, all located in Gujarat, India. The company has a strong presence with over 1200 SKUs, more than 300 dealers, and three depots. Its products are available across 20 states and union territories in India.

**Product Segment: 1.PVC Profile:** The market share of PVC Profiles constitutes 59% of the total product segmentation of company. These profiles are used in a variety of applications, including furniture, wall panels, ceiling panels, doors, partitions, sections, decorative products, and kitchen furniture. They are highly durable, non-rust, long-lasting, waterproof, and eco-friendly, as they are made from recycled material.

**2. WPC Solid Profile** 21% of company total product segmentation from WPC Solid Profiles account. They are utilized in applications such as wall panels, kitchen cabinets, door frames, doors, wardrobes, ply, and furniture. These profiles are known for being durable, affordable, eco-friendly, non-rust, and made from recycled material.

**3.UPVC Profile** The UPVC Profiles, which make up 8% of company total product segmentation, are primarily used for doors and windows. These profiles are soundproof, provide ventilation, reduce noise pollution, and are customizable to meet specific customer requirements.

**Market Leadership:** Established as one of the top manufacturers of WPC door frames and UPVC profiles in India.

**Product Quality:** Known for high-grade quality and craftsmanship, providing durable and eco-friendly products made from recycled materials.

**Wide Range of Products:** Offers a variety of alternatives to meet customer needs, from contemporary to traditional designs and modern to classic colors.

**Operational Efficiency:** Significant improvements in EBITDA and profit margins, indicating enhanced operational efficiency and cost management.

**Geographic Reach:** Strong presence in 20 states and union territories, supported by a robust network of dealers and depots.

**Expand Market Reach:** Continue to explore new markets and customer segments to sustain sales growth.

**Operational Efficiency:** Invest in advanced technologies and processes to further streamline operations and reduce costs.

**Focus on Innovation:** Develop new products or services that cater to evolving customer preferences and market trends.

**Cost Management:** Maintain efforts to optimize costs without compromising on quality and customer satisfaction.

**Strengthen Partnerships:** Forge strategic alliances and partnerships to access new markets, technologies, and expertise.



**Kalpataru Projects International Ltd****CMP- INR 1389 M.Cap- INR 255.62 bn**

Kalpataru Projects International Limited is a leading global engineering and construction company listed in India. Through a combination of a rich legacy, relentless pursuit of quality, cutting edge technology, and a future-forward focus, the company has consistently delivered world-class engineering solutions to its clients.

**Order Book:** Kalpataru Projects International has received an order of INR 29.95bn, which includes T&D in overseas markets, Water EPC in JV, and B&F orders in India.

**Strategic Focus:** Continued emphasis on improving balance sheet strength through efficient working capital management and timely project closures. Exploration of divestment opportunities in non-core assets, including VEPL, with expectations of completing transactions in the near term.

**Guidance:** Revenue growth is expected 20%+ YoY in FY25E. EBITDA margins are expected 8.5%-9% in FY25E. PBT margins are expected 2.5%-5% in FY25E. The expected order inflows INR 220-230bn in FY25E. The company is targeting working capital days below 100 days going forward.

**Operations:** Severe manpower shortages impacted project execution, leading to lower-than-expected growth. Delays in collections from state utilities, especially in the Water segment, affected revenue and cash flow. Improvement in collections for the Water business observed starting July, with expectations for normalization of working capital.

Company is determined to maintain a strong influx of orders in the current year as well. The company's primary focus in FY25 will be to further strengthen its balance sheet through efficient working capital management and the divestment of non-core assets.

**Water Business:** Company remains focused on enhancing execution capabilities to effectively manage large-scale projects. The opportunities in the water sector are vast and diverse, including initiatives such as the Jal Jeevan Mission, Namami Gange, water treatment, and irrigation projects, which offer significant avenues for growth and development in this sector.

**Outlook:** Kalpataru Projects International is expected to grow 20% in FY25E along with a margin improvement of 25-50bps in FY25E. The order book of INR 584.15bn (~3.5x of FY24 revenue) and order inflows of INR 61.78bn YTD in FY25 show revenue visibility over the next 2-3 years. The company has already bid for INR 150bn and the opportunity size of T&D INR 500bn shows visibility going forward. Post-elections, the govt will announce capex plants, and orders are expected.

**Khazanchi Jewellers Ltd****CMP: INR 538 | Mcap: INR 13.30 bn**

Incorporated in 1996, Khazanchi Jewellers Ltd is in the business of buying and selling of Gold ornaments, Gold bullion and Silver bullion. KJL specializes in a wide array of jewelry products and offers a range that includes gold, diamonds, and precious stones, and exquisite fancy jewelry. It also offers bullion items like coins and bars.

The company is recognized for its commitment to quality, innovation, and ethical practices, holding a BIS hallmarking certificate and being authorized on the IIBX platform. Currently operates a single retail showroom in Sowcarpet, Chennai, which spans 1,200 square feet and features over 25 product categories with a design library of more than 500,000 unique designs. Approximately 120 daily footfalls at the showroom indicate strong market engagement.

**Operational Insights:** The company holds approximately 400 kgs of gold inventory, with most being finished goods; only 10% is in the production pipeline. Plans for new designs are ongoing, with a focus on lightweight and budget-friendly jewellery due to rising gold prices. The company is diversifying its artisan base across India, leveraging experienced craftsmen to enhance product offerings.

**Expansion Plans:** A new flagship showroom of 10,000 square feet is set to open in Sowcarpet, a wholesale hub of South India, expected to drive significant revenue growth.

The new showroom will focus entirely on the B2C segment, aiming for a revenue growth of at least 30% compared to existing operations. The company plans to recalibrate revenue distribution towards high-value temple jewellery, which offers attractive margins.

**Margin Guidance:** Current margins in the B2B segment are around 4%, while B2C margins are projected to be between 8% to 9%. The management expects EBITDA margins to improve as the company expands its retail segment and focuses on high-margin products.

**Future Growth Plans:** The company is planning to open five to six additional showrooms over the next two years following the flagship showroom launch. An online presence is in development, with plans to launch shortly, aiming to showcase existing stock and lightweight jewellery.

**Outlook:** Khazanchi Jewellers Limited is positioned for strong growth with its strategic expansion plans, favorable policy changes, and a focus on high-margin products in the jewellery sector. The management exhibits confidence in navigating industry changes and capitalizing on emerging opportunities.

**Kilburn Engineering Ltd****CMP: INR 428 | Market Cap: INR 19.38 Bn**

Kilburn Engineering Ltd. is engaged in designing, manufacturing and commissioning customized equipment / systems for critical applications in several industrial sectors like Chemical, Steel, Nuclear Power, Petrochemical and Food Processing etc. The Company primarily designs and manufactures drying systems for diverse applications including rotary dryers, coolers, kilns, heat exchangers, solvent/vapor recovery systems, and calciners, primarily for the chemical and petrochemical sectors. It is a market leader in solid, liquid, and gas drying systems, providing solutions for industries such as tea, fertilizer, carbon black, soda ash, pharmaceuticals, dyes, pigments, and specialty chemicals.

**Growth Strategy:** Executed a term sheet for acquiring an existing factory in MIDC Ambernath, spanning 5,000 square meters, which will enhance manufacturing capabilities.

This new facility is expected to generate revenue of ₹100 crores with a CapEx of ₹22 crores.

Targeting an order intake of ₹500 crores for FY25 and consolidated revenue of ₹500 crores for the current financial year.

**CapEx:** Initial CapEx of ₹3-4 crores, increasing to ₹10 crores for the new facility, expected to be completed by December 2024.

**New Developments:** M.E. Energy is expected to contribute significantly with a revenue target of ₹120 crores for FY25. The integration with M.E. Energy has expanded the customer base and enhanced technological capabilities, facilitating better service offerings.

**Margin Guidance:** Kilburn expects to sustain EBITDA margins in the range of 20%+ due to economies of scale and operational efficiencies. Gross margins were noted at around 43% in Q1, with standalone EBITDA margins reaching 26%.

**Growth Strategy:** Executed a term sheet for acquiring an existing factory in MIDC Ambernath, spanning 5,000 square meters, which will enhance manufacturing capabilities.

This new facility is expected to generate revenue of ₹100 crores with a CapEx of ₹22 crores.

Targeting an order intake of ₹500 crores for FY25 and consolidated revenue of ₹500 crores for the current financial year.

**Order Book:** Current order book stands at ₹370 crores, with expectations to execute this and achieve ₹500 crores in revenue for the year.

Management is optimistic about sustaining profitability above 20% in the upcoming quarters.

**Customer Base and Repeat Business:** Approximately 50-60% of the current order book comprises repeat customers, indicating strong client relationships and satisfaction.

**Debt:** Current debt levels are manageable, with expectations to be net debt-free by year-end, funded through internal accruals.

**Kolte Patil Developers Ltd****CMP INR 422 | Market Cap INR 32.05 bn**

Kolte Patil Developers Ltd is in real estate business (Residential & Commercial) with dominant presence in the Pune and growing presence in Mumbai and Bengaluru. The Company increased its presence in the growing markets of Pune, Mumbai and Bengaluru. The Company has developed more than 64 projects including residential complexes, IT parks integrated townships and commercial complexes, a saleable area of more than 28 million sq. ft. across Pune, Mumbai and Bengaluru. Around 35 million square feet account for projects under execution, approval and land bank, at the close of FY 2023-24. The Company delivered 2.06 million sq. ft. across Pune and Bengaluru in FY 2023-24.

**Market Outlook:** The residential real estate market has strengthened significantly, with demand reaching an eleven year high in H1FY24. There is a shift towards the premium segment, with higher-priced homes driving market volumes.

**Project Funding and Partners:** The company has been associated with marquee financial institutions like ICICI Ventures, JP Morgan, KKR, ASK Capital, Motilal Oswal, Portman Holdings, and Planet Smart City across projects

**Strategic Focus:** Project acquisition strategy remains judicious, focusing on financial prudence and market presence. Emphasis on capital productivity to strengthen brand presence. Redevelopment projects are a key focus, with a strong pipeline and established team for execution.

**Sales Guidance:** Confident in meeting FY25 pre-sale guidance of ₹3,500 crore due to strong offtake of existing inventory and positive response to new launches. Anticipating improved sales performance in Q3 due to festive season, with a potential breach of the current run rate of ₹700 crore.

**Project Launches:** Key projects launched include: Phase 1 of R5 sector in Life Republic township (luxury segment). Last phase of 24K Altura premium luxury project at Baner. Springshire project in Wagholi with GDV potential of over ₹400 crore. Upcoming project launches anticipated to reach a total GDV of ₹8,000 crore for FY25.

**Outlook:** Going forward, the Company aims to expand its presence across markets. It aims to generate 70% sales contribution from Pune and 30% from Mumbai cum Bengaluru. The Company seeks to generate a consolidated sales CAGR of 25% between FY 2024-25 and FY 2026-27.

**Krishna Defence & Allied Industries Ltd****CMP: INR 719 | Market Cap: INR 9.85 Bn**

Incorporated in 1997, Krishna Defence and Allied Industries Ltd designs, develops, and manufactures a wide range of equipment for defence, security, and dairy segments. KDAIL develops indigenous solutions for import substitution in defense sector. It provides critical components to Indian Navy for its warships and develops special products for Indian Army. Company has in-house capabilities of designing, developing, and manufacturing a wide range of equipment for the Defence and Dairy.

**Clientele:** a) Defence: Indian Army, Indian Navy, Boarder Security Forces, Defence Research & Development Organisation, Armoured Vehicles Nigam, Mazagon Dock, Hindustan Shipyard, Larsen and Toubro, Garden Reach Shipbuilders & Engineering, Goa Shipyard

b) Dairy: The Panchmahal District Co-operative Milk Producers' Union Ltd, Hatsun Agro Products Limited, Delicia Foods India Pvt Ltd, Thanjavur Dist Co-Op Milk Prod. Un. Ltd (Aavin Federation), Amritsar Dist Co-Op Milk Prod Union Ltd (Verka Federation), Pune Zillha Sahakari Dudh Utpadak Sangh Limited (Katraj), Bihar State Milk Co-Operative Federation Ltd, etc.

**Patent:** Company holds a patent for the invention of Automated Milk Analysis and Collection Apparatus called Robotic Milk Collection Unit (RMCU), which analyzes the dairy farmer's milk not only for Fat & SNF but also tests the milk for adulteration

**Operational Efficiency:** Unit economics for bulb bars improving with increased production. Cost optimization through increased efficiency and production scale-up. Operating leverage expected to drive margin improvement in the future.

**Capacity Expansion:** Current capacity can produce 2,000-2,500 tons annually. With capacity expansion, aiming to achieve a production capacity of around 4,000 tons.

**Composite Doors and Hatches:** Planning to finalize a joint venture with a foreign partner soon. Stake in the joint venture expected to be 51% or more. Expecting to start trials next month for composite doors and hatches.

**Revenue and Margins:** Anticipated revenue from new products to be ₹50-100 crores. Margins for new products expected to be in the same range as current products. Targeting a growth rate of 40% CAGR for existing products.

**Ammunition Business:** Considering venturing into the ammunition business due to demand and uptake from the Navy. Complex nature of the business with licensing and approvals being major challenges.

**Strategic Partnerships:** Collaboration with DRDO for product development. Entry barriers for new players due to existing partnerships and technology transfer challenges.

**Kriti Industries (India) Ltd****CMP: INR 261 | Mcap: INR 12.94Bn**

Kriti Industries Ltd manufactures premium quality piping products and solutions, accessories, gas pipe, telecom ducts, submersible pipes and casing pipes.

Business Overview: KIL manufactures products across 33 extrusion lines for PVC pipes, 14 extrusion lines for HDPE and drip irrigation, and 27 injection moulding machines, to facilitate the smooth transmission of liquids (water primarily) from 1 point to another.

Product Portfolio It manufactures premium quality piping products and solutions, accessories, gas pipes, telecom ducts, submersible pipes, and casing pipes which are used in applications of potable water supply, irrigation, building construction, and infrastructure.

Brand Distribution Network: Company's products are sold under the Kasta brand through a distribution network of over 400+ dealers spread across 16 states in India.

Procurement: KIL majorly procures its PVC requirement domestically from Reliance Industries Ltd while 28% of its raw material requirement is met through imports

Amalgamation: On 3rd May 2024, company considered the amalgamation of Kriti Auto & Engineering Plastics Private Limited (Wholly Owned Subsidiary) with itself.

Product Development: Focus on enhancing quality and capacity in column pipe production, which offers better margins compared to standard agricultural pipes.

Continuous improvement in product quality and market presence in agriculture and building materials.

Market Expansion: Plans to enter northern and southern states, strengthening distribution networks in existing strongholds (MP, Rajasthan, Maharashtra).

Emphasis on dealership expansion to support growth in new territories.

Agriculture Segment Insights: Agriculture products are performing well with a disciplined dealership structure, mitigating cash flow issues seen in industrial segments.

No engagement in government-dependent businesses, focusing on direct sales.

Building Products Segment: Peak utilization in building products expected to generate a business volume of over ₹200 crores. Anticipated continuous growth in building materials volume due to dealership expansion.

Margin Guidance: Current EBITDA margins expected to improve as building materials volume increases. Management is optimistic about achieving higher margins, targeting a growth from current 9% margins.

Industrial Segment Outlook: Industrial segment volumes expected to be cautious due to cash flow cycles of EPC contractors. Management intends to monitor the environment closely before committing to growth in this segment.

**Krsnaa Diagnostics Ltd****CMP: INR 825 | Market Cap: INR 26.63 bn**

Krsnaa Diagnostics Ltd. operated in Tier 2 & Tier 3 cities providing diagnostic services from their centres across the country. The diagnostic chain earlier operated entirely from within the Government hospitals providing Radiology tests (CT Scan & MRI tests) to patients at a discounted price 45-60% lower rates than existing market rates and Pathology tests at 40-80% rates lower than B2C Peers. The diagnostic chain has total 3,052 centres and laboratories across India, with 168 CT/MRI centres, 120 Pathology processing Laboratories and 500+ Doctors (Radiologists and Pathologists) operating across 125+ districts in 17 states & Union Territories. The diagnostic chain is the first of its kind to get approval from NABH for Tele-reporting of radiology labs in India.

**Major expansion of diagnostics network underway across different states** Krsnaa Diagnostics has major tenders under implementation in Maharashtra, Assam and Odisha, which are expected to complete by the end of this fiscal year, and will enhance their EBITDA margins & Profitability in the long run between 26-28% sustainably when the centres under these tenders start generating revenue, and incremental front loading of expenses halts allowing bottom lines to increase. For the Maharashtra State Government contract for 39 CT Scan machines, the Company has implemented 21 and 18 will be operationalized in future. In the 17 CT & MRI Scan centres in 17 districts, the Company is planning to add 5 by the end of the year.

**Rajasthan tender of 55 Districts of 150 labs and 1,295 collection centres** The tender of Rajasthan which got delayed due to the elections in Nov 2023, and leading to the formation of Government in the state has remained the bone of contention for the company's business. The management says that the 50 districts of Rajasthan (increased from earlier 33 districts) which once commenced, will yield a peak revenue of INR 3 bn (earlier INR 1.5 bn) annually and they will be able to lay out the Infrastructure within 9-12 month of time once case is resolved.

**Front loading of Expenses to halt in FY25 and Margins to improve** With several expansion Projects in Maharashtra, Assam, Odisha ramping up and BMC contract also at completion, we believe the front load expenses for the overall company will decrease from the H2FY25 onwards, and the EBITDA Margins of the company will improve from current levels of 25% in H1FY24 and improve from here onwards.

**Outlook:** Krsnaa Diagnostics Ltd. is undergoing capacity expansion across several states including Maharashtra, Assam, Odisha and Punjab. The current contracts under implementation are expected to be completed during the course of this fiscal year, and as the front loading of expenses reduces from Q2FY25, the EBITDA margins for FY25 are expected to be +26% in FY25E and 27% in FY26E.



**Laxmi Organic Industries Ltd****CMP: INR 286 | Market Cap: INR 79.1 bn**

Laxmi Organic Industries Limited (LOIL) is the flagship company of Goenka Group established in 1989 engaged in the business of acetyl intermediates and specialty chemicals. The Company primarily manufactures Ethyl Acetate, Acetic Acid and Diketene Derivative Products. Over the Years, Laxmi Organics has made several acquisitions to consolidate their market leadership in specific Product categories. They acquired Ketene & Diketene business of Clariant in 2010, acquired Yellowstone Chemicals in 2021 which made them the largest producer of Ethyl Acetate in India and in 2019 they acquired the Fluorination business of Miteni of Italy whose facility equipments have been moved to Lote facility where the first revenues from Fluorine products will commence from H2FY25.

**Project Updates:** Dahej project has received necessary approvals, including inorganic EC and organic CTE. Civil foundation work has commenced. Lote project has progressed with multiple key milestones achieved, including pilot plant commissioning and product sampling with positive customer feedback.

**Product Development:** The company is focusing on expanding its product portfolio with new launches expected, although specific product details remain confidential. 20% of revenues in the specialties segment are derived from products launched in the last five years.

**Margin Guidance:** Current margins in the Essentials segment are at the bottom of the cycle, suggesting potential upside. Specialty segment margins have remained stable, with no significant raw material cost pressures noted.

**Strategic Insights:** The management emphasized a focus on operational excellence and cost leadership. The company aims to maintain a conservative view on new product margins while exploring opportunities in bio-based products. Laxmi Organic is committed to enhancing its competitive positioning through strategic investments and operational efficiencies.

**Outlook:** Laxmi Organic Industries Limited is strategically positioned for growth through significant capex, operational efficiencies, and a focus on product diversification, despite facing challenges in certain segments. The management's outlook remains positive, backed by a robust strategy and ongoing project developments.

**LT Foods Ltd****CMP: INR 424 | Mcap: INR 147.41 bn**

LT foods is primarily engaged in the business of milling, processing and marketing of branded and non-branded basmati rice and manufacturing of rice food products in the domestic and overseas market. The Company's rice product portfolio comprises brown rice, white rice, steamed rice, parboiled rice, organic rice, quick cooking rice, value added rice and flavored rice in the ready to cook segment.

**Input Costs:** They faced Increased freight charges and commodity prices.

**Guidance:** Aiming for 14-15% EBITDA margin in the next four years. There should be further debt reduction in FY25. The RTE/RTC businesses are expected to breakeven in FY27 on a projected revenue base of Rs.400 crore

**Positive demand outlook:** Continued strong demand for its products, especially in the international markets. The Middle East will be a key market for future growth and value addition.

**Insurance Payment:** They are expected to receive approximately INR 160 crore plus interest within four weeks.

**Regional Specialty Rice:** This business offers significant growth potential, with LT Foods selling 20,000-25,000 tonnes.

**India Market Share:** Currently at 30%, the company believes it holds the second position in the consolidated India market.

**International Business:** Grew roughly 17% YoY, driven by robust performance in North America and expansion into new markets such as Madagascar.

**Saudi Arabia Expansion:** They appointed a new distributor to penetrate this key market. Marketing and new product launched: "World Biryani Day" was a Company-led marketing campaign to strengthen brand presence and engagement. They Introduced Royal Biryani Kits, 2lb Organic, RTH Lemon Garlic & Herb, and RTH Brown Basmati & Quinoa.

**Outlook:** The company gained market share in India, witnessed steady international business growth, and saw a good performance in the organic food and ingredients segment, accompanied by the successful launch of new products. They digitally transformed and successfully operationalized its new UK facility. We expect to see a positive demand outlook, with a focus on the Middle East for future growth and value addition. There will be margin expansion and debt reduction in FY25, and the RTE/RTC segment will also break even in FY27. However, there are concerns about increased input costs, including freight charges and commodity prices. Overall, LT Foods seems to be on a growth trajectory, with a strong financial performance and a focus on expanding its international presence and product offerings.

**Linc Ltd****CMP INR 722 | Market Cap INR 10.73 bn**

Linc is India's largest & oldest writing instrument manufacturers with an assortment of ball pens, gel pens, roller pens, retractable ball pens, dark pencils and other stationery. Incorporated in 1976, LINC Ltd manufactures and sells Writing instruments and stationeries.

**Production Facilities:** Company has 2 manufacturing units located in Kolkata and Umbergaon with an installed capacity of 25 lakhs units of writing instruments every day. Both facilities are ISO 9001:2015 and SA 8000 certified

**Export Performance:** Export and overseas revenue surged by 26.3% year-on-year, increasing the share of export sales to 18% of total revenue, up from 16.9% in the previous year. Management highlighted the global market potential of approximately \$20 billion, viewing it as a substantial growth opportunity.

**Product Innovations:** Launched Pentonic 75, made from 75% recycled materials, reflecting a commitment to sustainability and circularity in the industry. Introduced new Pentonic Pens priced at ₹30 and ₹40, which have been well received, with plans for nationwide rollout expected to positively impact average selling prices. Developing new variants of Pentonic ball pens and gel pens at a ₹10 price point to capture the fastest-growing market segment.

**Network:** Company has a distribution network comprising ~44 channel partners, ~2862 distributors and a sales team of ~394 professionals who serve ~2.41 lakhs+ retailers. Company has ~2,55,356 Touch Points and sold ~7,318 Lacs no. of pens in FY24. Company has a 6.6% Market Share in Writing Instrument Segment.

**Strategic Partnerships:** Partnership with Deli has expanded product offerings beyond core categories, allowing entry into adjacent stationary categories. While revenue growth from Deli products has been slower than anticipated, the partnership has provided valuable insights for future growth.

**Growth Guidance:** Management reaffirmed expectations of achieving 17%-20% revenue growth over the medium term, driven by new product introductions and market expansion. Confidence in achieving guided revenue growth despite competitive pressures from peers in the sector.

**Operational Efficiencies:** Strong cash flow from operations of ₹2741 lakhs, with an improved cash conversion cycle from 86 days in June 2023 to 83 days in June 2024. Continued focus on strategic debt reduction, with a net debt of -₹2716 lakhs and a Net Debt/Equity ratio of -0.1.

**Lords Chloro Alkali Ltd****CMP INR 148 | Market Cap INR 3.71 Bn**

Incorporated in 1979, Lords Chloro Alkali Ltd manufactures caustic soda and other chemicals. LCA is an ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 certified producer and exporter of a wide range of chemicals in North India.

**Manufacturing Facilities:** Manufacturing facility is on 84 acres in Alwar at Matsya Industrial Area, Rajasthan, company boasts sophisticated manufacturing facilities with an installed capacity of 210 MT per day of Caustic Soda. Additionally, Lords Chloro Alkali Ltd. has undertaken a capacity expansion, currently adding 90 TPD of caustic soda capacity and 30 TPD of CPW capacity.

**Product Supply:** Company supplies its products to industries viz paper, soap, dyes, chemicals, plastic industries, vegetable oil manufacturing plants, etc. based in UP, Haryana, Punjab & Delhi. There is also an in-house consumption of Chlorine which is consumed by various paper mills and other industries from western UP and Rajasthan.

**Production Capacity:** Company's manufacturing facility is at Alwar with an installed capacity of 210 MT per day of Caustic Soda. Company has recently commissioned a new Sodium Hypochlorite plant and a new Chlorinated Paraffin Wax plant.

**Key Highlights:** Ongoing capital expenditure is progressing well, and company remains on track to bring new capacities online in the second half of the financial year. This additional capacity will position it to meet the growing demand and further enhance financial performance in the coming quarters.

Investment in the solar power plant in Bikaner as part of commitment to sustainability and cost efficiency is expected to help to reduce power costs, contributing to overall cost management strategy.

**Future Expansion:** a) Working on increasing Caustic Soda production capacity by about 43%, to 300 TPD

b) Planning to increase Chlorinated Paraffin Wax from 20 tons per day to 50 tons per day. c) Planned captive solar power plant of 12 MW in Rajasthan.

## Macpower CNC Machines Ltd

**CMP: INR 1370 | Mcap: INR 13.71Bn**

Macpower CNC Machines Limited is engaged in the manufacture of Computerized Numerically Controlled (CNC) machines and Lathe Machines. It currently offers a range of 27 different product segments namely Turning Center, Twin Spindle Turning Center, VMC, Twin Spindle VMC, Turn Mill Center etc having 315+ variants and models. It has completed 9945+ installations to date.

### **Nexa Group**

The company has set up a NEXA group to focus on the sales and marketing of high value machines comprising VTL, HMC, DCM and high end VMC machines with automation.

### **Market Presence**

The Co has sales and service in 39 cities serviced through 143 qualified engineers and 9 business associates the company also has 5 Tech Centres.

### **Focus on Defence Sector**

Company has increased its focus significantly in the defence and aerospace sector. It has supplied 200+ Machines to 35 Factories of Defence and 100+ machines for Aviation. It has recently signed a MoU for Rs 100 Cr with the Gujarat Government to set up a new facility for CNC machines in the Defence & Aerospace sector. It has submitted bids worth Rs 393 Cr.

**Manufacturing Capacity & Expansion:** It has a manufacturing unit in an area of ~8 acres at Metoda G.I.D.C., Rajkot, Gujarat with total capacity to manufacture 1500 machines p.a. Company is increasing this capacity to 2000 machines p.a. by Q1FY25.

### **Competitive advantage**

Macpower is the lowest cost producer, generating amongst the highest EBITDA and PAT margin in the industry. It has the widest range of offerings amongst peers.

Clients: Defence - DRDO, Indian Ordnance factory, etc

PSUs - ISRO, Railways, Govt Tool Room

Agricultural sectors -Mitter fasteners, Rinox Engineering, etc

Die Mould Sector- Plasma Alloys, Axis tools, Sigmarq

Capital Goods - Graphite India, Supreme, KoneCranes, Cease Fire.

The management is committed to maintaining a debt-free status while leveraging Mudra loans, which have increased from ₹10 lakh to ₹20 lakh, facilitating quicker and lower-cost financing for customers. The company aims to sustain a growth trajectory of 20-25% in the coming quarters. EBITDA margin has improved to 17%, with potential for an additional 10% increase through backward integration and enhanced productivity.

Production capacity has been expanded to 2,000 machines, up from 1,500 machines last year.

The company is investing in CapEx, with ₹2 crore allocated towards enhancing production capabilities and productivity. A new R&D center has been established in Bangalore, focusing on 5-axis machining centers, EMS, PCB, and semiconductor technologies.

**Madhya Bharat Agro Products Ltd****CMP: INR 216 | Market Cap: INR 18.9bn**

Madhya Bharat Agro Products Ltd, part of Ostwal Group, is engaged in the business of manufacturing fertiliser and chemical products. The Co manufactures different kinds of fertilisers such as SSP, BRP, Water Soluble Fertilizers, Phosphate Rich Organic Manure among others. It is also engaged in production of Sulphur Bentonite and some value-added chemicals like oleum etc. The Co markets its products under the brand name “Annadata”.

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Established market position in the SSP industry with diversification into DAP/NPK: MBAPL is a prominent player in the SSP industry with OPIL (on a consolidated level including MBAPL) being the second-largest manufacturer of SSP with market share of ~9% in fiscal 2024. Its products are sold under the well-known Annadata brand. The group has an established distribution network of the group, comprising 1,400 wholesalers and 15,000 dealers and retailers.

Additionally, it had increased its production capacity for DAP/NPK from 1.2 lakh MTPA to 2.4 lakh MTPA in March 2023, which has witnessed healthy ramp up in production and hence volumes.

Furthermore, the company has entered into a marketing agreement with National Fertilisers Ltd to increase its distribution reach. MBAPL is likely to maintain its healthy market position, backed by the established position of OPIL in the SSP industry and the focus on import substitution for DAP/NPK.

Strong linkages with OPIL and experienced promoters: The promoter group and OPIL hold ~74% stake in MBAPL, which is the main operating company of the group with ~40% contribution to revenue in fiscal 2024.

It benefits from common sourcing of raw materials for the group. Furthermore, OPIL has extended a corporate guarantee and the promoters have extended a personal guarantee to the debt facilities of MBAPL. The group has common directors, with decades of experience in the fertiliser industry.

Strong operating profitability due to backward integration: OPIL has maintained a relatively higher operating margin than peers, driven by strong backward integration for raw materials undertaken by the Ostwal group with captive capacity for sulfuric acid, rock phosphate beneficiation and phosphoric acid.

The group also has long-term supply agreement for procurement of rock phosphate with entities such as Jordan Phosphate Mines Company for import and Rajasthan mining companies for indigenous supply. This ensures continuous availability and lower cost of production. The operating margin is projected at ~15% over the medium term and will be a key monitorable.

**Magellanic Cloud Ltd****CMP INR 125 | Market Cap INR 73.02bn**

Magellanic Cloud Limited was originally incorporated with ROC, Kolkata in 1981 in the name of "South India Projects Limited". It is present in Europe, USA and Asia.

The company provides its IT services in software development, consulting and human resource business solutions i.e. listing employment vacancies and referring or placing applicants for employment.

**Products & Services**

Human Capital - Magellanic Cloud provides Human Resource service to its customers.

Consulting - Under this, it advises on how to modernize the digital experience for employees and their customers.

DevOps - It helps organizations combine IT Operations and Software Development.

And other services like Quality Assurance, Drone Solutions, and a few more.

Company has added new activities in their main object clause such as to develop, provide, undertake, design, import, export, distribute and deal in Systems and application software for microprocessor based information systems, off shore software development projects, internet service provider, and solutions in all areas of application including those in Emerging niche segments like Internet and Intranet website applications solutions software enterprise, resource planning, e-commerce, value added products, Remotely Piloted Aircraft System (RPAS) like Drones and others, Metaverse Technologies such as Virtual reality (VR), augmented reality (AR) and Internet of Things (IoT) technologies.

The Company has acquired 70% shares of Scandron Private Limited, by way of cash consideration of ~INR 2mn. The acquisition is expected to provide better growth and expansion.

M-CLOUD, through its wholly owned subsidiary, Provigil Surveillance Limited, has secured an order to supply, install and commission alert based monitoring and control system for e-surveillance of a prestigious public sector bank. The contract is awarded post competitive bidding and will enable M-CLOUD to provide E-Surveillance services to 1,848 branches of the Bank spread across India for a total period of 5 years.

The Equipment and devices to be installed by M-CLOUD uses AI based technology to monitor, detect, and prevent potential theft. Further, this order-win is a testimony of M-CLOUD's strong presence in the E-surveillance segment and showcases the trust placed by clients in M-CLOUD's team and provision of quality of services.

. M-CLOUD, through its wholly owned subsidiary, Provigil Surveillance Limited, has secured an order to provide end-to-end implementation and management of E-surveillance of ATM sites in 8 geographical circles spread across India. The contract is awarded post competitive bidding and will enable M-CLOUD to provide E-Surveillance services to 3,032 ATM sites of a well-known Public Sector bank. Considering the scale of contract and scope of services, this order will likely yield healthy profits margins and add a new reputable client to existing list of marquee clientele



**Magnum Ventures Ltd****CMP- 48.2 | M.Cap- INR 3020mn**

Magnum currently operates in Paper Industry and Hotel Industry. The Company is manufacturing papers since 30+ Years. Company is one of the largest paper (newsprint, duplex board, etc.) printing co in the Northern region. They are , engaged in trading and manufacturing of Newspaper, printing paper, grey, duplex boards and also owns and operates a Hotel under the name “Country Inn & Suites by Radisson” managed by the Radisson group for the last 15 years .

The paper unit has a capacity of TPD for manufacturing of Newspaper, printing paper, grey, duplex boards. The hotel property located at Sahibabad, in the National Capital Region, comprises 216 rooms in four categories i.e. 64 Standard Rooms, 76 Superior Rooms, 70 Club Rooms, 6 Executive Suites, 9 banquet halls, 52 seater room theatre and 60,000+ sq.ft. of meeting space.

Product Profile: a) Company manufactures Paper Board and Newsprints and is one of the largest writing and printing paper and duplex paper printing concern in the Northern region. Existing manufacturing activities cover printing and writing papers, duplex boards, Xerox paper, Wrapping and packing paper.

b) Company also operates a Five Star Hotel by the name of Country Inn & Suite by Radisson at Sahibabad, UP. It comprises 216 rooms in four categories i.e. 64 Standard Rooms, 76 Superior Rooms, 70 Club Rooms, 6 Executive Suites, 9 banquet halls, 52 seater room theatre and 60,000+ sq.ft. of meeting space. It was the first 'all Vegetarian Hotel' to have been formally certified as a five star hotel by (HRACC) Ministry of Tourism.

Manufacturing Capacity: Company has a manufacturing unit in Ghaziabad with an capacity of 85K MTPA. The Paper Units are spread across 5,00,000 Sq.ft.

Magnum Ventures embarked on debt re-arrangement during the year 2023-24 by repaying all the dues of Alchemist Asset Reconstruction Company Limited from the NCD Issue proceeds. In doing so, a platform for sustainable growth was focused on being created by the Company, the benefits of which will become visible from FY 26 onwards.

The need for arrangement was necessitated by the need to repay H136.48 Cr to Alchemist Asset Reconstruction Company Limited during the FY 2023-24. The Company was faced with two divergent realities: increasing profitability on the one hand and a large repayment liability on the other.

Going ahead, the Company may consider the option to demerge its hotel business that could empower the demerged identity to be valued independently and mobilise resources on the strength of its prospects

**Maharashtra Seamless Ltd****CMP: INR 670 | Market Cap: INR 89.79Bn**

Maharashtra Seamless Ltd manufactures seamless pipes & tubes, ERW pipes. It is also in the business of renewable power generation and rig operations.

Product Categories: a) Electrical Resistance Welding Pipes: Company manufactures MS Black ERW pipes and Galvanized ERW pipes in various sizes, grades and specifications. ERW pipes have various applications like fencing, line pipe, scaffolding etc.

b) Seamless Pipe: It is a pipe without a seam or a weld-joint in contrast to Seam or Welded pipe. MSL is also the only manufacturer in India to offer the maximum size range upto 20" catering to customers across all sectors. It exports to US, Canada, Latin America, Europe, Africa & Asia

c) Coated Pipes: Pipeline coating protects ERW /Seamless pipes from corrosion, from moisture, other harmful chemicals. Types of coatings available are 3 LPE (External 3 Layer Polyethylene)-link, 3LPP (External 3 Layer Polypropylene)-link, FBE (External Fusion Bonded Epoxy (Single / Dual Layer))-link, Internal Epoxy Coating-link.

Production Facility:a) Seamless Pipes: Maharashtra ~4.50 Lac MT/Annum, Telangana ~2 Lac MT/Annum

b) ERW Pipes: 1.25 MT/Annum; c) Renewable Energy: Solar ~52.50 MW AC at Maharashtra & Rajasthan, Wind ~7 MW at Maharashtra; d) Rig: New generation offshore jack up rig operating at 98% efficiency on 3 year contract with ONGC at ODR of USD 38,790 from May 2022

Market Share:a) ~55% in seamless pipes segment with manufacturing facilities at Nagothane & Manganon in Maharashtra and Narketpally in Telangana; b) ~18% in API certified, high frequency ERW pipes with manufacturing facility at Nagothane in Maharashtra.

User Industries: Agriculture, Automotive, Bearing, Chemical, Drinking Water, Engineering, Fertilizers, Irrigation, Mechanical, Oil and Gas, Petrochemical, Power

Production, Sales and Profit Volume - FY24:a) Seamless: Production ~394 kMT, Sales ~399 kMT, EBITDA/tonne ~Rs. 25793; b) ERW: Production ~100 kMT, Sales ~103 kMT, EBITDA/tonne ~Rs. 7315

Capex: Company is doing capex of ~Rs. 852 Cr (through internal accruals), distributed in Narketpally (USTPL) ~Rs. 264 Cr, Manganon (MSL) ~Rs. 195 Cr, Nagothane (MSL) ~Rs. 393 Cr. There will be additional working capital requirement of Rs. 300 Cr in USTPL and Rs. 250 crores in MSL which would be funded from internal accruals

Prepayment of Loans: Company has prepaid its long term loans taken for Telangana plant and rig acquisitions in October 2022 and June 2023 and is now a Zero debt company. Also, there are no ICDs or corporate guarantees outstanding as on 31st March 2024.

Order Book: Company has a total order book of ~Rs. 1754 Crore which includes:a) Order of Rs. 1053 Crore from ONGC (~Rs. 674 Cr to be executed in 44 weeks) and OIL (~Rs. 379 Cr), which includes drill pipes orders of Rs. 129 Cr and ERW of ~Rs. 5 Crore. b) Orders from other companies of Rs. 701 Cr which includes cylinder pipes orders of Rs. 84 Cr and ERW of Rs. 140 Cr

**Manappuram Finance Ltd****CMP: INR 212 | Market Cap: INR 179.23bn**

Manappuram Finance is a Non-Banking Finance Company (NBFC), which provides a wide range of fund based and fee based services including gold loans, money exchange facilities, etc. The Company is a Systemically Important Non-Deposit taking NBFC(NBFC-ND).

**New growth drivers:** Manappuram has diversified their product streams from a pure gold lending company to a more diversified financial company. Their current product segments include gold lending, microfinance, home loan finance and CV finance.

**Non-Gold Segments:** Non-gold businesses now account for 47% of the total portfolio. Focus on secured lending in non-gold verticals to mitigate collection challenges. Vehicle finance and home loans show strong growth potential, with vehicle finance being the highest growth segment.

**Operational Insights:** Online gold loan book represents 70% of total AUM. Gross NPA for stand-alone book contained below 2%, with consolidated ROA at 4.5% for the quarter.

**Future Guidance:** Management expects 15% growth in gold loans and overall consolidated AUM for FY25. Anticipation of stable margins and potential decrease in borrowing costs with expected rate cuts. Continued focus on improving collection efficiencies and addressing regional challenges.

**Customer Growth and Demand:** Increase in customer acquisition for gold loans attributed to rising demand from target audiences. Management anticipates a return to customer growth rates of 12%-15% for FY25, driven by improved demand for working capital. Average ticket size for gold loans remains around INR 70,000 to INR 75,000.

**Collection challenges** noted in certain regions due to climatic conditions (e.g., floods, heat waves) impacting business operations. Industry-wide trends in collection difficulties observed, particularly in microfinance.

**Market Outlook:** India poised for sustained real GDP growth of 7%, driven by political stability and economic initiatives in the union budget.

Initiatives such as affordable housing schemes and skill enhancement measures expected to boost employment and aggregate demand.

Anticipation of moderated domestic gold prices due to reduced import duty from 15% to 6%, potentially increasing retail sales.

**Manorama Industries Ltd****CMP: INR 811 | Market Cap: INR 48.35bn**

Chhattisgarh-based MIL manufactures, processes and supplies exotic and speciality fats and butters such as seed refined oil, stearin olein and cocoa butter equivalent.

The product portfolio of the company includes Mango butter, Mango olein, Mango stearin, Sal butter, Sal olein, Sal stearin, Shea butter, Shea olein, Shea stearin, Cocoa Butter Equivalents, Cocoa Butter Improvers, Chocolates/Hazelnut Spread Fats, Cocoa Butter Optimisers, etc.

Company sources its raw materials from India and West Africa, specifically shea nuts from countries like Ghana, Burkina Faso, Togo, Benin, and Nigeria. The company has carved a niche in the global market, offering customized solutions to major clients in the confectionery, chocolate, and cosmetic industries, including Fortune 500 companies.

Manorama operates a fully integrated manufacturing facility in Birkoni, near Raipur, covering all key processes from extraction to market. The company's fractionation capacity has expanded from 15,000 metric tons in FY21 to 40,000 metric tons, with the latest expansion of 25,000 metric tons commissioned in July 2024. Manorama has a strong procurement network with millions of tribals and forest dwellers across thousands of collection centers, ensuring a steady supply of raw materials.

Current capacity utilization for existing plants is around 100%. New capacity utilization expected to be 60%-70% in FY25, with an anticipated increase to 80%-85% in FY26. Approximately 50%-60% of current production consists of value-added products, with plans to increase the share of CBE to 30% in FY25 and potentially 50% in FY26. The management emphasizes the importance of value-added products, which include CBE and stearin.

Recent product launches include Milco Cream, Milco Spread, Milcoa R, and Milcoa E, targeting the bakery and HoReCa markets. Management has upgraded revenue guidance for FY25 to over ₹750 crores, driven by expanded capacity and economies of scale. The company aims to maintain EBITDA margins between 20%-22% in the coming fiscal year, with potential for further improvements as new capacities are utilized. Long-term vision includes becoming a preferred global supplier for chocolate and confectionery producers, with ongoing investments in R&D and sustainable practices.

The management acknowledges the seasonality of raw materials but does not foresee major risks in availability due to its strong procurement network. Cocoa prices and their impact on pricing strategies are noted, but the management believes CBE has its own demand dynamics that will sustain its market position.

The global CBE and specialty fat market is projected to exceed USD 2,030 million by 2032, growing at a CAGR of 6.1%. Manorama has expanded its customer base to over 80 global clients, including major chocolate and cosmetic brands. The company is exploring new applications and markets, with a focus on expanding its product range.

New product offerings include hard fats for culinary application and marinades, general purpose hard stock for spreads and applications, cocoa butter replacer, cocoa butter improvers and stable filling fats for bakery segment. The Company derives major revenue from the chocolate and confectionery industry. Its key customers include leading brands like L'oreal, Ferrero, Mondelez, Body Shop and Unigra.

Expansion Roadmap: Solvent Extraction Plant - Putting up a 300 TPD Solvent Extraction Plant. Currently the Company is doing Solvent extraction under job work process through a third-party vendor.

**Markolines Pavement Technologies Ltd**  
**CMP: INR 238 | Market Cap: INR 4550mn**

Incorporated in November 2002, MPTL is mainly engaged in the operations and maintenance of highways. It majorly caters to national highway projects through closely-held tenders and direct orders from private companies across India. The company ventured into the tunnel construction segment in FY23.

MPTL is in the business of Road Marking offering complete range of Highway Maintenance Services. Company has managed, 20000+ lane km of National Highway in India.

Services Offered: a) Highway Maintenance: Preventive Maintenance, Major Maintenance & Repairs. b) Specialized Maintenance Services: Micro Surfacing, Cold In Place Recycling  
c) Specialized Construction Services: Soil Stabilization, Tunnelling.

Clientele: Cube Highways, MMRDA, Larson & Toubro, Safeway Concessions, Ashoka, Actis, Highway Concessions, Tata Realty, Gammon, EIL, etc.

Markolines has played an integral role in empowering highway maintenance, which strengthens India's infrastructure network. Major maintenance and repairs of highways, including rehabilitation, renewal, or resurfacing of assets, are undertaken by the company. The complex nature of these projects involves temporary road closures and diversions during the works. Accurate planning of resources, adequate safety arrangements, advanced machinery, proper coordination, faster turnaround times, and seamless traffic management are required for such maintenance projects. New technologies in highway maintenance and specialized construction have always been brought forward by Markolines.

One such activity is rigid pavements (concrete roads). These concrete roads, built over the last few years, are now due for maintenance. Significant business opportunities are foreseen as more roads are being constructed and becoming due for maintenance. The first order has been successfully closed, and more such orders are expected in the future. In line with this, work is being carried out on a few more proposals for the latest technologies in this area.

The huge potential of tunnel boring in India, due to its expanse and varied terrain for ease of traffic movement, has been recognized by the company. With the limited number of players in the industry, this opportunity is being eagerly explored. Additionally, base stabilization technology is being promoted for various highway projects in Maharashtra to improve the quality of roads in the state.

This involves strengthening the foundation, improving load-bearing capacity, and increasing resistance to stress and strain that can cause road deformations and material loss. A similar program has already been adopted by the UP government, with many other states following suit. Given the vast road network in the country, this opportunity is seen to have enormous potential in the coming years, and efforts are being made to seize it.

**Maruti Interior Products Ltd****CMP INR 76 | Market Cap INR 1.15 Bn**

Incorporated in 1997, Maruti Interior Products Ltd manufactures Modular Kitchen & Wardrobe Storage Accessories. Company manufactures, sells and exports modular kitchen storage system, aluminum long wardrobe handle & profile handle. Company's brand Everyday Kitchen is focused towards economic range and other brand Spitze by Everyday offers premium products. Company also manufactures products for other companies on OEM basis.

**Industry Overview:** The Indian kitchen basket manufacturing industry is poised for growth, driven by the expanding modular kitchen market and evolving consumer preferences. While competition is intense, opportunities abound for manufacturers who can innovate, maintain high quality, and leverage emerging trends such as sustainability and digital sales channels

**Product Portfolio:** Company has a portfolio of 400+ products in 2 brands viz., a) Everyday Kitchen Storage Accessories: Solid Base, Wire Base, Inserts, Make To Order Products b) Spitze by Everyday: Vertical Storage, Corner Storage, Drawer Pull Outs, Inserts, Slim Tandem Drawers, Wardrobe Accessories, Slides and Hinges, Wardrobe Long Handles, Wooden Handles, Cabinet Profile Handle, Gola Profiles, Roller Shutters, Cabinet Lift Up, Legs, Food Waste Disposer.

**Production Facility:** Company's Production Facility is located near Rajkot. It is spread over area of 7000 yards and includes 4000 yards of Manufacturing Unit, 3000 yards of packed stock and 2500 Square feet of Showroom.

**Distribution Channels:** Company has 300+ dealers and 25+ distributors across India and also a distributor in Uganda and also has an online presence selling D2C via online e-commerce platforms like Amazon and Flipkart. In the coming 5 years, they are planning to add 1000+ active dealers and 15+ distributors pan India

**Clientele:** Godrej, Hafele India, Kaff Appliances, Walmart, Homelane, Livespace, Spacewood

**Marvel Decor Ltd****CMP Rs 102 | Market Cap INR 1740mn**

Marvel Decor is presently in the business of window covering fashion blinds, component and supplying it to the company making window covering fashion blinds.

Products: The company has a range of 16 types of Blinds, 10 Operating Systems and 2000+ shades of fabrics for interiors of home and office.

Brands: The company operates under 2 brands. Domestic: Marvel; International: Callistus.

Facilities: The company is headquartered in India and has 3 operating Facilities - 2 in Jamnagar, Gujarat and 1 in Dubai, UAE.

Subsidiaries: As of FY23, the company has 2 100% wholly owned subsidiaries, namely:

1. Callistus Blinds Middle East FZE, Sharjah, UAE
2. Callistus UK Ltd, UK: serving international markets like US, UK, Australia, Canada, New Zealand etc. company has launched "Callistus" thrivingly with 100+ Channel Partners internationally.

Network: The company is present pan-India in 200+ cities across 26 states, 350+ Channel partners and 200+ Galleries / Displays.

Geographical Presence: The company has established presence in 16+ Countries with 400+ Channel Partners and 100+ Galleries / Displays across the world.

Focus: The company aims to become one of the top five leading multinational organisations in the Window Covering Industry.

Marvel Decor has shown remarkable growth and is being recognized as a key driver of overall performance. Significant traction has been observed in new markets, indicating strong potential and acceptance of products on a global scale. Commitment to capitalizing on this momentum is evident through numerous pathways such as a robust project partners network and penetration into high solution-based selling, all of which align with company's visionary goal.

High growth opportunities in the international market are presented as a promising avenue for expansion, and strategic positioning is underway to seize these opportunities. Marvel is known for its Retail Channel Partner base. The Projects Business has been focused on since last year. After the successful completion of the New Parliament House, some more prestigious Projects have been awarded to the company.

Marvel Decor's blinds are created from meticulous research and customer-centric solutions, supported by strong brand values. A vast selection of 16 types of blinds, 10 operating systems, and over 2000 shades of fabrics are offered, all designed to create the perfect ambiance for homes and offices alike.

A global presence is aimed to be established by the company, and the journey has already begun with the first unit in the UAE, strategically positioned to serve the GCC market and beyond. With Dubai being utilized as a trade hub, its superior logistics and global connectivity are leveraged to reach every corner of the world.



**MAS Financial Services Ltd****CMP INR 296 | Market Cap INR 53.62 bn**

MAS Financial Services Limited is a non-deposit taking NBFC registered with the RBI. It is engaged in offering retail financing products for MSMEs, home loans, two-wheeler loans, used car loans and commercial vehicle loans.

**Operational Metrics:** Turnaround time: 1 day for smaller loans (2-wheeler, personal loans), 3-5 days for SME and annual loans, 5-7 days for housing loans Quarterly portfolio runoff between INR 30,000-35,000 Mn.

**Regulatory & Market Factors:** Q1 performance impacted by elections and heatwave. Slight increase in delinquencies (0.6%) due to collection access issues The company views recent MSME-focused budget announcements cautiously.

**Geographic Expansion:** Established strong presence in Central and Western India, now focusing on expanding in South and North India. Targeting Tamil Nadu, Karnataka, Uttar Pradesh, and Telangana. Seeing opportunities to replace informal lenders in southern states

**Credit Rating Impact:** Recent credit rating upgrade expected to benefit borrowing costs. Aiming to reduce cost of borrowing by at least 20 bps. Full impact of rating upgrade to be seen over next few quarters.

**Distribution Channels:** Direct retail channel includes company's own branches and employees. Indirect retail channel involves partnering with NBFCs on a loan-to-loan basis. Retail asset channel includes FinTech partners for certain products. Current split: 34% through indirect channels, 66% through direct channels.

**Customer Segment Focus:** Primarily serving small businesses and enterprises. Catering to about 300 different types of businesses across India. MSME customers typically registered entities. In salaried personal loan segment, focus on customers with credit scores above 700

**Outlook:** The company has reaffirmed its guidance of 20-25% annual AUM growth and aims to double its AUM every 3-4 years. It expects its housing finance subsidiary to grow at around 35% CAGR and targets maintaining a ROA between 2.75% to 3.25%. The company plans to increase direct distribution to 70-75% of the total in the next 3-4 years and aims for the commercial vehicle segment to reach 25% of its total portfolio. It is targeting 25% of AUM through direct assignment and securitization. The focus is on expanding the distribution network, particularly in South and North India, with investments in Tamil Nadu, Karnataka, Uttar Pradesh, and Telangana. Continued investment in technology is aimed at improving operational efficiency. The company emphasizes building direct retail channels and reducing dependence on indirect channels. It is also investing in human resources for expansion into new geographies and in strengthening risk assessment and underwriting capabilities.

**Matrimony.com Ltd****CMP INR 775 | Market Cap INR 17.25bn**

Matrimony.com Ltd is engaged in offers online matchmaking services on internet and mobile platforms. The Company delivers matchmaking services to users in India and the Indian diaspora through websites, mobile sites and mobile apps complemented by a wide on-the-ground network in India.

Company's main websites are BharatMatrimony, Community Matrimony, Assisted Matrimony and EliteMatrimony.

The Company has forward-integrated to provide customers one-stop-shop asset-light vendor platform for marriage services across the value chain. Its WeddingBazaar online marketplace provides wedding-related services. On the other hand, Mandap.com is a wedding venue booking platform, which provides facilities to book mandaps, banquet halls, and convention halls across the country.

Comprises a network of 17 different regional portals based on varied regions such as TamilMatrimony, KeralaMatrimony, TeluguMatrimony, BengaliMatrimony, HindiMatrimony, etc.

Growth Outlook: Anticipated marginal dip in Q2 revenue due to seasonality and lower billing in Q1.

Expected billing growth from Q3 onwards.

Management is optimistic about returning to growth, contingent on profile acquisition and conversion rates.

New Initiatives: Exploring new business segments beyond Matrimony, leveraging two decades of consumer internet experience.

Launching MeraLuv.com, a dating app targeting Indian Americans, and Luv.com for serious relationships.

Strengthening personalized services through initiatives like elite matrimony visibility at airport experience centers.

Developing MatchAstro, an astrology service integrated into core offerings, focusing on marriage, love, and relationships.

Margin Guidance: Margins expected to improve with revenue growth due to operating leverage. Current gross margins at 62%, with potential to exceed 65% as operational efficiencies improve.

Challenges: Year-on-year revenue decline for the first time in years, attributed to a significant reduction in auspicious wedding dates impacting profile acquisition.

Competitive intensity in the online matchmaking sector has softened, particularly in TV advertising, but overall marketing remains elevated.

**MCON Rasayan India Ltd****CMP: INR 194 | Market Cap: INR 1220mn**

MCON RASAYAN INDIA LTD. is a decade-old company in the field of civil engineering and construction chemicals. Today, MCON Rasayan is the leading manufacturer and supplier of high-quality construction chemicals and building finishing products to the Indian industry and overseas markets. MCON Rasayan has maintained the highest level of quality and consistency by following systems; it is certified as an ISO 9001:2015, ISO 14001:2015, and ISO 45001:2018 company.

Business Area: Company has a suite of 80+ products including a range of construction materials and construction chemicals in powder and liquid forms including Ready mix plaster, Tile adhesives, Block adhesives, Wall putty, Micro concrete & polymer mortar, Engineering non-shrink grouts, and Floor hardeners. The products of MCON Rasayan India Limited are marketed under the brand label "MCON".

Manufacturing Facilities: The company has two manufacturing plants in Valsad and Navsari, Gujarat. The plant at Valsad manufactures admixtures, wall putty, tile adhesives, paints, concrete repair systems, and waterproofing systems and has an installed capacity of 2,500 MTPA. Plant in Navsari manufactures ready-mix mortars, block adhesives, and tile adhesives and has an installed capacity of 12,500 MTPA.

-Competitors include Pidilite, Sika, MYK LATICRETE, Fosroc, Asian Paints, Ultratech, and Nerolac, with the company's competitive edge lying in expertise in construction chemicals, strong distribution network, loyal distributors, in-house manufacturing facility, and R&D center.

-Distributors categorized into different clubs based on their level of exclusivity and engagement with MCON products, with distributors playing a vital role in ensuring a steady flow of orders and payments.

-Targeting to double revenue in the current year, with profitability expected to grow gradually, and the order book consisting of tenders post-monsoon, especially from government infra projects.

-Facing tough competition from established players like Pidilite, but optimistic about growth opportunities in untapped market segments, balancing product mix and pricing strategy to maintain profitability amidst increasing competition.

-Prominent presence in Rajasthan, Gujarat, Madhya Pradesh, and Maharashtra, expanding operations in South zone (Mangalore, Bangalore) and North zone (Delhi NCR, Agra), started operations in new markets to tap into the growth potential.

-Current market size is \$2.3 billion, expected to reach \$4.3 billion in the next five years, with the company operating in multiple segments within the construction chemical industry and having a potential market share currently less than 0.001% of the total market potential.

-Observes a shift towards the use of adhesive in tile fixing, with significant untapped market potential, expecting the market to grow as awareness and adoption of specialized construction chemicals increase.

**Megatherm Induction Ltd****CMP- 368 INR | M.Cap- INR 6.93 Bn**

Incorporated in 2010, Megatherm Induction Limited manufactures induction heating and melting products using electrical induction such as induction melting furnaces and induction heating equipment.

**Business Profile-** The company manufactures upstream and downstream equipment and machinery for steelworks, such as transformers, ladle refining furnaces, continuous casting machines, fume extraction systems, etc., as well as electric arc furnaces for the alloy and special steel industry.

**Turnkey solutions-** The company also offers turnkey solutions for steel plants, which include the planning, engineering, delivery, assembly, and commissioning of steel plants with its own or outsourced systems and machines, as well as customer service with maintenance contracts and spare parts business.

**User Industries-** Megatherm's key market segments are Secondary steel producers that recycle scrap, primary steel producers that convert iron ore into sponge iron and then convert it into steel through induction melting, automotive suppliers, Ordnance factories and railroads, DI pipe manufacturers, and various engineering industries that produce critical parts in their casting, forging, and metal processing facilities.

**Clientele-** BHEL, Indian Railways, Tata Motors, Mahindra, CESC, Hindalco, Sundaram Fasteners, MM Forging, Talbros Axles, Shyam Metalics, Sarda Energy, Rashmi Metaliks, Prakash Industries and others.

**Manufacturing Facilities:** Co's Induction's manufacturing unit is located in Kharagpur and has a production capacity of around 300 furnaces and transformers.

**International Presence:** The company exports products to South America, Africa, the Gulf region, Europe, SAARC, and Southeast Asia.

**Outlook:** Company continue to invest in operational excellence Use a variety of other manufacturing strategies, sourcing strategies and cost reduction strategies Target EBITDA Margin Medium Term (FY27) - around 15% Long term (FY30) - around 20%. Company to wider range of product specifications and services adhering to global standards. Expand transformer manufacturing capacity to cater to industrial transformers apart from induction transformers.

**Meghmani Organics Ltd****CMP- INR 106 M.Cap- INR 26.93 BN**

The company was incorporated in 1995 as Meghmani Organics Limited. The company manufactures Pigments and Agrochemicals through its 6 manufacturing facilities located in Gujarat. The company is amongst the top 3 Phthalocyanine based pigment players in the world and amongst the top 10 producers of pesticides in India

**Key Highlights**

After a prolonged period of sluggish global demand, Company is seeing demand recovery from Q1. Pigment and crop protection reported healthy growth.

Profitability for the quarter was impacted by lower product price realization across the markets. They are optimistic that in the coming quarters price improvement will be seen along with the momentum in the demand recovery which will enhance the profitability.

In crop nutrition, 8 new products launched and have become one stop solution for farmers to enhance their productivity.

Company has received approval from few and new customers in different categories like ceramic, plastic, rubber and paint. They are also expecting interim anti dumping duty on titanium dioxide from China probably in Q3FY25.

Company has guided for little bit increase in capacity utilisation but nothing dramatic since the focus is more on realisations thereby guarding profitability. Company believes they have all enablers to resume their double digit growth trajectory. Crop protection and agrochemical in last 1 yr was under demand pressure from various markets. After covid, there was a lot of demand from various markets which led to huge inventories. As the interest rates rose, people started to lower down the inventory. Company is now seeing, recovery and pick up of demand.

Company is positive good demand from brazil going forward considering good monsoon and low inventory levels. Price have been running at flattish level. From the industry perspective, once demand picks up, increase in price will follow to make it sustainable. Good chance that price to increase going forward. China prices are already at rock bottom level and are not expected to further go down. Logistic cost expected to normalize by 3rd qtr.

Company will be giving weightage on new products since they are high value with better profitability and have started getting approvals in different markets. INR 4bn investment done in crop protection segment with ability to generate iNR 8bn. INR 1.5bn spent in crop nutrition and with full utilization co. can generate INR 10bn topline. This will take time since its a new concept. INR 6bn invested in titanium dioxide with ability to generate INR 2.75-3bn.

Company will be repaying debt this year and in next year to bring it substantially down. After continuous loss in 4-5 qtrs, Co. is expecting profitability Q2 onwards. In H2FY25, titanium dioxideto run at ~70% capacity. Nano urea since its a new concept with huge capacity , it is expected to run at ~40% cap utilisation.

**Menon Bearings Ltd****CMP: INR 137 | Market Cap: INR 7.69 bn**

Incorporated in 1991, Menon Bearings Ltd manufactures & exports Auto Components. MBL, part of the Kolhapur-based Menon Group, manufactures critical moving engine components like bearings, bushes, and thrust washers. These are used in high-temperature, high-RPM, high-pressure environments within long-haul, heavy-duty diesel engines, and multi-axle vehicles. Additionally, MBL produces aluminum die-casting components serving applications in engines, brakes, transmission, axles, steering, suspension, marine, power generation, and electrical systems.

**Distribution Network:** Company products are present across 10,000+ retail shops and a network of 1000 Dealers & Distributors. Aftersales network serves a national community of 30,000+ mechanics & reborers.

**Product Profile:** a) Bearings (30 to 175 mm dia): Bearings for Connecting Rods, Bearings for Crankshafts, Tri-metal Bearings, Flanged Bearings.

b) Bushes (15 to 130 mm dia): Truncated Bushes for Connecting Rods, Ball Indented Bushes, Bushes for Connecting Rods, Cam Shafts, Rock Shafts, Rocker Arms.

c) Thrust Washers (40 to 225 mm dia): Washers with Thrust Face Contours, Ring Type Thrust Washers.

d) Alkop (Aluminium Die Casting): High Pressure Aluminum Die Cast & Machined Component, Gravity/ Tilt Gravity Aluminum Die Cast & Machined Components.

e) Braking Systems: New Product Line in eco-antifriction (asbestos-free) materials and products like Brake Lining, Brake Shoes.

**Business Expansion:** New subsidiary Menon Bearings New Ventures has been created to explore attractive projects. Alkop division has received orders from John Deere and Honeywell, with significant business growth expected in the next two years.

**User Industries:** Company caters to industries not impacted by the advent of EVs viz. Light & Heavy Commercial Vehicle Engines, OTRs & Tractor Engines, Industrial Engines, Compressors for Refrigerators, Pumps, Braking Systems, Axles etc.

**Established market position and clientele:** Presence of around three decades in the bearings industry has enabled MBL to establish its position across diverse markets and industries. The company has built healthy relationships with key clients, including John Deere, Tata Motors Ltd and International Tractors Ltd and Brakes India Ltd.

**Modi Naturals Ltd****CMP: INR 364 | Market Cap: INR 4760mn**

Modi Naturals Limited was founded in 1974 by Mr. D. D. Modi of the Modi Group and was previously known as Anil Modi Oil Industries Limited which was changed to MNL in 2009. The company manufactures de-oiled cakes, rice bran oils, other oils, etc. MNL has four production facilities in India. Broadly, Edible Oil products are manufactured at factories situated in Uttar Pradesh & Telangana regions. Out of four manufacturing facilities, two units are located at Pilibhit (Uttar Pradesh), one unit in Hyderabad (Telangana), and one in Sonipat (Haryana) for manufacturing of all variants of edible oil and other food products. The company sells majorly in its own brands namely, Oleev, Tarai, Rizolo, Miller and Olivana wellness etc.

Business Verticals: a) Consumer Division: Premium Edible Oils, Super-Premium Refined Oils, etc.  
b) Bulk Business Division: Rice Bran Oil  
c) Ethanol Division: One of the First Greenfield Grain based Ethanol Distilleries in Chattisgarh.

**Products & Brands:**

- a) Olive Oil: Company sells Olive oil made from select olives sourced from the Andalusian region of Spain, under the brand name Oleev
- b) Natural Olive Oil: Company's brand Olivana wellness is a 100% natural pure Olive Oil, made from ingredients and imported from Spain, Italy and other Mediterranean countries.
- c) Rice Bran Oil: Company sells 100% pure rice bran oil under the brand name Rizolo. It is extracted from super fine basmati rice and processed within 24 Hrs using a non-chemical refining process.
- d) Canola Oil: Brand Miller canola oil is extracted from the canola from the farms of Canada.
- e) Instant Drink Mix: Company has introduced a brand JYNX which is a summer refreshment instant drink mix packed with flavours of orange, mango, iced tea, and mojito, and infused with Vitamin C.
- f) Popcorns: Company introduced range of mix, microwave and instant popcorn products under the brand Pipo.
- g) Pasta and Peanut Butter: These are sold under the brand Oleev Kitchen.

**Distribution Channels:** Company has developed a pan-India distribution network across all channels of FMCG including E-Commerce Platforms, Modern Trade Channels, Retail Sales, Canteen Source Department, etc. Currently, it is having **450+** Distributors, **3,000+** Modern Retail Outlets and **20+** Sales Depot.

The company has been able to develop a healthy mix of product portfolio with significant revenue contribution from processing of by-products. The company derives majority of its revenue from edible oils division. Further, the company has a diversified product profile with manufacturing sales of various types of refined oils with major ones being refined rice bran oil, olive oil, and canola oil. The company has also launched fast moving consumer goods (FMCG) like Popcorn, pasta, etc. Apart from this the company also sells De-oiled rice bran oil cakes, which is a by-product of the solvent extractor and is popular as cattle feed.

MNL is promoted by Mr. Anil Modi (Chairperson & Managing Director), having experience of more than four decades in the business of edible oils and other food products. The long-standing experience of Mr. Anil Modi strengthens decision making process of the company and its future plans



**Moneyboxx Finance Ltd****CMP: INR 274 | Market Cap: INR 8.37 Bn**

Moneyboxx Finance Ltd is a non-deposit taking NBFC lending small ticket loans to people in the cattle rearing business and other allied activities. The NBFC is led by Mr. Deepak Aggarwal and Mr. Mayur Modi, Co-Founders of Moneyboxx Finance, both Chartered Accountants with 20+ years of experience in Investment Banking and Credit Underwriting across several multi national banks. The Company specializes in the business of lending to Owners of cattle herds operating across 8 states in Northern India.

**Niche player in the Industry:** Moneyboxx Finance Ltd caters to underserved micro entrepreneurs in essential segments, i.e., livestock (dairy farming), kirana (grocery shops), retail traders, and micro-manufacturers. The growth potential in this segment is believed to be substantial. With a tech-driven branch model, the company has successfully scaled up its operations in five years to 100 branches across 8 states in the northern, central, and western parts of India with INR 7.2 billion AUM as of March 31, 2024.

**PSL categorization benefitting to reduce Cost of Borrowing:** Since Moneyboxx is in the lending business to cattle rearers and related agri business in villages, which comes under the Priority Sector Lending category, the NBFC is witnessing their borrowing cost coming down. The average borrowing IRR came down from 15.2% for FY23 to 14.6% for FY24, and currently, their incremental loans are priced at 13% for Q4FY24. This will bring down their cost of borrowings further down in the future. Also, the NBFC currently has around 30 lenders including banks and other NBFCs.

**Unique operational strategy:** Company hires full time vets who offers services like vaccination, treatment and artificial insemination, free of cost to the borrowers who are livestock owners. This helps them to monitor the asset. Further, they have various tie ups for fruit bearing plantation for planting fruit bearing trees at the farmers lands, which helps them to increase the farmers income.

**Highly scalable business:** Moneyboxx opened 39 branches over the last 1 year taking their branch count to 100 operating across 8 states in northern & central India. The NBFC plans to add 75 branches in FY25 and another 100 in FY26 taking their total presence to 275 branches.

**Increasing book of secured book backed by SORP:** The NBFC started lending for secured book in FY23 which are backed by Self Occupied Residential Property. This secured book comprised 5% of their total Portfolio in FY23, and increased to form 24% of their Portfolio in FY24. It is projected to become 40% of their books by end of FY25 and over 55% by FY26.

**Outlook:** Moneyboxx has become Profitable and with most of the NBFCs fixed costs and IT set-up already in place, the future expansion of business will be requiring growth capital for book growth. We have a positive outlook on the company for its potential growth in the Indian markets and an improving returns profile of the business in financial terms.

**Motilal Oswal Financial Services Ltd**

CMP: INR 762 | Mcap: INR 455.77Bn

Motilal Oswal group is one of India's leading providers of capital market-related services, such as retail and institutional broking, WM, AMC, PE, LAS, margin financing, commodities broking and IB. It commenced the housing finance business in May 2014. The promoters- Mr Motilal Oswal and Mr Raamdeo Agrawal along with their family members, and Motilal Oswal Family Trust- collectively owned 69.7% of MOFSL's equity shares as on March 31, 2024.

The company has a network spread 550+ cities and towns comprising 2,500+ Business Locations operated by their Business Partners and 16,00,000+ customers.

MOFSL Group offers services in:

1) **Capital markets:** This includes services of Broking and distribution, Institutional Equities, and Investment Banking.

2) **Asset and Wealth Management:** This includes services of Asset Management Co., Private Equity & Real Estate and Wealth Management.

3) **Housing Finance:** MOFSL is into Broking & Distribution and Institutional Equities services

**Market Share:** MOFSL is amongst the top 3 brokers in terms of Gross Brokerage.

**Revenue Split H1FY24:** Capital Markets: 71% (54% rev earned from Brokerage); Asset & Wealth Management: 18%; Housing Finance: 11%.

**Transition to Wealth Management Business:**

Shift from broking and distribution to wealth management. Focus on personalized investment advice and comprehensive financial solutions. Strategic objectives include enhancing client relationships and offering holistic advice.

**AI and Digital Initiatives:**

Building AI capabilities in-house. Investing around Rs. 150 crores annually in digital initiatives. Third-party tie-ups for algo trading. Focused on enhancing customer experience through digital platforms.

**Challenges and Outlook:** Impact of increased transaction charges on F&O segment.

STT rate increases may not significantly impact volumes. Sequential decline in profit attributed to lower volumes and one-off events. Optimistic about future growth and maintaining dividend payout subject to business needs.

The earnings profile of the group continues to benefit from expansion of business. More so, growth across non-broking businesses has imparted diversity and is expected to lend greater stability to overall profitability. The group is expected to continue expanding its fee-based businesses, which yield the benefit of trail income. It has been making capital expenditure towards these businesses and the benefit of it is expected to materialise in the near to medium term.

The gradual scale up in non-broking businesses - such as asset management company (AMC), WM, PE and housing finance - has supported the growth and diversity in the business risk profile. The group is also focussing on scaling its distribution business (financial products) through the WM channels. As a byproduct, revenue contribution from these businesses has increased in the past few fiscals.

**Muthoot Microfin Ltd****CMP: INR 232 | Market Cap: INR 39.5Bn**

Muthoot Microfin Limited, a subsidiary of Muthoot Pappachan Group, provides micro-loans to female customers with a focus on rural regions in India.

**Loan Offerings:** a) Group loans for livelihood solutions such as income-generating loans, Pragathi loans (bridging loans to existing customers for working capital and income-generating activities), and individual loans

b) Life betterment solutions including loans for cell phones, solar lights, and household appliances.

c) Health and hygiene loans such as loans to improve sanitary facilities.

d) Secured loans in the form of gold loans and Muthoot Small & Growing Business ("MSGB") loans.

**Digital Infrastructure:** To expand their digital collection infrastructure, they launched a proprietary application, called "Mahila Mitra", in 2021, which facilitates digital payment methods such as QR codes, websites, SMS-based links and voice-based payment methods.

As of September 30, 2023, 0.15 crore customers have downloaded the Mahila Mitra application, and 0.25 crore customers have transacted digitally with them.

**Guidance and Outlook:** Maintained growth guidance of 25% for FY25 despite challenges. Credit cost guidance remains at 1.7% to 1.9%, with potential for slight increases but no significant shocks expected. Management expresses confidence in achieving targets, highlighting the effectiveness of strategies in place to navigate challenges and maintain portfolio quality.

**New Developments:** Received a corporate agency license from IRDA to offer customized insurance products, expected to contribute 5% to 10% in fee income. Entered a co-lending agreement with State Bank of India to empower microfinance borrowers and facilitate smooth disbursements. Successfully raised an additional \$38 million through ECB, bringing total ECB to \$113 million, providing access to long-term, cost-effective debt.

**Strategic Initiatives:** Focused on moderating disbursements due to macro challenges including heat waves, general elections, and regional activism.

Diversified portfolio by entering Andhra Pradesh and Telangana, enhancing southern state contributions to 51% of the portfolio.

Strengthened credit operations with a dedicated team of 1,600 credit officers for better underwriting.

Implemented natural calamity insurance to mitigate risks from floods and other disasters, successfully protecting the portfolio during recent floods in Tamil Nadu.

Enhanced analytics capabilities through a partnership with Scienaptic to develop predictive models for identifying potential delinquencies.

**Netweb Technologies India Ltd****CMP- INR 2,714 M.Cap- INR 153bn**

Netweb Technologies India (NTI) is one of India's leading high-end computing solutions (HCS) providers, with fully integrated design and manufacturing capabilities. Margins of 10-11% attributed to high-tech offerings; anticipate margin expansion alongside topline growth. Order book stands at INR 6000 Mn, supported by rapid order execution. Targeting revenue growth at 35-40% CAGR, aiming for INR 15000 Mn in three years.

**Capex and New Facility:** New state-of-the-art, end-to-end, high-end computing server storage and switch manufacturing facility inaugurated in Faridabad. Focus on advanced manufacturing skills to manufacture high-end computing systems using latest generation chips from technology partners like NVIDIA, Intel, and AMD. Expected to enhance production process including PCB design, manufacturing, and SMT for servers, storage, and switches. Incremental revenue of 30% to 35% expected from the Faridabad facility.

**Strategic Focus and Future Plans:** Three strategic pillars: High-Performance Computing (HPC), Private Cloud, and AI. Focus on technological evolution to deliver cutting-edge solutions meeting global businesses' needs. Development of servers based on NVIDIA Grace Superchip under the MGX architecture in progress. Launched Intel Sapphire Rapids and AMD Genova-based high-end computing servers. Diverse portfolio of products including those utilizing the latest NVIDIA GPUs for AI training and inferencing market. Strong demand in the India data center market, providing significant opportunities. Expecting growth at a rate of 30% to 35% CAGR for the next 3 years. Plans to maintain leadership in technology by focusing on innovation and expansion.

Opportunities in the oil and gas sector with engagements from government PSUs like ONGC. Progressing well in Middle East and European markets with a focus on Private Cloud, HCI, and AI solutions. Looking into M&A opportunities in related areas to enhance growth and capabilities. Margin improvement expected in the future due to operating leverage and volume growth.

**Challenges and Market Size:**

Slowest quarter in terms of cash flow due to high capex expenditures. Need to optimize the new SMT facility for full production capacity to improve margins. Quantum computing development still in early stages, not included in growth guidance. Market size details for the 3 verticals and products to be shared separately due to complexity.

-Active participation in government-led initiatives like Hardware PLI and Telecom/Networking PLI underscores dedication to native manufacturing. Extensive expertise in supercomputing solutions, with a significant installation base across government and academic sectors.

Strategic collaboration with Nvidia for GPU optimization, particularly in AI applications, highlights commitment to cutting-edge technologies. Collaboration with Nvidia for designing and manufacturing Grace Hopper-based servers, contributing to the vision of "AI for all." Diversification into six key verticals: 1) supercomputing, 2) private cloud, 3) hyper-converged infrastructure, 4) AI systems, 5) high-performance storage, and 6) data center services/software. •Supercomputing, contributing 36% of business, with a focus on end-to-end deployment and optimization for various sectors.

**Newjaisa Technologies Ltd****CMP: INR 99.9 | Market Cap: INR 3220mn**

NewJaisa Technologies Ltd sells refurbished Laptops, Monitor, Tablets, and Accessories at discounted prices. NJTL is a technology-driven, full-stack direct-to-consumer company specializing in refurbished IT electronics. It offers quality refurbished electronics at discounted prices compared to new products. Serving a Pan India customer base across approximately 20,000 pin codes through e-commerce and online platforms, NJTL's key customer segments include students, home users, SMEs, and working professionals.

**Business Model:** Company's business model includes End-to-end reverse supply chain for IT assets. It involves:

- a) Procuring used IT assets (laptops, desktops and peripherals)
- b) Refurbishing them to as close to new computer condition
- c) Selling them directly to end-use customers – businesses or retail.

**Clientele:** Amazon, Flipkart (2GUD), Paytm Mall, B2B Corporates and Educational Institutions / Working Professionals.

**Production Facility:** Company has a ~45,000 sqft unit in Bangalore, with a production capacity of ~400 units /day. Company can add ~20,000 sqft. in future, if required.

In FY24, company did ~54,322 unit sales with revenue of ~Rs. 62 cr vs. ~36500 unit sales with revenue of ~Rs. 45 cr in FY23. Channel wise Revenue Split - FY24: Online Sales ~75%; Website /Offline /B2B ~25%.

**Future Outlook:**

- a) Build D2C offline channels
- b) Own online channel scale to ~30% International market
- c) Explore newer product categories of IT Accessories, ACs, and Mobile Phones
- d) Source ~80% materials directly from corporate entities

They are looking to increase direct purchases from corporates to 40%-45%. Planning for capacity expansion to double the current capacity in the next 6 months. Targeting monthly updates for investors and focusing on improving customer service on e-commerce platforms.

**Operations and Infrastructure:** Fully operational in a new 45,000 sqft facility in Bangalore. Daily processing capacity increased to 300-350 assets. Room for 60-70% growth in current facility on a 24/7 basis. Launched new ERP system to enhance automation and efficiency in QC processes. Investing in R&D to improve reparability and reduce COGS by focusing on repair-to-replace ratio.

**Business Highlights:** Diversifying sales channels with a focus on direct sales, schools, colleges, and SMEs. Listed on ONDC platform for electronics refurbishing, expecting growth opportunities. In advanced discussions with top marketplaces for increased retail customer reach.

Focus on diversifying sales channels and products, aiming for 20-25% sales through schools and colleges. Exploring opportunities in SME channel and CSR collaborations with NGOs and government schools. Planning to expand into other electronics categories like tablets and mobile phones.

**Niyogin Fintech Ltd****CMP-INR 58.9 | M.Cap-INR 5610mn**

Niyogin Fintech Ltd is a fintech company and a registered NBFC. The Co. provides a digital platform that enables access to relevant services & products for MSMEs providing financial inclusion, credit, investments and SAAS services. Niyogin Fintech operates on a tech-centric platform-based model offering banking as a service through its subsidiary, iServeU. Provides credit solutions targeting both rural and urban MSMEs in India. Employs a partnership-led strategy, collaborating with local enterprise partners for cost-effective outreach.

**Business Offerings:** Financial Inclusion: It includes Domestic Money Transfer, Aadhaar Enabled Payment System, Micro ATM, among others. Investment: Direct plans for Mutual Funds, Advisory and Fin. Planning, Insta cash, Corporate Deposit, Bonds, etc.

**White Labeled Investment Platform (For distributors):** It supports investment in direct and regular mutual funds. **Institutional Offerings:** Corporate Treasury (Assistance to corporates in investing their idle funds), Analytics Solution (Build customer portfolios using Analytics)

**Credit Solutions:** It Offer a wide variety of Secured loans (such as Loan Against Property, Home Loans, Balance Transfer etc) & Unsecured loans (Business Loans, Working Capital loans, etc)

**Business Segments:** Revenue model includes transaction fees and monthly annuity structures. Lending and Distribution business primarily under Niyogin, with credit facilitation through the distribution platform, Niyoblu. Recent addition of Superscan under Niyogin.AI, an OCR-based AI toolkit for KYC in BFSI, generating revenue through a subscription model.

**Recent Developments:** Transitioned to a new disclosure format, dividing iServeU business into four verticals: Financial Inclusion, Merchant Acquiring, SaaS, and Program Management.

Financial Inclusion vertical includes traditional services like AePS and Micro ATM; Merchant Acquiring focuses on digital products like UPI and POS solutions. SaaS vertical encompasses agency banking solutions, CRM, and LMS solutions. Program Management generates income as a Technology Service Provider (TSP).

**Financial Guidance:** Expected net revenue for iServeU between ₹35 to 45 crores by FY25, with 45% coming from SaaS and Program Management verticals. Consolidated net revenue projected between ₹70 to 80 crores for FY25, with NFL and Superscan contributing significantly. Lending business expected to leverage 1 to 1.5X on a consolidated network basis by FY25 end.

**Strategic Initiatives:** Focus on expanding product functionality in Niyoblu, including fixed deposit booking. Intention to grow lending business and acquire complementary bolt-on businesses. Ongoing discussions for potential M&A opportunities, focusing on tech-driven businesses with strong profitability prospects.

Management remains confident in the company's fundamentals and expects a rebound in performance, with Q2 anticipated to show improved results.



**Nuvoco Vistas Corporation Ltd****CMP: INR 369 | Mcap: INR 131.88 bn**

Nuvoco Vistas Corporation Ltd is one of East India's leading cement producers. The company plan is to focus on premiumization, optimization of overall costs while saving on power & fuel and improving the product mix. At the same time, the plan is to improve utilization levels, maintain Debt/EBITDA levels at 2-2.5x as well as add capacity in the next 2-3 years.

**Strategies:** By FY25, company would announced expansion of capacity and focus on increasing footprint in North, Central and East markets. Also, expects net debt to be in the range of INR 30-40 Bn by FY25.

**Capex:** For FY25, company would spend INR 3-4 Bn out of which INR 1 Bn is spent in Q1FY25. For FY26, ~INR 7-10 Bn on capex including maintenance and additional capacity.

The company has 25MnT of installed capacity. Q1 demand remain impacted due to general elections, early monsoon in the East and extreme heat wave in few regions.

**Pricing:** Pricing has been in the downtrend in the past for industry as a whole. Further, East market is more competitive and pricing remains a challenge.

Amongst states, the company is doing well in Chhattisgarh, Maharashtra, MP and Bihar. Specifically, for Bihar and Jharkhand volume grew by 4% and 3%, respectively. However, growth for Orissa was a concern and is expected to improve post Q3FY25. Further, for Bengal demand is yet to pick up.

Growth in Jharkhand have been in low to mid-single digit and going ahead as well they expect to grow in similar range and they have maintained market share.

The company has long term contract for **raw material** front which is an advantage as compared to peers. Railway sliding projects in Sonadih (Q2FY25) and Odisha (Q3FY25) are at an advanced stage of completion.

**Premium Products:** The company launched premium variant of concrete Uno in West Bengal and innovative marketing campaign for Duragard microfiber cement.

AFR was at 9% in Q1FY25 and is expected to reach 16-17%.

Project Bridge 2.0 implemented for saving cost is well on track.

Further, for FY25, the company is transforming its process digitally and also implementing SAP along with it.

**Outlook:** The company is expected to face challenges on demand and pricing for the near term however 2HFY25 is expected to see improvement led by spending by the government on infra and housing. Meanwhile, the company's focus will be on premiumization, increasing geographical presence, optimizing fuel mix and cost as well as brand strengthening.



**OnMobile Global Ltd****CMP: INR 88.2 | Market Cap: INR 9370mn**

OGI was incorporated in 2000. Its key product offerings are ring-back tones, digital content store and infotainment. Digital content store is a one-stop mobile destination for discovering digital content like videos, games, music and images. Infotainment offers music, contest, news and sports to consumers over the mobile. OGI's is promoted by California, USA based OnMobile Systems Inc.

It provides mobile entertainment products & solutions to telecom operators and media companies. Company builds Mobile Gaming products which are marketed through B2B and D2C channels. OnMobile's key product offerings are ring-back tones, digital content store and infotainment. Digital content store is a one-stop mobile destination for discovering digital content like videos, games, music and images. Infotainment offers music, contest, news and sports to consumers over the mobile. They are associated with over 100 customers across 64 countries and has over 74 million paying subscribers across platforms.

**Product Profile:**

a) Mobile Gaming: Company has ~6.75Mn Active Subscribers and 101 Customers for its mobile gaming products viz: Challenges Arena, ONMO, Gamize, and Downloadable Games

b) Mobile Entertainment: Company has ~58.5 Mn Active Subs and ~69 Customers for its Mobile and Entertainment Products viz. Ringback Tones, Contests, Videos & Infotainment.

Cientele: Airtel, BSNL, Movistar, Ooredoo, Samsung, bKash, PhonePe, Celcom, Truemove, Dialog, VI.

-Mr. Sanjay Baweja resigned as Global Chief Executive Officer & Managing Director and was replaced by Mr. François-Charles Sirois, on March 7th, 2024

-Management is optimistic about continued growth in gaming, expecting revenue growth to persist through FY'25.

Targeting a steady-state contribution margin of around 25% for gaming by FY'26, with expectations for EBITDA margins to stabilize.

Plans to renegotiate contracts in the tones segment to align pricing with operator ARPUs, aiming for overall profitability improvements.

-Emphasis on leveraging AI and analytics to enhance marketing efficiency across multiple geographies.

Plans to explore new channels for customer acquisition, including mobile money services in Africa. Acknowledged the loss of the Vodafone account, which impacted revenue growth.

Management is focused on optimizing marketing strategies and mitigating the impact of fluctuations in customer contracts.

-Management anticipates gaming unit profitability by the end of FY'25, driven by cost reductions and revenue enhancements.

Radhika noted that the gaming segment's profitability is expected to improve significantly due to optimized marketing and reduced expenditures.

**Onward Technologies Ltd****CMP: INR 419 | Mcap: INR 9.48 Bn**

Incorporated in 1991, Onward Technology Ltd is in the business of Mechanical Engineering Design and IT Services. OTL is an ISO 9001 TUV Nord and Tusax certified software outsourcing company specializing in Digital & Data Engineering, Electronics & Embedded Engineering, and ER&D services. Company is headquartered in Mumbai, with a global presence in ~13 countries including North America, Europe, and offshore delivery centres in India.

**Operational Updates:** Current employee count is 2,493, with plans to reach 2,700-2,900 by year-end. Opening a physical office in Toronto, Canada for North American operations. Exited some non-core businesses, including IT engineering in India and energy business in US/Mexico. Invested in Microsoft licenses, including Co-pilot, for the next three years. Facing some execution challenges, particularly in recruiting technical talent in the US.

**Growth Strategy:** The company expects revenue growth to resume from Q2FY25 onwards. Focus is on accelerating growth and expansion in the US and Europe. Target is to have 70% of revenue coming from outside India in the future. Aiming for 10 customers with USD 10 Mn revenue each or 20 customers with USD 5 Mn each. Growth strategy focuses on mining existing relationships rather than chasing new clients. The company has maintained its dividend-paying status for nine consecutive years and aims for balanced profit and growth in the coming years.

**Client Relationships:** Working with Fortune 500 companies and major OEMs. New client acquisitions are primarily through referrals from existing clients. Signed a new automotive client race car brand last quarter, starting work soon. Focusing on new product development rather than application support. Seeing increased demand from Global Capability Centres in India.

**Business Model and Services:** The company primarily focuses on engineering services, not IT services. Approximately 80- 90% of its revenue comes from time and materials contracts. Annual pricing negotiations with clients, often resulting in rate increases. Emphasis on new product development and R&D support for clients.

**Shifting focus to fewer, deeper client relationships:** Moving away from numerous small clients to focus on top 5-7 clients. Aiming to grow existing million-dollar clients to USD 5 Mn+. Exited healthcare vertical clients in both US and Europe due to slow growth. Targeting to capture 20-30% of each key client's outsourcing budget. Shifting focus from India to US and Europe markets for higher growth potential.

**Talent Acquisition and Management:** Last year, the company applied for over 200 H1B visas, receiving 25-30 approvals. It also built an in-house team of over 90 full-time recruiters. Focusing on hiring in UK, Germany, and Canada to meet global demand. Experiencing challenges in quickly ramping up technical talent, especially in the US. Investment and Infrastructure. The company is upgrading its offices and infrastructure to support growth. It has also signed a 6.5-year deal with Microsoft to implement new business technologies. Focusing on building capabilities in industrial, heavy machinery, mining equipment, construction, automotive, and mobility sectors.

**Orient Bell Ltd****CMP: INR 371 | Market Cap: INR 5420mn**

Orient Bell Ltd is in the business of manufacturing, trading and selling of ceramic and floor tile. It sells its products through a chain of exclusive signature showrooms.

Product Categories: a) Available in different finishes, matte finish and glossy.

b) The tiles are also available in various sizes, ranging from large 800x2400mm to small 200x300mm to plank-sized 200x1200mm.

c) Available in a variety of designs, such as wooden, stone, 3D, marble, etc.

d) The tiles are also available in different colours

e) ODG Juno Multi DK, EHM Stone Brick Cotto, EHM Stone Brick Beige, EHM Stone Brick Brown, and EHM Slump Block Brown are the 5 most popular tiles.

Production Capacity: Company has manufacturing facilities in Sikandrabad, UP ~14.8 MSM, Hoskote in Karnataka ~6.6 MSM, Dora in Gujarat ~5.5 MSM, Morbi in Gujarat ~10.0 MSM. These units have a combined capacity of 36.9+ Million sqmt (including Associate entities).

On 15th March 2024, company did a strategic tie up through a Power Purchase Agreement with Sunsure Solarpark Sixtee Private Limited towards generation/supply of renewable energy for captive consumption at Sikandrabad (U.P.) plant. This involves an investment up to Rs. 245 lakh by an acquisition of upto 11% equity shares of Sunsure.

Operational Insights: The management indicated that the demand environment has been improving post-election. There has been a slight increase in channel partner inventory stocking, indicating a recovery in demand. Shutdowns in Morbi due to low demand and maintenance are expected to help stabilize prices and supply dynamics.

Marketing and Brand Development: Continued investment in brand building, with marketing expenditures at 4.2% of revenues. The launch of a TV campaign in December 2023 has significantly increased brand awareness, with vitrified tile salience rising to 56% from 46% year-on-year. The GVT portfolio saw a remarkable 54% growth year-on-year, indicating a strong push towards higher-margin products.

Export Strategy: The company has established a wholly-owned subsidiary to enhance export capabilities, particularly for GVT products.

Exports faced challenges due to increased ocean freight costs, but the management expects this to be a temporary issue.

Product Developments: The company is focusing on premiumization through the Oriental Tile Boutique (OTB) model, which is seeing positive feedback from franchisees. New product launches and innovative tools for dealers are aimed at enhancing sales through OTBs.

Cost Management: Progress on cost-saving initiatives helped maintain gross margins despite higher trade discounts. Cost of production was approximately 7% lower year-on-year, aided by tighter consumption controls and efficient production lines, particularly at the Dora facility. Gross margins expanded by roughly 1% year-on-year, with EBITDA improving by about 2%.

**Parag Milk Foods Ltd****CMP INR 179 | Market Cap INR 21.40 bn**

Parag Milk Foods Ltd, founded in 1992 by Mr. Devendra Shah is involved in the development and promotion of 100% fresh cow's milk and milk products under international brand names with a diverse portfolio in over 10 product categories.

**Market Leadership and innovation:** It is a dominant Player in Cheese in India with a 35% Market Share. It is a leader in the Cow Ghee category with its brand 'Gowardhan' Ghee with 20% market share. It is India's First Company to launch a truly 'Made-in-India' B2C Whey protein powder under Brand 'Avvatar' in 2017. It is the only company to manufacture Fresh Paneer with a 75 Day Shelf Life. Its cheese plant has the largest production capacity in India, with a raw cheese production capacity of 60 MT per day. It has the Largest automated dairy farm with ~3000+ Holstein Friesian Cows.

**Product Portfolio:** Its product portfolio is categorized under following brands: Gowardhan- Everyday dairy products, like Ghee, Milk, etc. GO- UHT milk, an array of processed and natural cheese products, etc.

**Pride of Cows (premium packaged milk)-** Introduced the concept of farm-to-home milk. The milk is untouched by human hands and the whole process is completely automated. This service is currently available across Mumbai, Pune, Surat, and Delhi.

**Manufacturing:** Their manufacturing facilities are strategically located in the richest milk belts at Manchar in Maharashtra, Palamaner in Andhra Pradesh, and Sonipat in Haryana. UHT Technology (heating it above 135 °C that kills many bacterial endospores) is of European technology, fully automated, and requires minimum human intervention. It is one of the only two facilities in Asia with UHT technology.

**Subsidiary:** Bhagyalaxmi Dairy Farms is a wholly owned subsidiary of PMFL in Pune, established in 2005 as a R&D center for studying and developing practices for cattle feeding, rearing, and livestock management. This was used to help improve milk yields on farms owned by its farmers. Today it is India's most modern dairy farm with 2,300 Holstein Friesian cows, spread over 35 acres.

**New Plans:** Its future plan is to install processing units at Newly Acquired Sonipat Facility for pouch milk, cup curd, etc., and expand the existing yogurt facility. It intends to have the Health & Nutrition business as 7% of its portfolio in the medium term and drive its profitability and growth for both Cheese & Whey businesses. The company will introduce high potential Lactose products as there is a huge opportunity for import substitution.

**Patel Engineering Ltd****CMP-INR 59.9 M.Cap-INR 50.56 Bn**

Patel Engineering Ltd is engaged in the construction of dams, bridges, tunnels, roads, piling works, industrial structures and other kinds of heavy civil engineering works in areas like hydro, irrigation & water supply, urban infrastructure and transport.

**Revenue:** Revenue growth is expected at 10%-15% in FY25 and 20%-25% in FY26E.

**Margins:** Hydro margins are around 16%, Irrigation margins – 12%-13%, and Road margins – 10%.The company is taking hydro projects, with is minimum margin of 14%.

**Order book:** The order book stood at INR 186bn as of FY24. The order book breakup; Central PSU – 62%, State PSU – 35%, and remaining from international.

The segment order book breakup is; Hydroelectric – 62%, Irrigation – 21%, Tunnel – 11%, Road – 3% and 4% from others.The order inflows are expected to be INR 100-150bn in FY25E.

**What went wrong?**

Post 2008, the company faced issues due to delays in projects. The government was allotted projects without acquiring the land fully. For example, around 20% of land was provided to the company for tunneling projects, and the remaining land was not acquired which delayed the projects and led to additional costs and arbitrations.

Currently, the government is awarding projects after fully acquiring lands and the company is not facing any issues on execution.

**Opportunity size:** The hydro potential is around 133GW. 40GW already completed, 18GW is under construction and company is doing 8GW right now. Around 25GW is already planned by the government PSU and expected to launch in the next 1-2 years.The civil construction cost is around INR 50mn per MW. The opportunity size is around 1.5 lakh cr and only 4-5 active players are there.

**Debt:** Debt is around INR 19bn and expected to be same range going forward.Receivables and MobilizationThe advance mobilization is around 5% and machinery mobilization is around 5%-7%.Receivables days are around 35-45 days.

**Subsidiaries:** The company has more than 50 subsidiaries and consolidated some of them. The company is focused on consolidating all subsidiaries in coming years.

**Promoters:** pledgePromoters' pledge is around 90%. They have pledged at ~INR 9/share.

**Tax rate:** The current tax rate is 33% and the company is expected to opt for a new regime of 25% rate.

**PONDY OXIDES & CHEMICALS Ltd****CMP INR 2116 | Market Cap INR 26.63 Bn**

Pondy Oxides and Chemicals Ltd manufactures Lead Metal and Alloys and other Non-ferrous metals. Company is in the metallic and non-metallic recycling industry as India's largest secondary Lead manufacturer in Lead Alloys. Its core product lead and lead alloys, is mainly used in making lead-acid batteries. Company converts scraps of various forms of Lead, Aluminium and Copper into Lead Metal, Aluminium Metal, Copper and its Alloys. It carries out smelting of Lead Battery scrap to produce secondary lead metal which is further transformed into Pure lead and Specific Lead Alloys. Further, company also manufactures Zinc metal and Zinc Oxide.

**Business Highlights:** Company's Lead production has increased by 38% YoY to 20,692 metric tons with sales growing 46% YoY to 20,699 metric tons. Company's sales mix is 35% domestic and 65% exports. Its Top 5 customers constitute about 40-50% of total revenue with Amara Raja Batteries being a significant customer contributing domestic sales. Its Value-added products are maintained at 60% of the lead segment.

**Business Segments:** The company is currently focused on recycled products and is moving towards compounding, targeting EPR opportunities. Its Margins in the recycled segment are at 6-8% and compounding segment are expected to be at 12-14%. Plastics segment grew 47% QoQ and is targeting INR 300 Mn revenue in FY25. Company's Aluminum operations under review, evaluating value-added product mix. Copper segment sales are started which will enable the company to explore smelting and refining options.

**Capacity Expansion** The company is planning a new plant at Thiruvallur, Tamil Nadu to increase lead capacity from 132,000 MT to 204,000 MT per annum in two phases. It has ongoing construction and trial production expected by the end of calendar year 2024. This has been funded through preferential issue proceeds and internal accruals.

**New Land Acquisition** The company has acquired 123 acres in Mundra, Gujarat. This location was strategically near the port for import/export efficiency which will help source from western region and cater to international markets. Currently it is conducting techno-commercial feasibility studies for this site.

**R&D and Innovation** The company is focusing on developing a lean, smart, and low carbon footprint plant and is continuing R&D initiatives for additional verticals. It is exploring techno-commercial evaluations for future expansions in BPMI, rubber, and forward integration.

**Focus Areas** The company is focusing on full backward integration for better margins and is evaluating product mix in the aluminum segment for better value addition. It is benefiting from government initiatives promoting recycling and is positioned to capitalize on increasing mandates for recycled content in manufacturing.

**Raw Material Sourcing** The company has adopted a multi-sourcing strategy with procurement from 70+ countries and it has a supplier base of more than 270 with long-term associations. Also, it is noticing increased availability of domestic scrap.

**Debt and Capital Structure:** Company's current debt-to-equity ratio is at 0.5 and it is aiming for an optimal mix of debt and equity to lower weighted average cost of capital.

**Prataap Snacks Ltd****CMP: INR 806 | Market Cap: INR 19.25bn**

PrataapSnacks Limited (PSL) is an Indian snack food company engaged in manufacturing and marketing of multiple product variants like potato chips, extruded snacks and namkeen (traditional Indian snacks) under the Yellow Diamond brand and sweet snacks under the Rich Feast brand.

The company is a market leader in Rings and top 5 in Western Savoury Snacks. In Q3FY24, PSL (Yellow Diamond + Avadh brands) emerged as the market leader in the Extruded Snacks category.

Company has a diverse product portfolio with 125+ SKUs across Potato Chips, Extruded Snacks, Namkeen and Sweet Snacks. The company started in 2003 with single product and went to 125 SKUs within 10 yrs, and increased their manufacturing facilities from 1 to 13.

The company has a presence in 27 states and 4 Union Territories. It sells about 12 million packets daily, translating to more than 8,000 packets sold every minute.

13 manufacturing facilities; Presence across ~2.2 Mn retail outlets. In FY24, company consolidated manufacturing facilities in Eastern Region. Shifted machinery from Guwahati-1 Unit to other units.

The company has changed its distribution model removing superstockists from its chain. This helped them improve EBITDA by ~3%. It has a presence across ~2.2 Mn retail outlets. The company has 5,200 super/sub distributors.

The Company received approval under PLI scheme of the GoI under 'Ready to Eat' segment. All products are covered under the PLI scheme except for Potato Chips. From FY 21-22 to FY 24-25, the incentive rate for eligible products is 7.5% on the incremental sales over base year sales. The investment commitment aggregates to ~ Rs.105 crore, of which PSL has already invested Rs. 98 crore with purchase orders issued for the balance amount.

Focused on maintaining leadership in the Extruded Snacks category. Driving growth in the Namkeen category through range selling and expanding retail reach. Implementing Sales Force Automation to improve productivity and decision-making. Entering modern trade and quick commerce channels to complement traditional distribution. Planning to introduce premium offerings under the 'Better for You' range. Launching new flavors and products in the Extruded Snacks and Namkeen categories. Commissioned new facilities in Jammu and Rajkot to expand reach and product range. Optimistic about FY25 due to improved rural demand and normal monsoon projections.

Targeting to accelerate growth by increasing penetration and range selling. Aim to increase Namkeen reach to 50% of outlets, expecting 4-5% additional sales. Planning to deepen distribution in Namkeen and expand product range in different regions.

Targeting double-digit growth with a focus on Extruded Snacks and Namkeen categories. Exploring new markets in the Middle East for export opportunities. Increasing marketing and promotion spends to 1.5%-2% of sales for the year.



**Premier Roadlines Ltd****CMP: INR 130 | Market Cap: INR 2980mn**

Premier Roadlines Limited, established in 2008, provides tailored logistics solutions, specializing in land transportation of goods ranging from 1 MT to 250 MT.

**Business Profile:** The company offers transportation services, project logistics, and oversized/overweight cargo transportation across India. In the contract logistics segment, they cater to B2B customers to transport their goods within India and to neighboring countries like Nepal, Bhutan, etc.

Services include project logistics, over-dimensional/overweight cargo handling, contracted integrated logistics, and general logistics. Focus on technological infrastructure, robust ERP system for efficient operations.

**Clientelle:** The company serves clients across various sectors including infrastructure, energy, electricity, oil and gas, mechanical engineering, construction, metallurgy, renewable energies, etc. Some notable clients include KEC International Limited, ThyssenKrupp Industrial Solutions (India) Private Limited, Tata Project Limited, G R Infraprojects Ltd, Tata Power Solar Systems Limited, Sterlite Power Transmission Limited, etc.

**Asset Light Business Model:** Company does not own any fleet. It collaborates with third-party providers, including small fleet owners and agents, who supply transportation equipment such as container trucks, trailers, hydraulic axles, etc., for their transportation services.

IPO proceeds to aid in growth, repayment of debt, strengthening the balance sheet, and reducing finance costs.

Purchase of vehicles for commercial purposes and meeting working capital requirements to scale up operations.

Focus on increasing tech activities to streamline large-scale activities.

Expectations of maintaining sales growth and increasing EBITDA in FY25 and FY26.

Looking to expand fleet rental services, already acquired two hydraulic, two pullers, and 18 axles.

Not planning to purchase more vehicles, focusing on an asset-light model.

Considering adding specialized vehicles like hydraulic axles for specific use cases.

Exploring opportunities in the renewable energy sector for future growth.

No immediate plans for exports, but keeping options open for the next financial year.

Targeting a revenue growth of 31% each year for FY '25 and '26.

Expecting a slow first half (H1) due to heavy rains, with considerable growth in the second half (H2). Anticipating a revenue split of 35% in H1 and 65% in H2 for FY '25.

Minimum margin target of 10%-11% for FY '25, with potential for higher margins.

Optimistic about achieving 11%-12% EBITDA margins, depending on market conditions and order volumes.

Focused on professional service, reliability, and experienced team to differentiate from competitors. Utilizing an ERP system for fleet management and route optimization.

Customer pays for any increase in fuel prices as per contract terms.

**Protean eGov Technologies Ltd****CMP: INR 2022 | Market Cap: INR 81.82 bn**

Incorporated in December 1995, Protean eGov Technologies Limited was previously known as NSDL e-Governance Infrastructure Ltd and is engaged in the business of developing citizen-centric and population-scale e-governance solutions.

**Business Profile:** Protean eGOV Technologies is an information technology-enabled solutions company conceptualizing, developing, and executing critical and population-scale greenfield technology solutions. The company collaborates with the government and has extensive experience in creating digital public infrastructure and developing innovative citizen-centric e-governance solutions.

**Clientelle:** Ministry of Finance, Information and Broadcasting, Skill Development and Entrepreneurship, Education, Electronics and Information Technology, Communication, and Ministry of Commerce and Industry.

**Government Initiatives and Market Trends:** Strong government focus on welfare schemes and digital initiatives expected to drive demand for PAN cards and pension services. The introduction of minors into the NPS scheme and increased employer contributions from 10% to 14% are anticipated to enhance pension penetration. India's young demographic adds nearly 12 million new workforce entrants annually, sustaining demand for new PAN issuances.

**New Business Developments:** Agristack framework launched to facilitate data exchange in the agriculture sector, leading to multiple use cases including agri-lending and insurance. ProteanX launched for digitally verifiable credentials, leveraging blockchain technology for secure credential sharing. eSign Pro introduced to enhance digital signature and stamping services across various sectors, aiming for widespread adoption.

**Balance Sheet and Financial Health:** Strong balance sheet with cash and cash equivalents exceeding ₹700 crores and maintaining a zero-debt status. Active pursuit of inorganic growth opportunities to enhance tech capabilities and market access.

**Customer Engagement and Revenue Models:** ONDC engagement as a technology service provider, with plans to transition to a transactional revenue model in the future. eSign Pro positioned to capture market share by integrating into existing banking and financial services workflows. Revenue structure includes transaction-based pricing for PAN issuance, pension services, and identity services, with a focus on maintaining competitive pricing.

**Punjab Chemicals & Crop Protection Ltd****CMP INR 1218 | Market Cap INR 14.93 bn**

Started in 1975 as Punjab United Pesticides & Chemicals Limited (PUPCL) has now evolved as Punjab Chemicals and Crop Protection Limited (Punjab Chemicals), uniting all its divisions – Agro-technicals, Pharmaceuticals, Intermediates, Chemicals & International Trading, under one roof. The business of the Company is Performance Chemicals, which includes Agro Chemicals, Specialty Chemicals and other chemicals. The Company is also in contract manufacturing business producing products for Indian and multinational companies.

**Market Conditions:** The management acknowledged ongoing challenges with high channel inventory and price pressures but expressed optimism for demand recovery in the upcoming quarters. Anticipated gradual improvement in market conditions by Q3 FY25 as inventory levels normalize.

**New Product Development:** Successfully commercialized two new products (intermediates and specialty chemicals) during Q1 FY '25; one product has shipped, while the other is at the pilot plant stage. A strong pipeline of new product launches is expected within the next 12 to 24 months. New molecules currently contribute 6% to 8% of total revenue, with expectations for increased contribution over the next 1.5 to 2 years.

**Capacity and Capex Plans:** Planned maintenance CAPEX for FY25 estimated at ₹35 to ₹40 crores, with potential additional investment of ₹45 to ₹50 crores for a new manufacturing block once customer contracts are secured. Current infrastructure can support peak revenues of approximately ₹1,300 to ₹1,400 crores, based on existing capacity.

**Strategic Focus:** Continuous improvement in infrastructure, workforce strength, and technology adoption. Commitment to innovation with a focus on niche, high-value products that can command better margins. Targeting 20% of top-line revenue from new products over the next two years.

Monitoring of raw material prices and market dynamics is ongoing, with an expectation of stabilization and gradual price increases in the next 18 to 24 months.

**Customer and Market Insights:** Approximately 60% of sales are derived from contracts with multinational corporations, providing a buffer against competitive pressures from Chinese manufacturers. The company is in a strong position to navigate geopolitical challenges, with ongoing shipments and robust order books despite regional instability.

**Freight and Operational Costs:** Noted an increase in freight costs by ₹2.5 to ₹3 crores, though there are indications of normalization. One-off employee expenses of ₹55 to ₹60 lakhs impacted EBITDA, alongside increased operational costs.

**Outlook:** The management is confident about returning to better sales and revenue figures in the latter half of FY25, with FY26 projected to be a significantly better year.

**Puravankara Ltd****CMP: INR 432 | Market Cap: INR 102.49bn**

Company is in the business of development and sale of real estate. Projects in metro cities like Bengaluru, Hyderabad, Chennai, Kolkata, Mumbai, Pune and Goa. Company has completed 43 million square feet covering 74 projects.

**Brands & Offerings**

1. Puravankara (luxury housing and commercial offices):

This segment covers 55% of ongoing projects and 39% of new launches in the pipeline

2. Provident (affordable housing):

This covers 39% of ongoing projects and 41% of new launches in the pipeline.

3. Purva Land (plotted development project):

This covers 6% of ongoing projects and 20% of new launches in the pipeline.

PL has completed 80+ projects over the past four decades, with a total floor space of ~45 msf in major cities of south and west India.

**Pipeline Projects:** The company plans a large launch pipeline over FY24-FY27. The company plans to launch 12.6 msf of residential floor space (Puravankara: 2.46 msf and Provident: 6.48 msf), including 3.68 msf of plots, over FY24-FY25. Upcoming Projects include New launches planned in phases for Lokhandwala and Thane. Clermont Tower C project expected to launch in Q2 FY '25. Mumbai redevelopment projects anticipated to enhance margins due to asset-light models.

**AIF:** The co. incorporated a subsidiary co. Purva Asset Management Pvt. Ltd, in April 2022. Under this subsidiary, it launched a Rs 750 crore Alternative Investment Fund (AIF) to invest in a mix of Provident and Purva Land projects. This fund will invest in 6-8 mid-sized affordable housing projects with a four-year development timeline and plotted projects of up to 1.1-1.5 MSFT.

**Strategic Expansion:** Focus on NCR as a new market with plans to enter cautiously, leveraging an asset-light model. Current strategy emphasizes deepening market share in existing cities before expanding to new ones.

-Current EBITDA margins at around 22%, with expectations of recovery towards 30% as delivery picks up. Current market challenge is keeping up with demand; sales velocity remains strong despite price increases. Ongoing pressure to increase supply in Bangalore and other markets. Management remains optimistic about sustaining growth and addressing supply challenges.

Cash and bank balances increased to ₹1,044 crores as of June 30, 2024, indicating strong liquidity. Cost of debt stood at 11.64%, with efforts to maintain it down despite slight increases due to higher land loan rates.

**Pyramid Technoplast Ltd****CMP INR 186 | Market Cap INR 6.83bn**

Pyramid Technoplast Ltd manufacturers of HM-HDPE plastic containers, IBC containers, drums, barrels and cans in India. PTL is an industrial packaging company that manufactures polymer-based molded products. It specializes in rigid Intermediate Bulk Containers (IBCs), Polymer Drums, and Mild Steel Drums used by the chemical, agrochemical, specialty chemical, and pharmaceutical industries.

**Product Portfolio:**

- a) IBC Containers: Steel Pallet IBC, Composite Pallet IBC, Wooden Pallet IBC, Plastic Pallet IBC
- b) Polymer Drums: Full Open Top Drums, Narrow Mouth Drums, Wide Mouth Drums, Jerry Cans
- c) MS Drums: Close Mouth Barrel, Composite Barrel, W-Bead GI, Gooseneck Epoxy Coated Barrels

Company has 7 manufacturing units in Bharup GIDC and Silvassa with capacities of ~22,818 MTPA for Polymer Drums, ~420,000 Units of IBC, and ~10,800 MTPA for MS Drums.

The company uses blow molding technology to manufacture polymer drums and IBCs. Injection molding technology is used for manufacturing caps, closures, bungs, lids, handles, lugs, etc. for in-house use. Its products are marketed and sold under the brand name Pyramid.

Revenue mix for Q1 FY25: 52% from Polymer, 36% from IBC, and 12% from Metal Drum, with expectations for the year to shift to 50% Polymer, 38% IBC, and 14% Metal Drum.

Overall EBITDA expected to reach 10-11% as Metal Drum margins improve.

Management expects revenue of ₹600 crores for FY25, with a long-term target of ₹900-1,000 crores by FY27.

Current utilization challenges in Metal Drum production due to space constraints; however, capacity utilization is expected to improve significantly by September.

Freight cost increases have temporarily affected export demand, particularly for IBCs, but management is optimistic about future demand recovery as customers adjust pricing.

Management expresses confidence in maintaining margins despite competitive pressures and expects industry growth to support their expansion strategy.

Expansion plans include a capex budget of ₹45-55 crores annually for FY25 and FY26, funding sourced from internal accruals and cash balances.

Focus on increasing the revenue share of high-margin products like IBCs and optimizing production across all sites.

The recycling plant (Unit 9) will enhance cost efficiency by saving approximately ₹25-30 per kg on raw materials, with operational benefits anticipated from handling recycling in-house.

Expected EPR liability savings of around ₹1 crore annually due to in-house recycling operations.

New land acquired in Vilayat GIDC Bharuch for Unit 9 focusing on recycling plastic products, including HDPE packaging materials.

**Raymond Lifestyle Ltd****CMP: INR 2,399 | Mcap: INR 146.64Bn**

The company will be listed as Raymond Lifestyle Ltd this Thursday, September 5. They also plan to list their real estate segment separately by next year, aiming to operate all three businesses with different listings. The company is currently debt-free, having successfully managed its finances post-COVID. Over the next 3 to 4 years, their goal is to become a leading brand in the fashion and lifestyle sector. A key strength of the company is its Raymond custom tailoring, which offers extensive personalization options. They plan to open 650 stores within the next 3 to 4 years.

In branded textiles, the company manages 20,000 SKUs annually and has a presence in 800 cities with 1,050 TRS, 1,450 MBOs. It is unique in offering fabrics ranging from INR 300 to INR 300,000 per meter. It is focusing on premiumization in its suiting line and expanding its multi-brand outlet (MBO) space. Its textile offerings include wool, blended wool, and synthetic poly-viscose, with a growing investment in poly-wool for export. In shirting, it is providing value cotton at competitive prices and strengthening its linen segment, connected more than 5000+ tag dealers.

In branded apparel, their Ethnix brand is scaling up with a target of INR 1000 crore in the ethnic wear segment within 2 to 3 years. They have entered the sleepwear and innerwear markets, seeing a significant opportunity due to no organized players in sleepwear. They plan to double their EBOs from 409 to 900, TRS from 1065 to 1200, From 4525 MBOs to 5500, from 1350 to 2500 LFS stores by FY27, with new designs, technological advancements, store renovations, and improved inventory management.

In garments, the company offers tailored clothing and leverages its expertise in cotton and linen. They are benefiting from shifts in demand due to COVID and geopolitical issues in China and Bangladesh and have invested INR 200 crore to double their production capacity. They are also looking for business models similar to Zudio.

Growth Guidance: Raymond Lifestyle Ltd. Is setting a strong growth trajectory with a target to increase its market share from 5% to 7% over the next three years in the wedding market, aiming for a 15% CAGR by FY27. The company expects its wedding and ceremonial portfolio to grow 1.5x by FY27 and 2.3x by FY30. Revenue growth is projected at 12-15% by FY28, to double EBITDA by 2028, driven by a major expansion in the apparel business.

With the ethnic wear market expected to grow at an 8% CAGR by 2027, Raymond Lifestyle plans to capitalize on the shifting dynamics, where the organized segment is projected to equal the unorganized (50%-50%) by 2027. The company also plans to triple its exclusive brand outlet (EBO) network in two years. Ethnix is expected to contribute 12-15% of the business, targeting INR 1,000 crore in the next five years and they are working to reduce NWC from 76 days to 60 days.

**Raymond Ltd****CMP: INR 1,836 | Mcap: INR 122.33bn**

Raymond Limited incorporated in 1925 is a diversified group with interests in Textile & Apparel sectors as well as presence across diverse segments such as Real Estate, FMCG, Engineering in national and international markets 55+ Countries including the USA, Europe, Japan & Middle East. The Company has a retail network of 1,638 stores, including 1,589 stores in about 600 towns and cities in India and 49 overseas stores in nine countries. It is one of the largest vertically and horizontally integrated manufacturers of worsted suiting fabric in the world.

**Demerger of Lifestyle Brand:** The company completed demerger of its lifestyle business on 30.06.2024 and allotted RLL shares. RLL got listed in Sep,24.

**Demerger of Real Estate:** The company has initiated the demerger of its real estate segment - Raymond Realty Limited (RRL). RRL seeks automatic listing and will be a pure play net debt free Real Estate Entity. Each Raymond Ltd (RL) shareholder to get 1 share of RRL for every 1 share held in Raymond Ltd. Scheme filed with Stock Exchange. Post this demerger, RL will continue to hold the engineering business consolidated under 2 new companies and the denim business through its joint venture (JV) company (Raymond UCO Denim Pvt Ltd).

**Restructuring of Engineering Business:** Through a composite scheme of arrangement, 2 new subsidiaries will be created:

1 One will focus on Aerospace and Defense.

2 Other would cater to the Auto component and Engineering consumable sector.

The scheme filed with NCLT.

**Engineering Business:** The company has three segments. Steel Files and Tools & Hardware, Auto and EV Component and Aerospace & Defense . Company is one of India's largest supplier of High Precision, Mission-Critical Components to Global Aerospace & Defense OEMs.

**Raymond Realty:** As of Q1FY25, company has ~100 acres of its own land. Out of which; ~40 acres is under development and ~60 acres can be developed further.

The company has JDA led business model. The company has launched projects in Bandra, Mahim, Sion, Bandra East. Additional JDA Project's are Under Evaluation.

**Current Projects:** Ten X Habitat (~93% units sold), The Address By GS (~93% units sold), Ten X Era (~51% units sold), The Address By GS 2 (~67% units sold) , Invictus by GS (~47% units sold) and JDA project in Bandra(~43% units sold).

**Brands:** Aspirational - TenX Habitat, TenX Era

Premium - The Address by GS

Luxury - Invictus by GS

**Acquisition of MPPL:** In FY24, company completed acquisition of 59.25% stake in Maini Precision Products Limited (MPPL) for Rs. 682 crs; a subsidiary of JK Files and Engineering Limited which is a subsidiary of RL. Through a composite scheme of arrangement, RL will consolidate the auto and engineering businesses of JKFEL, RPAL, and MPPL into a new company and the defence and aerospace business of MPPL into another company. Post the process, MPPL and RPAL will cease to exist, and RL will hold 66.3%, MPPL promoters 28.5%.



**Rishabh Instruments Ltd****CMP: INR 371 | Market Cap: INR 14.18 bn**

Rishabh Instruments is engaged in the business of manufacturing, designing, and development of global energy efficiency solutions. The Company focusses on providing solutions for electrical automation, metering and measurement, and precision-engineered products. Rishabh Instruments has been a global leader in optimising energy use and enhancing operational efficiency across various industries. Renowned for manufacturing and supplying analog panel meters, it is also a leading global provider of low-voltage current transformers. Its offerings include complete aluminium highpressure die-casting (HPDC) solutions. These cater to industries requiring precise fabrication, such as automotive compressor manufacturers and highprecision flow meter producers.

**Manufacturing facilities:** The Company operates five manufacturing facilities located in India, Poland, and China, ensuring comprehensive in-house production. Its commitment to technology and R&D revolves around innovating products, processes, and applications to deliver exceptional value to patrons and the industry. Its R&D centres are accredited both nationally and internationally, cementing its dedication to excellence.

**Business Segment:** Rishabh Instruments has developed a comprehensive range of products to cater to the evolving needs of its customers. The Company's offerings are categorised into five key segments: electrical automation, metering, control and protection devices, portable test and measuring instruments, solar string inverters, and aluminium HPDC products.

**Product Pipeline:** Launching a range of new products including solar inverters, MID certified energy meters, UL certified current transformers for the U.S. market, and products for EV charging stations. Targeting 10% incremental revenues from new products launched in the last two years.

**Electronics Business:** Revenue of INR 939 million in Q1 FY25, with a 7.2% decline in Rishabh's domestic market due to subdued export demand, particularly in Germany and Spain. Lumel S.A. electronics business grew by 22.4% YoY, contributing significantly to consolidated revenue. Stable EBITDA margin of 15% to 17% across territories.

**Aluminium Die Casting Business:** Focus on non-automotive segments due to higher EBITDA margins compared to automotive. Current challenges in automotive due to inability to pass on rising costs to EV OEMs. Management is renegotiating contracts with major clients to stabilize margins.

**Solar Business:** Significant growth with a revenue increase of 204% YoY. Aiming to reach INR 100 crores in solar business within the next 3-4 years. Developing new single-phase inverters to target the booming Indian market.

**Outlook:** Despite current challenges, management expresses optimism about returning to previous growth rates and profitability levels, citing strong R&D efforts, market opportunities, and strategic acquisitions as key drivers for future performance.

**Route Mobile Ltd****CMP: INR 1643 | Market Cap: INR 103.45 bn**

Route Mobile Limited is a cloud communications platform service provider catering to enterprises, OTT players, and mobile network operators (MNOs). RML's portfolio comprises solutions in Business Messaging, Voice, Email, SMS filtering, analytics, and monetization.

**Strategic Synergies to Drive Route Mobile's Growth:** Proximus Opal's acquisition of an 83.1% stake in Route Mobile will help the company enter mature markets like the USA and Europe, expand its product portfolio, and unlock synergies with TeleSign. Thanks to minority shareholders for approving related party transactions, which may take time to ramp up. The synergy was validated by Proximus and Microsoft's five-year strategic partnership on digital communication services, including CPaaS, expected to generate annual revenues of \$380 Mn, with Route Mobile's share being 20%. Route Mobile continues to gain significant MS in India, with a 25% YoY growth and 12% sequential growth.

**Route Mobile's Strategic Growth Roadmap for FY25:** New product revenue shows strong momentum with 94% YoY growth and 16% sequential growth, positioning the company as India's largest WhatsApp ticketing enabler for metros and a premier Meta partner. Similar use cases have been demonstrated over RCS as well. For FY '25, revenue growth is expected to be between 18%-22% with an EBITDA margin around 13%.

**Acquisition:** Proximus Opal completed the acquisition of an 83.1% stake in Route Mobile through Proximus Opal, facilitating entry into mature markets like the USA and Europe, expanding its product portfolio, and unlocking synergies with TeleSign. The inorganic strategy prioritizes augmenting the existing product portfolio with cutting-edge technologies through acquisitions, some of which may not require significant capital deployment.

**Planned Sell-Off:** 8% of the company's shares are projected to be sold within one year. (The company cannot hold more than a 75% stake in a listed company.)

**Outlook:** The strong top line in Q1FY25, led by the large global deal won by Proximus Group and the Vodafone Idea Firewall deal going live, provides a strong foundation for a robust FY25. New product revenue shows 94% YoY and 16% sequential growth, with FY25 revenue growth expected at 18%-22% and a 13% EBITDA margin. A five-year strategic partnership between Proximus and Microsoft on digital communication services, including CPaaS, has led to combined deals and ongoing efforts on similar large deals. With Vodafone's imminent go-live, the company expresses enthusiasm for the promising trajectory and growth. Positioned for improved growth, it aims to expand its clientele globally, leveraging new products and ramping up efforts across multiple countries.

**ROX Hi-Tech Ltd****CMP: INR 121 | Mcap: INR 2760mn****Business Overview:**

ROX Hi-Tech Limited is a Chennai-based IT solutions company with over two decades of industry experience.

Specializes in system integration and offers a diverse array of IT solutions to a broad clientele. Focuses on delivering forward-thinking services and adapting to industry changes.

**Recent Strategic Initiatives:**

Formed a strategic alliance with Blueprism to enhance AI-powered intelligent automation for SAP, accelerating clients' SAP S4 HANA transformations.

Secured a pivotal digital transformation deal with a prominent public sector client, emphasizing enterprise expertise in seamless data migration and consolidation.

Established a partnership with EuroGroup to revolutionize business process automation, boosting efficiency and productivity for clients.

Board approved ESOP 2024, offering up to 563,200 stock options to enhance employee benefits.

Established a center of excellence for IBM Power Virtual Service, showcasing commitment to innovation and excellence.

Average tenure of a contract ranges from 90 to 180 days depending on complexity.

Employee cost as a percentage of sales is not specified due to the weighted average method.

Plans to utilize IPO proceeds for debt cancellation and future prospects.

ESOPs introduced for employees, with plans to extend benefits to shareholders in the future.

Average contract size ranges from INR 1-1.5 crores to INR 10-12 crores.

Exploring acquisitions in the range of 5 to 10 million revenue for synergistic technology solutions.

Revenue segments include software services and data center infrastructure, aiming for a 60:40 balance and future growth. Client retention rate is around 90%. Order book stands at INR 42 crores.

Expecting sustainable margins with a stable political and economic environment.

Future growth drivers include scaling operations, expanding territories, and advancing partnerships.

Top 20% customers contribute around 45-50% of revenue. Planning to increase services revenue to drive bottom-line growth. EBITDA margin sustainability expected with upward bias. Revenue breakup currently at 40-20 for hardware and software.

Exclusive Agreements: The company is empaneled as a preferred partner with SAP, Cisco, IMB, Google, and Lenovo and has entered into collaboration agreements for certain domains with them.

**Royal Orchid Hotels Ltd****CMP: INR 367 | Mcap: INR 10.08 bn**

Incorporated in 1986, Royal Orchid Hotels Ltd operates and manages hotels/ resorts and provides related services, through its portfolio of hotel properties. ROHL is in the business of managing hotels under flagship brands. Currently it has 107+ Hotels & Resorts in 70+ Locations in 16 States. Company runs Owned hotels, Leased Hotels, Managed & Franchised Hotels, and Subsidiaries Companies.

**Expansion Plans:** Added five hotels with a total of 469 rooms in Q1 FY25. Targeting to open 30 hotels this year, translating to approximately 1,900 keys.

**New Hotel Developments:** A new 300-room hotel in Mumbai expected to launch by December 2024 or January 2025. Anticipated Average Daily Rate (ADR) for the Mumbai hotel: ₹9,000 to ₹11,000. Plans to announce a new upscale brand shortly.

**Diversification Strategy:** Focusing on a mix of managed hotels, revenue share models, and ownership routes. Aiming for a balanced portfolio with a target of 10% of new hotel signings as revenue share or lease hotels.

**Upcoming Projects: Gurgaon Hotel:** Expected revenue contribution: ₹25 crores to ₹30 crores. 124-room four-star hotel under revenue share model.

**Yelahanka Property:** 28 rooms expected to be operational from November 2024.

**Goa Property:** Awaiting plan sanction for expansion, with expected project costs of ₹25 crores to ₹30 crores for adding 50 rooms.

**Top Line Growth:** FY25 revenue target: ₹370 crores to ₹380 crores, representing a 10% growth from last year's ₹312 crores. Next year's target: ₹500 crores in revenue. FY25 PAT guidance: ₹55 crores to ₹58 crores. Next year's PAT target: around ₹70 crores, factoring in IndAS effects.

**Outlook:** The management remains optimistic about the company's growth trajectory despite facing headwinds in Q1. They are focusing on strategic expansions, improving product offerings, and enhancing brand visibility to drive future profitability. The company's capital deployment strategy and operational improvements are expected to yield positive results in the coming years.

**RRP Semi conductor Ltd****CMP INR 36 | Market Cap INR 0.49 bn**

Incorporated in 1989, RRP Semiconductor Ltd is in the business of Semiconductor & digital chips, etc. RRPSL is in the business of Electronics, Information, and Technology through dealing in Semiconductor & digital chips etc.

**Industry Overview:** The Indian semiconductor industry has been experiencing significant growth and development in recent years. It plays a crucial role in the country's electronics manufacturing sector and contributes to the advancement of various high-tech industries. Overall, the Indian semiconductor industry is experiencing growth and transformation, driven by increasing domestic demand, government initiatives, and a focus on design and R&D. With continued support and investment, the industry is expected to contribute significantly to India's electronics manufacturing capabilities and emerge as a global player in the semiconductor sector.

Company ventured into a new business of Electronics devices and Semiconductor. It changed its name from G D Trading and Agencies Limited to RRP Semiconductor Limited.

On May 2nd 2024, company issued 1.35 Crore equity shares, aggregating to Rs. 16.23 Crore. It will utilize the issue proceeds and a loan of Rs. 6.35 Crore given to RRPEL:

- a) To enlarge its core businesses i.e. to meet with the expenses to set up plant for manufacturing of OSAT /SEMI-Conductor facilities in RRP Electronics Limited for manufacture, process, trade and market, designing and building of any form of advanced digital chips by /with the use of semiconductors.
- b) Invest in technology, human resources, fix assets and other infrastructure or working capital, BG, General Corporate to support the Businesses of the company.
- c) To Invest in the New Projects by taking over any company dealing with the trading, service, consultancy related to or connected with OSAT /SEMI in RRP Electronics Limited for manufacture, process, trade and market, designing and building of any form of advanced digital chips by/with the use of semiconductors.
- d) Redemption of 50,000 redeemable preference shares of Rs. 50 Lac.
- e) Repayment of outstanding loans and conversion of Loan into equity shares.
- f) Facilitate the purchase of the OSAT equipment's and infrastructure and Capital expenses through RRP Electronics Limited, a group company.

**Sahyadri Industries Ltd****CMP: INR 368 | Mcap: INR 4.03 Bn**

Incorporated in 1947, Sahyadri Industries is engaged in production of cement sheets and accessories, trading of steel doors and in generation of wind power electricity. SIL is a flagship company of The Patel Group. It provides building material products for interior and exterior building systems and roofing solutions. It manufactures and sells products such as asbestos corrugated sheets and boards and non-asbestos cement boards through a network of 3,000+ distributors. The company also operates nine windmills in Maharashtra and Rajasthan.

**Market and Demand Insights:** The decline in top line attributed to a subdued rural economy and persistent slowdown in demand, particularly from rural areas. Adverse climatic conditions, including excessive heat waves and early monsoon onset, negatively impacted demand for roofing products. Management noted that demand is expected to improve in Q3, provided weather conditions stabilize.

**Pricing and Margin Guidance:** Management indicated that margins have been affected by substantial increases in raw material costs, which have not been fully passed on to the market due to subdued demand. Margins have decreased from historical levels of 18%-24% to current levels around 10%-12%. Management does not foresee margins declining further from current levels, expecting gradual improvement as raw material prices stabilize.

**Capex and Expansion Plans:** Wada plant expected to commence operations in Q4 FY'26; Odisha plant anticipated to begin in Q4 FY28. Initial capacity utilization for new plants projected at 30%-40%, ramping up to 60%-80% over 3-4 years. Total capex planned includes ₹15 crores for normal operations and an additional ₹35 crores for the Wada plant.

**Export Business:** Export operations impacted by high ocean freight costs and geopolitical tensions, particularly in the Middle East.

Current export ratio is approximately 50% of total non-asbestos market sales.

Management optimistic about recovery in exports as freight rates begin to stabilize.

**Strategic Initiatives:** Continuous efforts to increase market share, particularly in western and southern regions. Focus on expanding non-asbestos product sales, which now account for 18% of total sales in Q1 FY'25, up from 17% in Q1 FY'24. No new domestic markets entered recently; however, ongoing efforts in export markets are being pursued.

## Saraswati Saree Depot Ltd CMP INR 167 ; Mcap INR 6610mn

Saraswati Saree Depot Limited specializes in the manufacturing and wholesale distribution of women's apparel. Saraswati Saree Depot (SSD) is a B2B wholesaler specializing in sarees and other women's apparel, including kurtis, dress materials, blouse pieces, lehengas, and bottoms. The company sources products from over 900 weavers and suppliers across India, with key relationships in hubs like Surat, Varanasi, Mau, Madurai, Dharmavaram, Kolkata, and Bengaluru.

**Geographical Presence:** SSD's extensive product catalog includes over 300,000 SKUs. The majority of products are sold in the western and southern regions of India, particularly Maharashtra, Goa, Karnataka, and Tamil Nadu. In FY24, SSD served over 13,000 unique customers.

**Store Network:** The company operates two stores in Maharashtra: Kolhapur and Ulhasnagar offering sarees categorized by occasion, fabric, weave, and ornamentation. In FY24, the Kolhapur store accounted for 88.32% of total revenues, and the Ulhasnagar store contributed 11.68%.

**Foray into New Vertical:** The company plans to expand into men's ethnic wear, aiming to capitalize on the growing trend of multi-day weddings, increasing acceptance of traditional outfits during festivals, and the rise of brands in the Indian wedding and celebration wear market.

**Other Product Offerings:** These include Kurtis, Dress Materials, Blouse Pieces, Shirt and Pant Pieces for men, Lehengas, Bottoms and other women's apparel accessories.

### Sarees

- By Occasion: Casual, Wedding, Festive, Party
- By Fabric: Silk, Soft Silk, Art Silk, Cotton Silk, Cotton, Organza, Georgette, Linen, Nylon Blend
- By Weave: Banarsi, Paithani, Kanjivaram, Maheshwari, Patola, Handloom, Bomkai, Gadwal, Tanchoi, Bandhani, Dharmavaram
- By Pattern: Woven, Printed, Floral, Digital Print, Dyed, Geometric, Self-Design, Solid, Embroidered
- By Ornamentation: Zari, Tassel, Zari Buta, Sequins, Floral Design, Brocade, Cotton Thread

SSDL operates at a large scale in its industry and procures products from its suppliers in large quantities which leads to achieve economies of scale and mitigate additional costs associated with smaller order size. Major Organized Player: Saraswati Sarees is one of the major organized players of the country's saree and stands firm to capitalize on this market's growth.

SSDL primarily sells in southern and western regions, including Maharashtra, Goa, Karnataka, and Tamil Nadu, serving over 13,000 unique customers in fiscal 2024. The top 10 customers contribute to less than 8% of total sales. Extensive Product Portfolio: SSDL's Product portfolio is vast and versatile in women's apparel segment and includes sarees, kurtis, dress materials, blouse pieces, lehengas, bottoms, other women's apparel accessories and their product catalogue lists more than 300,000 different SKUs.



**Sarda Energy & Minerals Ltd****CMP- INR 405 M.Cap- INR 142.8bn**

Sarda Energy & Minerals Limited (SEML) is the flagship company of Sarda Group and is engaged in the production of steel, ferro alloys and power. Product Portfolio: The Co. offers a wide range of products that include Wires Rods, HB Wires, Ferro Alloys, Pellets, Sponge Iron, and Billets.

Locational Advantage: Co enjoys locational advantages with proximity to captive mines from plants. The captive iron ore mine located at Chhattisgarh is ~140 km from their Chattisgarh steel plant. The 2 coal mines are located within ~200 kms of the Chattisgarh plant, improving operational efficiencies.

Operational Performance: Reduced production of steel billets and downstream products to prioritize power sales on commercial considerations. Hydropower generation decreased by 13% due to delayed monsoon. Mine opening work for Shahpur West coal mine pending Stage 2 forest clearance and mining lease; expected to receive permission within the current financial year.

Kalyani coal mine's mining plan approval held back due to resolved boundary issues with SECL. 50-megawatt captive solar power project progressing as scheduled, expected operational by end of the current financial year. 25-megawatt Rehar hydropower project nearing completion with dry run tests initiated; commissioning expected by the end of the quarter.

Industry Outlook: Global steel production flat at 955 million tons in H1 2024; India's production grew by 7.4% to 74 million metric tons. Domestic steel demand remained stable despite external challenges, with price realizations improving but moderating in June and July. India remains a net importer of steel, with an increase in imports and a significant drop in exports.

Ferro alloys prices rose sharply due to supply disruptions, but corrected quickly.

Future Guidance: Expectation of stable domestic steel demand bolstered by government infrastructure spending. Anticipated improvements in credit off-take and capital markets to support private capex, particularly in infrastructure and real estate.

Concerns over surplus in global steel markets due to China's slowing economy and rising imports affecting local performance. Management indicates that the current market conditions may not stabilize in the short term due to ongoing geopolitical issues and trade dynamics.

Project Updates: Acquisition of SKS Power under NCLT review; orders expected soon. Ongoing projects include three coal mining expansions and a waste utilization project in Vishakhapatnam. Capacity increase for Gare Palma IV/7 coal mine approved to 1.68 million tons, with necessary consents expected shortly.

-Current market volatility affecting pricing and production decisions. Production of billets intentionally curtailed to optimize power sales during high-price opportunities.

Management expresses uncertainty regarding future steel pricing and market conditions influenced by external factors, including geopolitical tensions and global economic health.

**SEAMEC Ltd****CMP Rs 1,377 | Market Cap INR 35.01bn**

Seamec Ltd is part of M.M Agarwal group; In 1986, Peerless Leasing Pvt Ltd was incorporated and renamed to Seamec in 2001. Seamec was taken over by HAL Offshore Ltd in 2014 and HAL Offshore holds a 70% stake in Seamec Ltd. HAL Offshore is a leading end-to-end solution provider of underwater and EPC services to the Indian oil & gas industry. Seamec provides Diving Support Services to the offshore Oil & Gas Industry. The company also provides specialized services, covering inspection, maintenance repairs, operating remotely vehicles, etc. The company has long-term contracts with clients like ONGC, L&T Hydrocarbon, etc.

business visibility backed by long-term contracts: SEAMEC owns and operates 5 Diving Support Vessels (DSV) for facilitating complex subsea operations. SEAMEC has long-term contracts of 3 to 5 years with clients for DSV which shows business visibility. Revenue growth is expected around 15%-20% CAGR going forward. The major Oil & Gas discovery happened in East Coast India. The more discoveries give an opportunity for SEAMEC.

NPP Nusantara (DSV) is expected to deploy from Oct-25 onwards: The management endeavors to consolidate vessel assets under SEAMEC over the next few years. As part of the Asset Consolidation, NPP Nusantara is expected to deploy from Oct-25 onwards. NPP Nusantara is a Diving Support Vessel (DSV) and it was built in 2011 and able to operate for another 10-12 years. NPP Nusantara deal value is around \$24mn and 5% has been paid as an advanced deposit. The company is confident in five years payback for Nusantara.

OSV would provide additional business visibility: The company has acquired the Offshore Support Vessel "Seamec Diamond" for \$7mn and deployed with ONGC from Aug-24 onwards. The deployment rate is \$8,750/day and a contract period of 3 years. The company has entered into an agreement to purchase the Offshore Support Vessel "Seamec Pearl (2 nd OSV)" for \$7mn. The company is in talks with sellers for delivery of 2 nd OSV. The company has already paid an advance deposit as per the international practice. OSV business is scalable and the company is able to increase the vessels based on industry requirements.

Margins are expected to improve due to effective deployment and cost rationalization: EBITDA margins stood at 33.9% in Q1FY25. EBITDA margins are expected to be 40%+ on a sustainable annual basis going forward. The company is strategically managing the operating and maintenance expenses which helps to improve the margins.

Outlook & Valuation: SEAMEC has witnessed strong bottom-line improvement due to cost optimization & rationalization. The company was sold "SEAMEC NIDHI" in Q4FY24 which is a loss making vessel which will reduce the expenses and improve the margins in coming quarters. NPP Nusantara is expected to deploy from Oct-25 onwards which will add additional revenue going forward. Nusantara payback period is expected around 5 years. SEAMEC Diamond (OSV) is successfully deployed with ONGC and the company is in talks with sellers for 2 nd OSV delivery which will be deployed in coming quarters. The vessel asset consolidation is expected to happen from HAL offshore to SEAMEC in the next few years. The asset consolidation would bring additional revenue to SEAMEC and likely unlock the potential going forward.

**Servotech Power Systems Ltd****CMP INR 180 | Market Cap INR 40.02 bn**

Servotech Power System Ltd manufactures LED lights and Solar power products. SPSL is in the business of high-end solar products and EV chargers. It develops ultra -fast DC chargers and Home AC chargers, and has installed over 2400 EV chargers in collaboration with oil marketing companies.

**Solutions Offered:** SPSL is a Solar EPC & Solutions company. It provides complete Residential and Commercial solar solutions for solar power projects, including engineering, procurement, construction, and commissioning of: a) On-Grid Solar System b) Off-Grid Solar System c) Hybrid Solar System

**Highlights:** The government's emphasis on reducing oil imports promotes EV and has created a favourable market for the company. The company secured orders for EV chargers from over 90% of oil marketing companies.

**Product Development:** New technology was developed to enable CCS2 chargers to accommodate electric vehicles with GBT connectors, eliminating the need for dual charging infrastructure. The company commenced domestic production of a 30 kW power module, which is a key component of fast chargers.

**Charger Installation:** A total of 5800 EV chargers were installed across India. Currently the working capital days stand at around 112 days. Company aims to reach INR 4,000 Mn in top-line revenue in FY25.

**Project Updates:** Uttar Pradesh project with an investment of ₹300 crores is delayed due to slow government policies and land acquisition issues, but management is pursuing alternative plans. Current gross block at ₹46 crores with expectations of significant revenue growth.

**Supply Chain and Component Costs:** Management is optimistic about component availability and costs, with no anticipated disruptions in production or supply chain. Backward integration efforts for key components (control set and power module) are on track, with the control set already being manufactured in India.

**Capacity and Production:** Plans to manufacture 12,000 DC fast chargers this year, averaging around 1,000 pieces per month. Current order book stands at approximately 8,000-8,500 pieces, indicating strong demand.

**SG Mart Ltd****CMP: INR 442 | Market Cap: INR 49.51 bn**

SG Mart belongs to the APL Apollo Tubes family. Mr. Dhruv Gupta and Mrs. Meenakshi Gupta acquired SG Mart (erstwhile Kintech Renewables Ltd) in April 2023, and since then, the company has been trading in building products. It has more than 1,700 products in its portfolio, 800+ registered customers and 90+ registered suppliers.

**Bridging the Gap:** SG Mart is positioned with a unique proposition to bridge the gap between Indian Steel manufacturers and consumers. Currently, the marketplace for steel suppliers and buyers is extremely fragmented and hence the company is defining themselves as a marketplace to defragment it. India is seeing a massive growth (~50%) in upstream steel facilities (between Dec 2023 and 2025). Current steel industry capacity is 120 Mn tonnes and is expected to reach 300 Mn tonnes by 2030. At present, there are small distributors and dealers who procure from mills directly and sell to industries down the line. The problem here is that the distributors and dealers are small in size. As per the management, the current largest player (excluding themselves) is doing a volume of just 25,000 tonnes per month.

**Business model (3 segments)** Company has three operating segments within trading business (B2B) Trading of long steel and flat steel products, buying directly from the steel producers and then distributing in the market Within B2B, processing upstream steel and selling in semi-finished shape to various user industries of steel. B2C distribution business which will have TMT and other products such as Metal Sheets / Welding Rods / Mesh Net Steel / Binding Wire.

**Massive Expansion Plans:** Within the second business segment, company operates through service centres. Currently, company has 2 service centres (in metro cities) which are delivering 10,000-12,000 tonnes per month, Company is going to add 2 more service centres in next 2-3 months and 1 in Dubai as well. After reaching 5 service centres, company aims to do volumes of 30,000-40,000 per month. In the next 12 months, company aims to take these service centres to 15 (penetrating in smaller regions like Raipur, Patna, Ludhiana, Jalandhar, Jammu, Kochi). The capex requirement per service centre would be of INR 200-250 Mn. By 2030, company has ambitions of having 200 service centres (101 outside India and 99 in India) The service centres will also act as warehouses which will be used for the third operating segment (B2C) business. At present, APL Apollo has given rights to SG Mart to use APL Apollo brand for non-steel pipe products (at free of charge). As per the management, there is a visibility of INR 3-4 Tn in steel non-pipe products (angle channels, rebars, welding rods, etc). At present, company is already doing volumes of 30,000 tonnes per month. This figure will grow as and when the service centres grow. Company will not be conducting trading of steel pipes (since it is being done in APL Apollo).

**Outlook:** With just under 1 year of operations, company has positioned itself in the leading position in steel product marketplace. Going ahead, the company has ambitions of reaching topline of INR 180 Bn by FY27 and INR 500 Bn by FY30. The EBITDA margins for B2C business will be ~4-5% but the blended EBITDA margins will be in the range of 2-3%. The high scalability, ample cash balance, strong parentage and opportunity in non-steel segment will be the key factors which will drive growth for the company going forward. We believe the company has potential to deliver EBITDA of INR 5.5 Bn by FY27E.

**Shriram Properties Ltd****CMP-INR 128 | Mcap: INR 21.86bn**

Shriram Properties is a part of Shriram Group. They are one of the leading residential real estate development companies in South India primarily focused on the mid-market and affordable housing categories.

They are also present in plotted development, mid-market premium, luxury housing as well as commercial & office space categories in core markets. They commenced operations in Bengaluru in the year 2000 and have since expanded their presence to other cities in South India, i.e., Chennai, Coimbatore and Visakhapatnam. In addition, they also have presence in Kolkata in East India, where they are developing a large mixed-use project.

Part of Shriram group: Shriram Properties is part of the Shriram Group, which is a prominent business group with four decades of operating history in India and a well-recognized brand in the retail financial services sector and several other industries.

Leading property developer: Shriram Properties Ltd (SPL) is one of the leading residential real estate developers in South India, focused on the mid-market and affordable housing categories. It is among the Top-5 Residential real estate developers in South India.

Market Trends: The mid-market and mid-premium segments are gaining significant momentum. 93% of upcoming projects are focused on mid-market and mid-market premium segments. The market has shifted post-COVID, with mid-market products now accounting for nearly 60% of sales volume.

Sales performance in Q1 was muted due to external factors: Election impact led to prolonged decision-making from customers. Water scarcity in Bangalore and unseasonal rains in Chennai affected customer closures. Deferred government approvals due to the election code of conduct slowed project launches. Management indicated that Q1 is traditionally a weak quarter for southern markets.

Future Outlook: Confident of achieving full-year guidance of 5.25 to 5.5 million square feet in sales. Anticipates a rebound in sales momentum starting Q2 as external factors subside. Aiming for a total of 3,500 units to be handed over during the fiscal year.

Project Pipeline: Strong project pipeline of 42 million square feet, with 20 million square feet of potential new launches. Project in Pune is delayed but expected to launch by Q3 due to pending approvals. Three more launches planned in Chennai and Bangalore in Q2.

Strategic Initiatives: Successful exit from the joint investment with ASK in Shriram Pristine Estates, converting it into a subsidiary. Focus on maintaining a strong credit profile to access capital for growth and operational needs. Emphasis on delivering excellence to customers and stakeholders, grounded in the group's values of trust, transparency, and governance.

**Shyam Metalics & Energy Ltd****CMP: INR 887 | Market Cap: INR 247.56 Bn**

Shyam Metalics is primarily engaged in the manufacturing of steel and allied products including pellets, sponge iron, TMT and long products, ferro alloys and generation of power. The company is 6th largest integrated steel producer & amongst the largest ferro alloys producer in India, 4th largest sponge iron player, leading player in terms of pellet capacity.

**Capex & Capacity:** Company has completed expansion plans in iron pellet, TMT, structural steel, wire rods and pipes segments. Numerous other plans ongoing. Out of total capex of INR 6 Bn for greenfield expansion of cold rolling mill, INR 2.57 Bn still pending. Total pending capex of INR 52.13 Bn (out of planned capex of INR 73.75 Bn). Blast furnace at Kharagpur to commission by Dec 2024, coke oven at Jamuria already completed, blast furnace at Jamuria to start commercial production shortly and sinter plant at Jamuria to start production by Aug 2024. Bright bars and wire rods capacity will be completed by FY26 end. Q1FY25 capex figure stood at INR 3.08 Bn. All of capex incurred this year will be commercially available next year. Capex for FY25/26/27 at INR 20/20/10 Bn.

**Business Highlights:** Company has successfully started operations at DRI unit (0.15 Mn tpa) and Captive Power Plant (20 MW) at the Ramsarup Industries facility in Kharagpur. ~82% of power sourced from Captive Power Plants at INR 2.37 /Kwh in Q1FY25, while Avg Power costs including Grid Power at INR 3.12/Kwh. Procured 17 rakes under Own your wagon scheme from Indian Railways, 2 more have been

Ordered. SS business has a lot of potential especially in coastal infra. Company saw 46% growth in

realisations for SS products YoY. Company has been accredited by Ashoka Buildcon and L&T. Company aims to take total VAP contribution to 80% in 5 years from current 50%. Company continues with plan of investing 70% of cash generated back into business.

Aluminum plant capacity utilization at 80-85%. Company exports 55%. Company is going to double capacity of aluminum plant. Going ahead, company is going to set up a foil stock plant. Currently sourcing from Indian manufacturers but going ahead, company will use recycled scrap or source from Hindalco & Others. Currently, some of the RM are seeing price correction but company expects the corrections to reverse post Diwali. Budget announcements on reduction in duties on rare minerals have little impact on the company as a whole.

Coal cost is currently stable, not much changes. Company is not dependent on imported coal. Iron ore prices saw some correction but not a huge difference. Mittal Corp current capacity utilization at 65-70%. DI Pipe EBITDA per tonne at INR 18,000 which the company feels is not sustainable. Company has already signed MOUs with big companies for EV foil supplies in FY26.

**Outlook:** Company aims to take total VAP contribution to 80% in 5 years from current 50%. Company has also guided for INR 250 Bn topline by FY27 (CAGR of 27%). Significant capacity expansion plans are running simultaneously and company intends to complete all by FY26.



**SignatureGlobal India Ltd****CMP Rs 1,485 | Market Cap INR 208.62bn**

Signature Global (India) Limited is actively involved in the residential real estate market, particularly in the Delhi NCR region, with a focus on Gurugram. The company is positioned to benefit from favorable political and economic reforms in the real estate sector following the recent election of a new union government.

**Market Dynamics: Residential Market Performance:** The residential real estate market in Delhi NCR, especially Gurugram, continues to show robust growth, with Gurugram accounting for over 54% of the total housing sales in NCR.

**Key Areas of Development:** Notable micro-markets for new residential launches include Sector 71, Sector 37D, and the Sohna region.

**Strategic Initiatives: Project Launches:** The company launched a premium project, DE-Luxe DXP, and a new project in Sector 71, with strong sales performance.

**Future Launches:** Plans to launch a large project in Sohna targeting the mid-income segment, with expected ticket sizes lower than those in Sector 71.

**Land Acquisition Strategy:** The company intends to replenish land inventory selectively and focus on operational efficiency without significant expenditure on business development.

**Financial Guidance: Sales and Launch Guidance:** Confident in achieving sales guidance of ₹10,000 crores and launch guidance of ₹16,000 crores for FY25.

**EBITDA Margin Expectations:** Projected EBITDA margins of 20%-25% on revenue recognition for the upcoming financial year, with embedded EBITDA margins of around 35% on current sales.

-**Competitive Landscape:** Increased competition from new entrants in the market, but management believes that their established brand and extensive distribution network will maintain their market position.

-**Land Prices:** Rising land prices may impact the affordability of new projects, but the company has significant inventory at pre-spike levels, providing a competitive edge.

**Construction and Operational Strategy: General Contractors:** Plans to onboard quality general contractors for premium segment projects while maintaining in-house capabilities for affordable and mid-income projects.

**Project Completion Focus:** A strong emphasis on timely completion of existing projects, with a construction team dedicated to delivering on commitments.

-**Market Positioning:** The company aims to maintain its focus on providing the right product at the right price and location, capitalizing on the ongoing demand in the real estate sector.

-**Long-term Strategy:** Open to cautiously expanding into new markets within the NCR while ensuring that any new project aligns with their operational capabilities and market demand.



**SIS Ltd****CMP: INR 416 | Mcap: INR 60Bn**

Security & Intelligence Serv.(India) is directly and indirectly engaged in rendering security and related services consisting of manned guarding, training, and indirectly engaged in paramedic and emergency response services; loss prevention, asset protection and mobile patrols; facility management services consisting of cleaning, housekeeping and pest control management services in the areas of facility management; cash logistics services consisting of cash-in-transit, ATM cash replenishment activities and secure transportation of precious items and bullion; and alarm monitoring and response services consisting of trading and installation of electronic security devices and systems through its subsidiaries, joint ventures and associates.

**Business Segments:**

**Security Solutions (83%)** - SIS is a premier Security solutions provider in the Asia-Pacific (APAC) region, encompassing India, Australia, New Zealand, and Singapore, It offers a wide range of Manned Security Solutions & Technology and Electronic Solutions.

**Facility Management (17%)** - The company operates 4 distinct brands that are ServiceMaster Clean, Dusters Total Solutions Services, RARE Hospitality, and Terminix. SIS offers a diverse range of facility management services, including housekeeping solutions, janitorial support, integrated facility management, HVAC maintenance, pest control, and more.

**Cash Logistics** SIS through a JV with Prosegur (49:51), A global leader in the cash logistics business provides services like cash in transit, including transportation of banknotes and other valuables, doorstep banking as well as cash processing, ATM replenishment, first-line maintenance and safekeeping, and vault-related solutions for bullion and cash. It operates 3,000+ cash vans and 60+ vaults covering 300+ cities across India.

Industry Ranking: Security Solutions India - No.1

Security Solutions International - No.1 in Australia with 20% market share and top 3 in New Zealand. Facility Management - No.1

Cash Logistics - No.2

**Geographical Presence**

SIS has its presence across 36 states/UTs with a total of 334 Branch offices, 50 Regional Offices & 29 Training centers across India.

It also has its presence in three nations Australia, New Zealand, and Singapore. <sup>[6]</sup>

**V-Protect**

SIS provides customized AI-enabled intrusion detection and response services to individual homes, small business establishments, retail chains, bank branches, ATMs, Offices, and commercial establishments and operates this business under the VProtect brand. In FY23, it expanded its presence in the B2B space, and won contracts in the BFSI segment, and also successfully implemented customized solutions for large logistics customers. The number of sites secured by SIS stands to reach over 8,000 and over 14,000 connections as of March 2023

**SJS Enterprises Ltd****CMP: INR 1026 | Mcap: INR 31.85 Bn**

SJS Enterprises Ltd is one of the leading players in the Indian decorative aesthetics industry in terms of revenue. It offers a "design-to-delivery" aesthetics solutions provider with the ability to design, develop and manufacture a diverse product portfolio for a wide range of customers primarily in the automotive and consumer appliance industries. Strong order intake from key customers like Stellantis, Mahindra, Tata, and new business from Dixon.

**Business overview:** The company is in the final stages of setting up its cover glass business and expects to receive its first order by the end of the current quarter. Significant revenue impact from this segment is expected in FY26. 2W business now contributes about 34-35% of total revenue, down from 70% previously, as the company has pivoted towards becoming a 4W supplier.

**Product Offerings** The Company has ~6700 SKU, 11 product categories including chrome plated parts Design" to delivery" aesthetics solution provider for a wide range of customers primarily in the automotive and consumer appliance industries.

Some of its product offerings include decals and body graphics, 2D appliques and dials, 3D appliques and dials, 3D lux badges, domes, overlays, aluminum badges, "In-mold" label or decoration parts ("IML/IMD(s)"), lens mask assembly and chrome-plated, printed and painted injection-molded plastic parts. The company also offers a variety of accessories for the two-wheelers' and passenger vehicles' aftermarket under the "Transform" brand.

**Capex** Capex plans of around INR 1,700-1,800 Mn per annum for FY25 and FY26 to support future growth. Expanding capacity at ExoTech and Walter Pack subsidiaries, with investments of around INR 800 Mn and INR 400 Mn respectively. Allocating INR 150 Mn annually for maintenance capex.

**Export** Export revenue grew by 13% YoY to INR 142 Mn. They aim to increase export contribution from the current 7.5% to 15% of consolidated revenue in the next three years.

**Outlook:** Company expects to maintain a consolidated EBITDA margin of around 25%, focusing on growth and new technology products rather than margin expansion. The company outperformed the automotive industry growth, with its 2W and 4W business. SJS added Dixon Technologies as a new client, opening up opportunities in the consumer durables segment. The management is targeting to grow 1.5x the industry rate and increase exports to 15% of consolidated revenue in the next three years.

**Sky Gold Ltd****CMP INR 2575 | Market Cap INR 35.16 bn**

Sky Gold Limited is engaged in the business of designing, manufacturing, and marketing gold jewellery. The co. follows a B2B model where the products are mainly sold to mid-range jewellers and boutique stores who sell these products through online platforms and retail stores.

**Product Portfolio** The Company mainly deals in 22 Karat gold jewelry, offering a wide variety of designs to suit the preferences of the end customer. They provide an extensive range of designs and also use studded American diamonds and/or colored stones in many of their jewelry products.

The company has exclusive designs across 14 Product categories. Their Fast Moving Segment has an average ticket size of Rs. 50,000. It has an Inhouse ~80 Member Design Team and ~2000-2500 designs being floated every month. The catalogue is exhibited to corporate purchasers every month. It has SKUs of ~3 Lakhs

**Expanding to US Market** The Co launched its own brand in the USA retail market by itself and/or its Subsidiary in collaboration with M/s. Varanium Inc., USA in Gold Jewellery Products.

**Client Base** The company has reputed clients like Malabar Gold, Joyalukkas, Senco , Khazana Jewellers, Khimji, Kalyan Jewellers, GRT, Istaara etc.

**Revenue Guidance:** Targeting INR 6,300 crores in revenue by FY27, with INR 2,700 crores from the parent company and INR 500-600 crores from subsidiaries for FY25.

**Cash Flow Expectations:** Expected to be cash flow positive after reaching INR 5,000 crores in revenue by the end of 2026.

**Corporate Partnerships:** Currently, 65% of the business is driven from corporate clients, with plans to elevate corporate business share to 100% over the next three years.

**Outlook:** The management remains optimistic about future growth, driven by strategic acquisitions, a strong focus on corporate partnerships, and favorable government policies. The company is positioned well to capitalize on market trends and consumer preferences for branded, high-quality jewellery.

**Solex Energy Ltd****CMP- INR 1,621 | M.Cap- INR 14bn**

Solex Energy Ltd manufactures solar photo-voltaic cells and modules and is also in the Engineering, Procurement and Construction in the solar energy market.

Business Overview: SEL specializes in renewable energy solutions and manufactures Solar Photovoltaic (PV) Module and solar home lighting systems in India. Its operations include turnkey projects, spanning Residential Rooftop, Commercial, Industrial, and Utility Ventures. Company is engaged in OEM and ODM partnerships with Indian and International entities for module production under their brand names.

Capacity Expansion: a) Company proposed adding 800 MW (totaling to 1.5 GW) Solar Module Manufacturing Line by H1'FY25

b) Brownfield expansion for achieving target capacity of 4.0-4.5 GW for Solar Module Manufacturing and exploring expansion into Solar cell manufacturing for 2 GW

Production Facility: Their manufacturing facility in Surat was established in September 2022 and is undergoing expansion. Its current production capacity is 700 MW which will increase to 800 MW by H1'FY25. It is also transitioning from current technology of P-Type Mono PERC to N-Type TOPcon.

Strategic Partnerships: Engaging with investors for potential capacity booking and advanced payments. Discussions with big corporates for long-term contracts and equity commitments. Exploring tie-ups for mutual benefits and strategic growth opportunities. Strategic tie-up with a major player in the industry who has invested in the company. Expecting significant offtake from the strategic partner. Looking to consolidate the EPC business into a wholly owned subsidiary.

Technology and Equipment: Investing in next-generation equipment for the new production line. Focusing on high-efficiency technology like HJT cells. Collaborating with industry leaders for technology and expertise.

Future Outlook: Optimistic about reaching EBITDA margins of 9% to 11%. Planning to expand capacity and revenue in the coming years. Confident in the company's unique approach and competitive positioning in the market.

Expansion Plans: Targeting to reach 3 gigawatt capacity within the next 9 to 12 months. Second line expansion cost estimated at ₹70 Cr to ₹75 Cr. CapEx requirement for 3 gigawatt expansion is ₹270 Cr. Plan to balance the funding with a mix of equity and debt.

Market Outlook: Focused on balancing own brand and OEM production for capacity utilization. Expecting to be competitive in pricing and quality with international markets. Eyeing opportunities in the U.S. and European markets due to geopolitical shifts. Targeting to cater to both domestic and export markets with the expanded capacity. Facing price fluctuations in the market impacting margins.

**Sonata Software Ltd****CMP: INR 642 | Market Cap: INR 179.95 bn**

Sonata Software Ltd is primarily engaged in the business of providing Information Technology (IT) Services and Solutions to its various customers in the United States of America, Europe, Middle East, Australia and India.

**Platformation Services:** Platformation Business Consulting (creates value by facilitating exchanges between two or more interdependent groups like regarding the CRM), Data analytics, Microsoft Dynamics (Digital business continuity services), cloud transformation, etc.

**Industry Platforms:** Rezopia - A cloud based end-to-end travel reservations, contracts, operations and distribution management system for travel providers. Brick & click - Provides digital ready operations capability and digital engagement both instore and online with commerce and operations systems for retailers.

International IT Services, pipeline continues to be healthy with multiple modernization deals both from existing and new customers.

The company secured three major deals in Q1 FY25: one in Healthcare, one in Manufacturing, and one in BFSI. Positive factors include contributions from large deals, key clients, and the healthcare sector. However, challenges arise from delayed deal closures, a slowdown in retail and manufacturing, and a new large healthcare deal that will temporarily reduce margins for a few quarters.

Large deals make up 47% of the active pipeline, with over 49 large deals being pursued. The book-to-bill ratio stands at 1.24x.

The international business is back on a growth path, showing positive momentum with the large deal wins. Gen AI 20% of the revenue is expected to come from AI services in the next three years, with AI integrated across functions, an AI cross-functional organization, collaboration with the CTO and sales, use of AI for demographic coverage and regulatory compliance in clinical trials, the IntelliQ solution accelerator enhancing efficiency, and 67% of employees Gen-AI level one trained.

**Microsoft Fabric:** Integral part of Microsoft Fabric, a data analytics platform launched in November 2023, with a 46 mn pipeline across 80+ clients and a team of 450+ Microsoft certified Azure data professionals and 150+ DP 600 certified professionals.

**Outlook:** The company anticipates growth momentum to increase from H2FY25 and remains confident in achieving their \$1.5 bn target over the next 8-10 quarters, with margins expected to be in the low 20s.

**Spectrum Talent Management Ltd****CMP: INR 124 | Mcap: INR 2.86 bn**

Spectrum Talent Management Ltd is in the business of Manpower supply, Recruitment and related services and Trading of Electronic Goods. It offers a wide array of services like recruitment, payroll, onboarding, and flexible staffing solutions to businesses, etc. Company also provides solution for businesses looking to augment their in-house technical teams by hiring specialized professionals for a defined period. Company provides VAS including account receivables management, brand assurance, and fixed asset management.

**Driving Operational Excellence:** Implementing NAPS, NATS, and Establishing a Dynamic RPO and IT Staffing Sales Team. Company has done successful implementation of National Apprenticeship Promotion Scheme (NAPS) and National Apprenticeship Training Scheme (NATS), as well as the establishment of a highly effective Recruitment Process Outsourcing (RPO) and IT Staffing Sales Team. These initiatives have significantly bolstered company's capabilities and streamlined operational efficiencies.

**Strategic focus on core HR businesses ensures sustainable growth:** Company's strategic investments have impacted operating margins in the short term, but these are expected to recover, aligning with its vision of sustainable growth. PAT margin to stabilize and improve over the next 1 to 1.5 years. Trading business segment experienced a notable increase in turnover due to rapid capital utilization; however, this segment is set to be phased out as company intensify focus on core HR businesses.

**Core segments:** Manpower supply and recruitment services experienced robust growth, expanding by 20%. This growth was driven significantly by contributions from the Renewable Energy, Retail, and Manufacturing sectors, demonstrating agility and effectiveness in responding to evolving market needs. Company successfully onboarded 70 new clients, which underscores expanding market presence and successful client acquisition strategy. Moreover, company strategically scaled workforce, doubling headcount from 13,000 to over 27,000 employees, reflecting commitment to sustainable growth and meeting increasing demands across industries.

**Spencer's Retail Ltd****CMP: INR 104 | Mcap: INR 9.37bn**

Spencer's Retail (SRL), part of the RPSG Group, is a multi-format retailer offering FMCG, fashion, food, staples, personal care, home essentials, and electronics. Their two brands are- Spencer's and Nature's Basket.

**Margin improvement across core categories, supported by ongoing cost cutting and store rationalization:** There is a visible improvement in gross margins despite no significant change in the mix between food and nonfood, indicating that in core categories of food, FMCG, and staples, delivered better margins due to a better product mix within this category. 19.5% is the sustainable gross margin (as they are not positioned as a value discounter). In the next 2-3 years, we foresee the company stabilizing at 4-5% EBITDA Margins- an improvement of ~500bps from the current level.

**Nature's Basket and Spencer's on a Revival Path as major value triggers:** In Q1FY25, Nature's Basket grew +4% QoQ and 8% YoY driven by new store addition into better performing areas, and an improved performance of core categories. We expect high-single-digit growth for Nature's Basket, a target breakeven consolidated EBITDA by Q3, and positive EBITDA by Q4. The company's Q1FY25 performance remained flat vs Q4, but consolidated gross margins improved by 97bps QoQ and 90bps YoY owing to the same reasons. In Q1FY25, Nature's Basket gross margins were up 98bps YoY, and Spencer's were up 75bps YoY. This is an indicator of how these two stores will lead to major value unlocking hereon.

**Store and region rationalization coupled with geographic expansion into better-performing territories:** They decided to exit 2 operating territories recently, which is NCR and Telangana- comprising 49 stores and 22% of the top line these 49 stores accounted for close to INR 56 crores of losses at a regional EBITDA level. This closure did impact the top line, but it will significantly improve EBITDA levels going forward as the previous store level drag is done away with. This also allows them to focus on the remaining two geographies where there is a sizeable consumption opportunity. These 2 areas have 800,000 sqft of trading area (vs the earlier 1.3mn), and over the next 12- 18 months they plan to add at the rate of 100,000 sqft per year to bring back the total trading area to close to 1 mn sqft in 24 months.

**Outlook:** Given the current industry tailwinds coming up in the latter half of this year, we expect the level of discretionary spending to pick up significantly. That, coupled with the heavy opex cuts the company is undertaking, margin acceleration will take place at a very fast pace. The company is also aggressively working on rationalizing its store presence, closing down stores that are dragging down margins, and opening up stores in successful clusters via both store formats, thus balancing store expansion with cost optimization. To add to that, its cheap valuations are also attractive. We believe there is tremendous earning potential in this company, that is yet to be realized. At a stable 5% margin, we believe the company can trade at 5x P/S (it is currently valued at 1.55x the Q1FY25 sales), which is much cheaper than its peers- some of which are currently valued at 20x P/S.



**SPML Infra Ltd****CMP: INR 269 | Mcap: INR 15.96 Bn**

Incorporated in 1981, SPML Infra Ltd is in the business of infrastructure development. SPML is a leading infrastructure development company in India, certified to ISO standards, with a diverse portfolio spanning over 650 projects nationwide. They specialize in water treatment, power transmission, waste management, and civil infrastructure, securing contracts from government departments across Delhi, Uttar Pradesh, Rajasthan, Bihar, Gujarat, Maharashtra, and Karnataka.

**Key Highlights**

**Government Initiatives:** The government has launched several flagship programs focusing on water distribution and wastewater treatment, including Jal Jeevan Mission, AMRUT 2.0, and Namami Gange.

Total estimated outflow for these initiatives is approximately ₹10 lakh crore.

**SPML Business and Operations:** SPML Infra has completed nearly 700 turnkey projects, providing drinking water to over 50 million people. The company aims to focus exclusively on the water sector, particularly bulk water supply, for better project execution and financial returns. SPML has a strong pre-qualification for executing water supply and management projects worth over ₹1,500 crore and has laid down over 10,000 kilometers of water pipeline. The company is working on increasing profitability by targeting higher-margin projects and focusing on funded projects in cash-rich states.

**Funding and Liquidity:** The promoter has infused over ₹150 crore over the last five years to improve liquidity and resolve debt issues with lenders.

The company is exploring further fundraising options to enhance liquidity in light of available opportunities in the water sector.

**Order Book and Bidding Strategy:** SPML is targeting to bid for ₹10,000 crore worth of projects, expecting to secure ₹2,000 to ₹3,000 crore in orders this financial year.

The company aims to maintain a risk-averse bidding strategy, focusing on profitable and easy-to-execute projects.

**Sustainability Initiatives:** SPML is publishing its first Business Responsibility and Sustainability Report (BRSR), aligning operations with global ESG standards.

The report will outline non-financial performance and future commitments towards sustainability.

**Outlook:** The management anticipates operational improvements beginning in Q2FY25, despite a slowdown in Q1 due to the election period. The focus remains on quality orders with double-digit margins, with expectations of a strong second half driven by new orders and existing projects. The water sector is viewed as having a long-term growth trajectory, with significant investments expected over the next 10-15 years.

**SRG Housing Finance Ltd****CMP: INR 364 | Market Cap: INR 5.19 bn**

Incorporated in 1999, SRG Housing Ltd provides loans to Retail customers for construction, repair, renovation or purchase of residential property, and loans against property. SRGL was the first company in Rajasthan to be registered with the National Housing Bank (NHB) and to be listed on the BSE SME platform. It is an ISO 9001:2008 certified company for the Quality Management system of loan process. SRGL is a retail and affordable housing finance company which helps in providing housing to the rural and semi-urban population of India.

**Geographical Presence:** It provides individual housing loans and loans against property to home-buyers in central and western India.

**Assets Under Management:** The Gross Loan Book as at March 31, 2024 stood at H601.59 Crores as against H438.36 Crores as at March 31, 2023, growth of 37.24%. As at March 31, 2024 the Loan Portfolio contributing Housing loans as 69.84%, (previous year 66.14%) and Loan against properties (LAP) as 30.16% (previous year 33.86%).

The Gross NPA of Company as on March 31, 2024 was INR 13.76 Crore. The Net NPA as on 31st March 2024 was INR 4.11 Crore; No account has been written off during FY24.

The Company maintains an adequate Capital Adequacy Ratio which is far higher than the minimum required level of 15% under the RBI Master Directions signifying the strong position of the Company.

**Borrowings:** The Company has a diverse set of lenders that include public sector banks, private sector banks, the National Housing Bank and other financial institutions. Funds were raised in accordance with the Company's Resource Planning Policy, through term loans from banks, FIs and re-finance facilities from NHB. The Company's long-term nature of borrowings and adequate liquidity have ensured a well- matched ALM.

The Company availed INR 262.80 Cr. in FY24 out of which 39.51% from Banks and rest from Financial Institutions and NHB.

**Star Housing Finance Ltd****CMP: INR 49 | Market Cap: INR3.86 bn**

The company focuses on first-time home buyers in urban and rural areas, particularly from economically weaker sections and low-income groups. Current branch network spans 34 locations across 6 states. Average incremental loan size is INR 1.2 Mn in semi-urban areas and INR 0.8 Mn in rural regions. The company has implemented an upgraded lending suite for end-to-end home loan processing. Around 12% of AUM comes from co-lending partnerships.

**Asset Quality and Risk Management:** Portfolio at risk (0+ days past due) is 3.38%. The company maintains a strong focus on credit and collection processes. Implemented an early warning signal system to identify high-risk customers. Uses a combination of formal credit bureau data and assessment of informal credit sources for customer evaluation.

**Capital and Funding:** Current borrowings stand at INR 3,343 Mn from 6 banks and 9 financial institutions. Debt to equity ratio is 2.43 times. The company has issued warrants, with 25-26% already subscribed. Exploring possibilities of raising additional capital from family offices and specialized investors. Current credit rating is BBB stable, with potential for upgrade upon reaching INR 6,500-7,000 Mn AUM.

**Technology and Process Improvement:** Implemented an upgraded version of their lending suite for improved productivity. The new system provides end-to-end home loan processing capabilities. Enhanced receivable management functionalities have been integrated. Digitalisation of processes is ongoing to support growth.

**Geographical Presence and Expansion :** Current operations span across Maharashtra, Madhya Pradesh, Gujarat, Rajasthan, NCR, and Tamil Nadu. These markets constitute over 75% of housing demand in the country. - Considering expansion into southern states and Chhattisgarh. - Future growth strategy includes deeper penetration at the district level.

**Risk Management and Credit Assessment :** Use of comprehensive credit policies and guidelines. - Each new center opening includes a dedicated receivables management person. - Collection focus is driven from head office down to the last collection officer. The company assesses both formal and informal credit sources of customers.

**Customer Profile and Underwriting:** Target customers typically lack formal income documents and are often unbanked or hesitant to use traditional banking services. Customers often have multiple income sources within a family (e.g., cash-traveling, small stores, livestock income). The company uses in-house developed spreadsheets for cash flow assessment of customers. Portfolio is more tilted towards self-employed segment customers. Both borrower and co-borrowers (family members) are included in loan proposals.

**Steelcast Ltd****CMP: INR 764 | Mcap: INR 15.46 bn**

Steelcast Limited is engaged in the business of manufacturing Steel and Alloy Steel Castings catering to a host of OEMs for diverse industrial sectors. The company offers casting products like Carbon Steel, Low Alloy Steel, High Alloy Steel, Manganese Steel, and other Superior Grades of Wear and abrasive resistant Steel Castings produced by Bake and Shell Moulding Processes. The company caters to diverse Industrial sectors like Earth Moving, Mining & Mineral Processing, Locomotives, Rail Road, construction, etc. As of FY24, the company has a 30,000 TPA manufacturing facility comprising 3 production plants and 1 machine shop in Bhavnagar, Gujarat. It reported a capacity utilization of 42% in FY24.

**Customer Diversification:** Focus on increasing customer base within existing industries rather than adding new industries, aiming for broader market presence to reduce risk. Continuous efforts to improve product offerings and customer relationships across targeted industries.

**Market Conditions:** Global geopolitical shifts, Middle East tensions, and upcoming elections in the US and UK are influencing the economic landscape. Anticipated subdued growth for Q1 FY25 and Q2 FY25, with a belief that Q2 will be the bottom for FY25. The domestic mining and construction equipment industry reported a 5% growth in the April-June quarter, hindered by a slowdown in new project awards due to general elections in India.

**Strategic Initiatives:** Focus on expanding export markets from 15 to 18 countries over the next two years. Diversification from mining and construction sectors to include the railroad business, targeting growth from 3% in FY24 to 20% in the next three years.

Completed deliveries of critical components for the defense sector, becoming the first company to develop such components. Plans to utilize internal accruals for CAPEX starting from FY26, having repaid all short-term and long-term debts.

**Defense Sector Developments:** Awaiting new tenders from the Ministry of Defence for components developed, with potential market size estimated at ₹60-65 crores. Currently, the only company to have developed specific defense components, competing against foreign suppliers.

**Outlook:** Management is optimistic about a performance turnaround starting from Q3 FY25, driven by government infrastructure development focus and anticipated ramp-up in new project awards. Positive indications from customers for increased orders in October-December 2024. Order book currently stands at approximately ₹65 crores, with expectations of 50%-53% from export.

**Sunteck Realty Ltd**

CMP: INR 566 | Market Cap: INR 82.93bn

The Company is engaged in real estate activities with owned or leased property. Its business focuses on designing, developing and managing residential and commercial properties. It is focused on city-centric developments spread-out across Mumbai Metropolitan Region (MMR). Sunteck is known for smart acquisitions and strategic partnerships, with its expertise and vast knowledge in the ultra-luxury and luxury residential segments.

**Growth Strategy:** Management confident in achieving 30% to 35% growth in pre-sales for FY '25, with ongoing projects serving as growth engines. Upcoming launches expected to contribute significantly to future sales, including new phases at existing projects. Continuous assessment of new opportunities aligned with high equity multiple philosophy for portfolio expansion.

**Market Dynamics:** BKC project showing strong momentum, with significant improvement in sales performance (₹355 crores in the last 12 months vs. ₹203 crores in previous three years). Management optimistic about sustaining sales momentum in BKC and across other projects.

-Management cautious about over-committing on future sales forecasts, maintaining a conservative growth target of 30% to 35% to ensure delivery capabilities. Approval processes for projects remain a critical factor for timely launches, particularly for Nepean Sea Road.

**Business Development:**

Evaluating several projects, though specifics on GDV and timelines not disclosed.

Ongoing projects have receivables from sold units estimated at ₹2,300 crores to ₹2,400 crores.

**Upcoming Projects:**

Dubai project set to launch in FY '26, with a potential gross development value (GDV) of over ₹9,000 crores and an investment of ₹250 crores for a 50% profit share. Nepean Sea Road project progressing well, with site clearance underway and a potential GDV of ₹2,500 crores. Anticipating additional launches in the coming quarters due to low inventory levels.

Over the past two-three years, SRL has acquired joint development agreement (JDA) projects in Borivali, Mira Road, and Kalyan. The only outright acquisition by the company has been in Napean Sea Road in South Mumbai. The JDA projects do not involve any material upfront cash outgo as the company gives landowners a share of customer collections and there is no material upfront cash. These acquisitions have provided a saleable area of more than 13 million sf to the company and the management expects these projects to provide the next leg of growth and diversification for the company.

SRL operates only in the MMR, and hence, is completely dependent on the Mumbai region for its operational growth. This concentration risk is somewhat mitigated by the diverse nature of the micro-market itself, as the characteristics of the various sub-regions in Mumbai – southern, central, western, eastern suburbs, western periphery and northern periphery – are very different in terms of demography as well as ticket-size.

**Suraj Estate Developers Ltd****CMP INR 800 | Market Cap INR 35.48 Bn**

Suraj Estate Developers Ltd (SURAJEST) is a real estate player across the residential (value, luxury, value-luxury) and commercial sectors in South Central Mumbai (SCM) region. They have a residential portfolio located in the sub-markets of Mahim, Dadar, Prabhadevi and Parel, which are sub-markets of the SCM and also they are now venturing into residential real estate development in Bandra sub-market. Since incorporation, they have completed 42 projects with a developed area of more than 10.46 lakh sq. ft. and they have 13 ongoing projects and 18 upcoming projects.

**Strong pre-sales expected for FY25:** The company's sales value (pre-sales) grew by 5.3% YoY/grew by 14.8% QoQ which was led by better realization as well as increased sales of luxury projects but decline in volume partially impacted the growth to certain extent. For Q1, INR 1400Mn sales value was only from residential projects. For FY25, the company aims to achieve a total of ~INR 8500Mn pre-sales driven by a healthy project pipeline of GDV INR 11,500Mn. Thus, among pre-sales INR 6,500Mn would be achieved from ongoing & upcoming residential projects and ~INR 2,000Mn would be received from new launch of commercial projects.

**Healthy project pipeline for FY25 and also for the next 3-4 years:** The company has healthy pipeline for new launches and in FY25, it expects to launch 7 new projects with the GDV of INR 11,500Mn within which 6 will be residential (GDV of INR 6,750Mn) and 1 in commercial (GDV of INR 4,750Mn). Besides, they plan to launch a total of 18 new projects in the next 3-4 yrs with a carpet area of 9.01 lakh sqft (plus FSI) and GDV of INR 50,000Mn.

**Robust improvement in financials over FY24-27E:** With SURAJEST ongoing and upcoming projects we expect its financials to see healthy improvement over FY24-27E. Its pre-sales is expected to grow at a CAGR of 58.5% to INR 19,232Mn in FY27. Revenue to improve by a CAGR of 25.8% to INR 8,205Mn and on profitability front, its EBITDA is expected to grow at a CAGR of 23.6% while we expect the company to maintain an EBITDA margin of ~53-54%.

**Continue to focus as a leading player in redevelopment projects under scheme 33 (7) of DCPR through asset light model:** SURAJEST expertise is in redevelopment of tenanted properties under Regulation 33(7) of the Development Control and Promotion Regulations (DCPR) in the Mumbai region. They have ~8% market share in redevelopment project launches in SCM area. Besides, they continue to strengthen their redevelopment project portfolio predominantly through the asset light model as there is an added advantage for redevelopment of tenanted properties as compared to other redevelopment projects. In addition, they have a total of 18 upcoming projects and among them 15 are redevelopment projects. Besides, SURAJEST has strong brand recall, diversified presence across various price points and also, they aim to sell ~80% of units during the launch & construction phase which bodes well for their growth.

**Diversified portfolio of residential and commercial projects:** SURAJEST has a diversified portfolio of residential and commercial projects in the SCM region. They cater to a wide spectrum from value luxury to luxury residential projects offering 1 BHK to 4 BHK flats with 300-2,200 sq.ft. area and the ticket size of ~10Mn-130Mn. In terms of the projects, the company has 13 ongoing projects with carpet area of 6.1 lakhs sq ft. wherein they sold an area of ~4.89 lakh sq ft and unsold area is ~1.2 lakhs sq ft with estimated collections of INR 13,500Mn. Also, they have ~18 upcoming projects launched in the next 4-5 years with an estimated carpet area of 9.01 lakh sq. ft. and additionally they are expecting FSI with Metro FSI Scheme/33(9) Scheme and these are well diversified projects across different price ranges.

**Suryoday Small Finance Bank Ltd****CMP: INR 184 | Mcap: INR 19.53Bn**

As a bank, their current range of credit products such as MFI loans, Vikas Loans, and Shopkeeper Loans for both existing and potential customers. The bank has Commenced operations in 2009 and has since grown its operations to cover 14 states and union territories, serving approximately 2 million customers. They aim on prioritizing digital banking services, utilizing Aadhar biometric identification, NPCI's payment systems, and mobile technologies to enhance customer experience. Additionally, they aim to serve underprivileged communities through innovative banking methods and aim to extend their presence to states where they are not currently operating.

**Key Highlights**

**Portfolio Restructuring and Performance:** The company has restructured its portfolio, separating micro

housing loans (MHL) from home loans (HL) and categorizing them under "others." This shift has not led to a decrease in the MHL portfolio. Micro mortgages (micro home loans and micro LAP) performing well with a near 100% collection portfolio and GNPA of around 0.3%. Average ticket size for micro mortgages is currently less than INR 5 lakhs.

**Expansion Strategy in Karnataka and Regional Exposure:** The company aims to grow its presence in Karnataka by evaluating strategies to increase its portfolio there. Karnataka is a promising market where both inclusive finance and micro mortgages are performing well. With the opening of 30 new branches, the company is seeing fast growth in the state. They've also seen a significant improvement in loan repayment rates for commercial vehicles and mortgages in recent months. In Rajasthan, the company's exposure is around 2.5% to 3% of its total portfolio.

**Operational Focus and Regulatory Commitments:** The company follows a progressive write-off policy aligned with regulatory guidelines, providing for asset impairments progressively as loans turn nonperforming. Monthly collections are standard practice, with a focus on maintaining high collection efficiency and customer satisfaction. The company is committed to achieving a CD ratio of 100% by the end of the next financial year as part of its regulatory obligations, reflecting a balanced approach to credit and deposit management.

**Outlook:** Looking ahead, the company's future strategy involves maintaining a growth rate of 30-35% in both assets and liabilities while prioritizing quality expansion. They anticipate a pre-provisioning operating profit of around INR 120 crores per quarter in FY25. Their NIMs are projected to remain stable, with a cost of funds at 7.5%. The company will continue to emphasize financial inclusion and broaden its product offerings in existing and new markets. Additionally, they plan to convert more branches into composite branches and hire additional staff. Employee expenses are expected to grow at 50% of the growth in assets. Furthermore, the company is focusing on digital partnerships and implementing video KYC for future growth opportunities.



**Suyog Telematics Ltd****CMP: INR 1,615 | Market Cap: INR 17.22bn**

Suyog Telematics Limited is engaged primarily in the business of installing, commissioning and servicing of poles, towers and optical fibre cable (OFC) systems, catering to the telecommunication industry with operators across 12 telecom circles in India.

The company is registered as Infrastructure Provider Category-I (IP-I) with the Department of Telecommunications (DoT).

The company is a service provider of telecommunication products and services. Company builds, owns and operates passive infrastructure assets like telecom towers, optical fiber cable (OFC) systems and related assets, and provides them on a shared basis to wireless and other communications service providers. These customers use the space on the company's telecommunication towers to install active communication-related equipment to operate their wireless communications networks.

**Business Model:** ) Identification of site: Based on customer's request, optimum location is identified. The company claims to have the lowest turnaround time.

b) Deployment of site: Once a location is identified, the company leases land from the owner and deploys tower infrastructure

c) Infrastructure sharing: The established tower infrastructure is rented out to wireless tenants under long term agreements (known as Master Service Agreements [MSA]) for a specified fee. The company has an average 10+ years MSA with inbuilt escalation of 2.5%

p.a.

d) Revenue model: The co-locations are tenured for a period of more than seven years with exit penalties. Sites with multiple operators (Co-located Sites) with lock-in period of >7 yrs. with exit penalties, helps it to build recurring revenue streams.

**Network:** The company is present in 15 telecom circles across 26 states with 4300+ towers, 5000+ tenancies including 3700+ Small Cell Tenancies & 900 Govt. Sites Tenancies. It has 4600+ kms of fiber network laid.

**Exclusive License:** Company has a strong presence in the government sector in Mumbai supported by the fact that it has the sole license to install towers and poles for Mumbai Metropolitan Region Development Authority (MMRDA) and Mumbai State Road Development Corporation Ltd (MSRDC) sites across the city's flyovers, sea link and skyways. The exclusive license from government agencies ensures stable revenue growth and profitability.

BSNL's recent government support and aggressive rollout plans provide significant opportunities. The company is optimistic about capturing a larger share of the market as mobile operators expand their networks. The telecom market is evolving with ongoing 4G and 5G rollouts, increasing demand for infrastructure.

Expected EBITDA margins to be maintained around 60-65%, despite a projected decline from FY24 levels due to increased operational costs and competitive pricing pressures.

Co. Plans to double tenancies to approximately 10,000 by the end of FY25.

**Swaraj Suiting Ltd****CMP- INR 276 | M.Cap- INR 5.04Bn**

Started in Denim and cotton industry in 2000. Shifted focus from job work manufacturing to grey fabric manufacturing. Installed first plant in Neemuch, Madhya Pradesh for Denim industry. Currently working on capacity expansion, targeting doubling of revenues. Success attributed to new plant in Neemuch. Targeting revenue growth of 100% this year. Margins expected to improve by 1%.

Expansion Plans: Increasing denim fabric capacity to 2.52 Cr metres per annum. Entering non-denim segment with capacity of 1.8 Cr metres per annum. Yarn capacity expansion to 21 tonnes per day. Installing 72 air-jet looms for in-house use. Weaving plant and non-denim plant to commence soon.

Market and Clients: Healthy order book of 35 lakh metres. Clients include Marks & Spencer, H&M, Reliance, ZARA. Focus on providing reasonable costing and quality to clients. Targeting 30-40% revenue from exports.

Technology and Margins: Investing in advanced machinery for cost efficiency. Maintaining margins through efficient operations and cost control. Utilizing technology and team efforts for product development. Focusing on sustainability and certifications to enhance margins.

Future Outlook and Risk Management: Expecting to sustain margins and profitability through cost-effective measures. Prepared for market volatility and cyclical changes. Integrating cotton spinning to enhance control over raw material sourcing. Planning for long-term sustainability and competitiveness in the industry. Managing raw material price fluctuations and government stability.

-The Management believes the Denim Average Prices will increase as the company has started supplying in Premium segments. The Company's 60% product goes to Traders, 20% goes to Garmenters, 20% towards Brands. Cash Cycle is generally of 50-60 days.

-The new plant in Neemuch is spread across 2.5 lakh sq meter. This will be the biggest plant Neemuch has. . Around INR 4,000 mn of capex has been done for this plant, which will give around INR 2,800 mn of fixed assets and the rest as working capital. They have a workforce of 2,500 people at this plant and they have recruited locally. Labour who helped built the plant were trained and absorbed in the manufacturing facility.

Tara Chand Infralogistic Solutions Ltd**CMP INR 397 | Market Cap INR 6.14 Bn**

Incorporated in 2012, Tara Chand Infralogistic Solutions Ltd provides cargo handling and logistic services. TCISL is an IBA-approved transporter and is approved by IATA for air cargo logistics. It generates revenues through 3 verticals- Warehousing & Multi-modal Transportation, Construction Equipment Rental and Turnkey Infra-Project Execution.

**Revenue distribution across segment:** 51% from equipment and hiring segment, 35% from warehousing and transportation and 14% from steel processing and distribution.

Equipment rental segment registered a revenue growth of 34% and stood at INR 231 Mn. Warehousing and transportation segment saw a de growth of 12% in revenue at INR 162 Mn, due to labor issues at Visakhapatnam port. In warehousing and transportation segment company expects margin to expects improve to historical level of 23-25%.

Steel processing and distribution segment grew by 92% YoY to INR 64 Mn, due to one time order which was executed in Q1FY25. In steel distribution sector company had one order of low margin from one the clients. Company did executed as it had another project with good margins.

**Capex:** Company targets capex of INR 691 Mn in FY25, of which company has spend INR 284 Mn in Q1FY25. Positive impacts from capex in expected to come from Q2FY25.

~55%- 60% of company's revenue is achieved in H2FY25.

Increase in depreciation is due to increase in capex in current quarter as well as in previous financial year. Full year capex is expected to be in range of INR 350-360 Mn with ongoing capex.

**Average contract life cycle:** In the equipment rental business, orders are for 6 months to 1 year. For the warehousing and transportation segment orders are usually for 5-7 years and transportation orders are 6 months -1 year. Equipment breakeven period is typically 5-6 years.

**Outlook:** Company expects to grow revenue by 30% in FY25. Company expects EBITDA in segment A to remain maintain at 55% while EBITDA in segment B is expected to improve in coming quarters.

**Thomas Cook (India) Ltd****CMP: INR 217 | Market Cap: INR 102.18Bn**

Thomas Cook offers a broad spectrum of services that include Foreign Exchange, Corporate Travel, MICE, Leisure Travel, Visa & Passport services, and E-Business. The company set up its first office in India in 1881. The Thomas Cook India Group spans over 25 countries across 5 continents with a team of over 8388 people.

The company has 19 brands under its name for eg: SITA, TCI, and Distant Frontiers.

**Travel Services:** Revenue grew by 15%, driven by a 21% growth in holidays.

MICE (Meetings, Incentives, Conferences, and Exhibitions) business saw a 31% growth when adjusted for government business impacts.

India DMS (Destination Management Services) business grew by 58%, while overseas DMS grew by 26%.

**Foreign Exchange:** Revenue appeared flattish due to the cessation of operations at Bangalore Airport and lower Hajj volumes. Excluding these factors, revenue grew by approximately 10%.

EBIT margins improved significantly from 47% to 52%, although the company maintains a guidance range of 40% to 45% for the year.

**Sterling Holidays Resorts:** Revenue increased by 9% to 10%, despite headwinds from elections and heat waves. Opened two new resorts, reaching a total of 50 resorts across India.

Anticipates an investment phase with plans to add 20 new resorts (1,000 keys) over the next 12 to 18 months. Maintained a stable EBITDA margin of 34%.

**DEI (Destination Experiences International):** Revenue decreased by 7% due to adverse weather conditions in key markets like UAE and China. However, supplementary markets like Singapore and Malaysia saw revenue growth of 30% to 35%. Currently investing in new technology, which is expected to enhance long-term performance.

**Margin Guidance:** Management emphasized stability in margins, with EBITDA margins for travel services remaining stable at 7.6%. Long-term margin expansion is targeted, with expectations to reach around 4.5% to 5% over the next 4 to 6 quarters.

**Strategic Focus:** The company is in an investment and expansion mode, particularly in the Sterling segment, which is expected to yield benefits in the future.

Emphasis on geographic and business diversification is seen as a strength, providing resilience against market fluctuations.

Management expressed optimism regarding the recovery trajectory of the overall holiday portfolio, with a focus on enhancing customer experience.

The management remains confident about achieving a full recovery in the current year, targeting pre-COVID outbound travel numbers.

Thomas Cook India Group is one of the largest travel service provider networks headquartered in the Asia-Pacific region, and spans 28 countries across 5-continent. It has 822+ worldwide touchpoints which handled 1.65mn pax in FY23.

**Time Technoplast Ltd****CMP INR 434 | Market Cap INR 98.39 Bn**

**Time Technoplast is a multinational conglomerate involved in the manufacturing of technology and innovation driven polymer & composite products. Company is the largest manufacturer of large size plastic drums with a market share of ~60%, second largest manufacturer of composite cylinders and third largest intermediate bulk container manufacturer.**

**Product segments:** Industrial packaging (75% of revenues) – domestic (66%), international (33%); Customers are majorly chemical and FMCG companies. Time follows a cost plus model for pricing Infra (15% revenues): pipes, prefabs, etc. Lifestyle (5% revenues): mats etc. Automotive components (5% revenues)

**Value added products:** The value added portfolio (MOX films, composite cylinders, composite IBCs) have grown at a much higher pace showing growth of 23.6% over FY15-20 compared to ~8-10% growth of conventional portfolio.

**Composite cylinders** is one of the major innovation of the company and was first mentioned in their 2011 annual report. These are superior alternatives to traditionally used metal cylinders, being lighter, rust and corrosion proof and most importantly explosion proof. Company has a capacity of ~14 lacs whereas its largest domestic competitor supreme industries has a capacity of 5 lacs.

**MOX films:** Company launched multilayered laminated films in FY18. It did a turnover of 120 Cr in FY20. The company has a current capacity of 12,000 MTPA.

**Consumer packaging business:** Company entered into a collaboration with Dow Packaging & Specialty Plastics in August 2018 to manufacture PacXpert packaging technology, which enables transition from larger traditional rigid containers to flexible packaging options.

**Key Highlights :** Continued focus on automation, re-engineering, and cost reduction to enhance net earnings and ROCE. Ongoing disinvestment of non-core assets, with major sales expected within the next 12 months. Development of new products such as TBS (Transparent Container Batteries) and E-Rickshaw batteries in both Lead Acid and Lithium variants by subsidiary NED Energy Limited. The company has pre-existing approvals for LPG, CNG & Oxygen Cylinders and has received PESO approval for High-Pressure Type IV Composite Cylinders for Hydrogen. R&D efforts are focused on composite products, including Fire Extinguishers and Water Heaters, aiming for a strong market presence due to their advantages like lightweight and long shelf life. The company is working on further product development in the CNG and Hydrogen segments, as well as launching new products to capitalize on market opportunities.

**Tips Industries Ltd****CMP: INR 682 | Mcap: INR 87.23 bn**

Tips Industries Limited, incorporated in 1996, is engaged in the business of Production and Distribution of motion Pictures and acquisition and exploitation of Music of Rights. The company is also a leading producer of Punjabi films in the country.

**Warner Music deal:** Tips has entered into a new deal with Warner, which is expected to amplify revenues going forward. The company has received an advance payment from Warner, which is being recognized as revenue on a quarterly basis based on actual business performance. The deal has expanded Tips' presence on platforms like Wynk, Hungama, and Gaana, where they previously had limited access. The full impact of the Warner deal is expected to be seen in the third or fourth year of the contract. There's potential for additional revenue if Warner exceeds the minimum guarantee.

**Meta Monetization:** Tips has also licensed its content to Instagram through Warner, positioning itself to benefit from the growing popularity of short-form video content on platforms like Instagram Reels. However, monetization on Meta platforms is currently limited, primarily based on advertising rather than content-based revenue sharing. While immediate returns may be modest, Instagram Reels are expected to play a significant role in future revenue generation, indicating potential for growth as Meta develops more robust monetization models for music content.

**Subscription model of audio OTT platforms:** The subscription model for audio OTT platforms in India is still developing. While global numbers are increasing, India lags in paid subscriptions. YouTube has a substantial double-digit paid subscription base, but audio platforms are still in single digits. It's expected to take 2-3 years for significant growth in paid subscriptions. As subscriptions increase, the share of advertising revenue is likely to decrease. This shift could potentially double Tips' revenue as subscription models typically offer better payouts to content owners.

**Catalog and remake of old songs:** Tips has a strong catalog of songs from 1988 to 2020, which contributes 85-90% of their revenue. The management is confident that this catalog will continue to perform well for at least the next 25 years. They are actively remaking hit songs from their catalog, which are treated as new content due to the fresh investment. The remade songs are reportedly performing well and generating significant revenue. This approach allows Tips to leverage its existing intellectual property while catering to contemporary audience preferences.

**Outlook and Valuation:** Management has reiterated their guidance of 30% YoY growth in both top line and bottom line for FY25. The company is focusing on quality content acquisition, targeting around 300 song releases in FY25. The Warner deal is anticipated to amplify revenues in the coming years. Management is also optimistic about the growing subscription model in audio OTT platforms. With a conservative approach to content cost management, maintaining it at 25-28% of revenue, and a focus on leveraging both their existing catalog and new acquisitions, Tips appears well positioned for sustained growth in the evolving digital music landscape.

**Transteel Seating Technologies Ltd****CMP-INR 68 | Mcap: INR 1.37 bn**

Incorporated in February 1995, Transteel is a furniture company catering to corporate and B2B sectors. TSTL is a known furniture provider with over 20 years of corporate and B2B experience. The Company has developed the skill and expertise in making chairs, office furniture, and other residential and commercial furniture. Over the years it has continued to focus on its craft performance-oriented Tables and Chairs. The furniture solutions are a mix of design, value, and ergonomics.

**Product Portfolio:** TSTL provides a wide assortment of products, such as Work From Home Furniture, Ergonomic Chair, Office table, Workstation, Office storage, and Office Furniture.

**Clientelle:** Its customer list includes Infosys, Bosch, ITC, Titan, American Express, Volvo, etc.

In 2019, the Company took a significant leap by adopting a digital-first approach, revolutionizing the way customers engage with the brand. This shift has made it incredibly convenient for customers to browse and purchase the Company's exceptional range of highquality furniture online. With its digital-first approach, Transteel has empowered customers to effortlessly transform their office spaces by selecting furniture that suits their requirements, style, and budget. Transteel continues to lead the industry with extensive product range, superior quality, and customer-centric approach.

Its diversified product portfolio caters to various preferences and segments, including education, healthcare, hospitality, banking, insurance, and InfoTech. This diversification makes them less susceptible to shifts in consumer preferences and market trends. The company consistently supply quality, ready-to-use products year-round, meeting safety standards and customizing to market demand.

**Outlook:** Company remains confident to achieve the ₹600 crore revenue target within the next four years. Anticipate significant growth in demand for office furniture across several key areas: small and medium-sized enterprises (SMEs), mid-sized and large corporate clients, and through collaborations with commercial real estate companies, managed space providers, and design/build firms.



**TruCap Finance Ltd****CMP: INR 43.2 | Market Cap: INR 5050mn**

TCFL (formerly known as Dhanvarsha Finvest Limited) is promoted by Mumbai-headquartered Wilson Group. It is a Non Systematically Important Non Deposit Taking Non Banking Financial Company.

It is a specialized MSME lender which provides access to affordable credit solutions to entrepreneurs. It provides financing options to the relatively under-banked micro, small & medium enterprises (MSME) and low-to-mid income (LMI) groups, offering a range of secured and unsecured financing products. Currently, company has ~96,700+ Customers, ~10.3 Billion Loan Book, 45+ Lenders, ~128 Branch Network.

Services Offered:

a) Business Loan:

Company provides a collateral free loan of Rs. 1 Lc to Rs. 20 Lac for 12 month to 16 months and on a rate of interest between 16% to 25%

b) Gold Loan:

Company provides a secured loan against gold of Rs. 3,000 to Rs. 50 Lac for 24 months and on a rate of interest between 12% to 26.5%

c) Green Energy Finance:

Company offers Loan Range up to Rs. 0.2 Mn for 12-24 months, at an Interest Rate of 16-20%

Cluster-based Distribution Network: Company has 128 Centres in Maharashtra, Madhya Pradesh, Rajasthan, Delhi NCR/ Haryana, Gujarat, Punjab, Goa. These centers cater to MSME customers for Gold & Business Loans.

Lender as a Service: In order to lend to MSMEs, the company has focused on developing L-a-a-S partnerships with large lenders who have a bigger capital base relative to TruCap. In FY24, company's L-a-a-S Disbursement was Rs. 3264 Million and its partners include DCB Bank, Shivalik Small Finance Bank, Central Bank of India, Ugro Capital, HDFC Bank, Ratnaafin Capital Private Limited, SIDBI.

Moderate expansion strategy adopted, with a focus on productivity and efficiency across the branch network.

Aim to extract 50-55% more productivity from existing branches before considering further expansion.

No new bank partners added to co-lending relationships, maintaining existing partnerships.

Cost of funds remains high at around 13%, with a goal to return to a sustainable net interest margin of 8%. Fluctuations in gold prices affect lending amounts and risk exposure; a cautious approach is maintained during price increases. Management remains optimistic about growth, focusing on profitable AUM rather than sheer volume.

Gold taken to auctions represented just 0.5% of cumulative disbursements, with over 109% recovery on sold loans.

Business loan product has an active borrower base of over 43,000 customers with a gross NPA of 3.7%.

**Uflex Ltd****CMP INR 756 | Market Cap INR 54.59bn**

Uflex Ltd is a leading Indian multinational company which is engaged in the manufacturing and sale of flexible packaging products & offers a complete flexible packaging solution to its customers across the globe. The company is a leading global manufacturer of packaging films and one of India's largest flexible packaging firms.

1) Packaging Films (62%): The company manufactures a variety of packaging films, including BOPET (Biaxially Oriented Polyethylene Terephthalate), BOPP (Biaxially Oriented Polypropylene), CPP (Cast Polypropylene), metalized films, AIOx coated films, specialty films, and eco-friendly options like Asclepius™ PCR (Post-Consumer Recycled) PET films and recyclable mono-material films.

2) Value-Added Products-VAP( 38%): This segment comprises of:

a) Packaging (29%): Flexible packaging, liquid packaging, and holography. UFlex is India's largest and one of the world's foremost providers of holographic anti-counterfeit and brand protection solutions, serving customers worldwide.

b) Engineering (3%): Manufactures packaging, printing, and allied machines. It also offers wide web slitter and special-purpose coating machines for targeted applications.

c) Others (6%): Manufactures a wide range of inks, adhesives, and coatings primarily for the packaging industry, with a production capacity of 62,000 MTPA.

**Manufacturing Capabilities**

As of Q1 FY25, the company operates 16 manufacturing facilities across 5 continents and 9 countries.

Resins & Moulding: 2,40,300 MTPA

Base packaging films: 6,18,160 MTPA

Value Added Packaging films: 2,45,600 MTPA

Other Value-Added Products: 3,00,430 MTPA

The average utilization of packaging film was 84% in Q1 FY24

**Capex**

In Q1 FY25, the company spent ₹280 Cr on capex, mainly for developing a virgin PET chips line at the Egypt facility and acquiring machinery for Sanand.

It plans to debottleneck its aseptic packaging facility in H2 FY25, commission a 216,000 MTPA virgin PET chips line in Egypt by Q3 FY25 at USD 68 million, and an 18,000 MTPA CPP line with a coating line in Mexico between Q2 and Q3 FY25 at USD 37 million.

**New Product Launches:** In Q1 FY25, 12 new products were launched across Chemicals (Inks & Adhesive), Flexible Packaging, and Packaging Films.

**Debt:** The company has a net debt of Rs. 2,687 Cr in Q1 FY25 compared to Rs. 1,543 Cr in FY22. [16] It has a scheduled debt repayment of Rs. 1,000 Cr per year.

**Income Tax Search**

In Feb 2023, the Income Tax department conducted search operations, and in May 2024, the company received a demand order of approximately ₹149 Cr for the AY 2020-21. The company is assessing the implications of the order and plans to file an appeal before the appropriate authorities within the regulatory timelines.

**Focus:** The company aims to install a capacity of 1 Mn MTPA for packaging films. [21] It has given an annual EBITDA guidance of Rs. 2,000 Cr, potentially increasing by 10% due to favorable pricing and volume growth.

**UFO Moviez India Ltd****CMP: INR 134 | Mcap: INR 5180mn**

**Business Overview:** UIML was the first company to enable cinema digitization with satellite technology in India. It is a digital cinema technology and infrastructure provider to film exhibitors in India. Company is an end to end service provider for DCI and non-DCI related cinema solutions. UIML runs 3407 screens, including Prime Screens ~2105 and Popular Screens ~1302, across 1257 cities in India. It digitally delivered 1,567 movies in 9MFY24.

**Business Model:** UMIL operates as an infrastructure service provider for the film distribution and exhibition industry. It receives analogue /digitalmovie prints from film producers /distributors, and then digitises, compresses, encrypts and transmits the same through satellite to authorised exhibitors. It also facilitates the exhibitors to screen digital cinema by providing them with the required infrastructure—such as satellite dishes, servers, digital projectors and UPS.

**Amalgamation:** On February 21st 2024, a Scheme of Amalgamation became operative amongst their subsidiaries viz. Scrabble Entertainment Limited, Plexigo Entertainment Private Limited, Zinglin Media Private Limited, Scrabble Entertainment (Mauritius) Limited with Holding Company – UFO Moviez India Limited and their respective shareholders.

**Acquisition & Divestment:** On February 1st 2024, company informed that consequent to the termination of joint venture agree ments, each dated July 6th, 2023, executed with Qube Cinema Technologies Private Limited; Qube and the company have decided to acquire stake in one Joint Venture (Upmarch Media Network Pvt Ltd) each and divest its stake in the other JVC (X86 Media Artists Private Limited) that were incorporated pursuant to the JVA.

**Revenue Stream Dynamics:** Revenue heavily influenced by the number of movie releases and their performance. Seasonal business with Q2 and Q3 typically stronger due to festive releases. Underperformance of key films impacts advertising revenue significantly.

**Advertising Revenue Trends:** Shift in focus towards state governments and corporate advertising due to central government funding uncertainties. Political advertising generated approximately INR 4 million this quarter.

**Expense Increase Analysis:** Overall expenses increased due to product sales growth and strategic acquisition costs. Significant increase in advertisement share costs attributed to the TSR network acquisition.

**EBITDA Guidance:** Management indicates cautious control over SG&A and employee costs. Expectation of improved EBITDA as new screens and advertisement revenues stabilize.

**Partnership with NeuralGarage:** Collaboration to enhance dubbed films via AI technology (VisualDub). Focus on improving audience experience by synchronizing audio with lip movements in dubbed content.

**Ugro Capital Ltd****CMP: INR 257 | Mcap: INR 23.87 Bn**

U GRO Capital limited is a technology-focused (data-centric & technology-enabled approach), small business lending platform. The company is focused on addressing the capital needs of small businesses operating in select eight sectors by providing customized loan solutions.

**Product Offerings:** The company offers supply chain financing, unsecured business loans, machinery loans, business loans secured by property, new age products, and micro enterprises loans.

**Technology Modules:** The co. is a DataTech Lending platform, for the small business credit gap in India, It provides sourcing platforms for each sourcing channel:

**GRO Plus:** A module that has uberized intermediated sourcing.

**GRO Chain:** A supply chain financing platform with automated end-to-end approval and flow of invoices.

**GRO Xstream:** A platform for co-lending, an upstream and downstream integration with fintech and liability providers.

**GRO X:** An application to deliver embedded financing options to MSMEs.

**GRO Score (3.0):** A credit scoring model uses an AI / ML-driven statistical model to risk rank customers.

**Co-Lending Partnerships:** The company has Co-Lending relationships with 10+ Large Public Sector Banks and NBFCs.

**Acquisition:** On May 24, the co. announced the acquisition of MyShubhlife (MSL) for Rs. 45 Cr through a combination of 64:36 Equity Cash transactions. MSL is an Embedded Finance Fintech platform partnered with Pine Labs, Fino, Airtel Payment Banks, Mobikwik, Spice Money, etc. Post MSL acquisition, it anticipates an incremental AUM of Rs. 1500 Crs by FY27.

**Focus:** The co. aims to capture a 1% market share over the next three years (by FY27)

**Uravi T and Wedge Lamps Ltd****CMP: INR 450 | Market Cap: INR 4.95 bn**

Incorporated in 2004, Uravi T & Wedge Lamps Ltd manufactures automotive component for OEM and aftermarket sectors. Under the brand name "UVAL," the company offers a range of automotive lighting products, including stoplights, taillights, indicators, and wedge base lamps. Company is an ISO/TS certified and holds certifications from the Automotive Research Association of India and E-mark for their products. It specializes in manufacturing and distributing of Stop & Tail /Signal/Indicator lamps and Wedge lamps for Two-wheelers, Four-wheelers, Tractors and industrial applications for Indian automobile manufacturers. It delivers tailored solutions for both OEM and aftermarket sectors under the brand name UVAL.

**EV Chargers:** Developed EV chargers for three-wheelers and two-wheelers, under testing. Expecting OEM approval soon and anticipating pilot lot orders once approved. Targeting different segments including 30 kilowatt to 60 kilowatt for four-wheelers and HMVs.

**Market Share and Competition:** Major competitors include Lumax in the automotive lamp manufacturing sector. Enjoying significant market share for instrument clusters and signaling lamps. Anticipating approval from Honda Motorcycle and Scooters which could boost market share. Market share around 90% to 93% comes from OEMs.

**Export and Expansion:** Actively focusing on exports with participation in trade shows. Expecting orders from LATAM for exports. Collaborations with LED manufacturers in China and Philippines for LED products.

**Working Capital and Strategy:** Working capital cycle currently around 70 to 75 days. Strategy includes focusing on product quality, obtaining OEM approvals, and streamlining supply chain for efficient working capital management.

**Dealer Distribution and Client Expansion:** Present in 17 states in India with a goal to have a presence in all states. Major clients include Hero MotoCorp, Bajaj Auto, TVS, and others contributing around 90% to 93% of revenue. Approaching new clients like Honda Motorcycle and Scooters and Maruti Suzuki for business expansion.

**Overall Strategy:** Focus on product approvals, increasing market share, expanding capacity, and diversifying product portfolio. Regularizing business in Nepal and exploring new markets for growth. Plans for inorganic and organic growth, major diversification, and continued focus on innovation and product quality.

**Vaibhav Global Ltd****CMP: INR 308 | Market Cap: INR 51.22 Bn**

Vaibhav Global Limited (VGL) is a global TV retailer across the value segment present in jewelry, accessories, and lifestyle product segments in the US, Germany, and the UK with an omnichannel reach. They have direct access to 141mn households (+11% YoY) through their home shopping networks. The company owns Shop LC for the USA, Shop TJC for the UK, and ShopLC for Germany which are 24-hour live shopping channels. It also owns proprietary web platforms tjc.co.uk, shoplc.com & shoplc.de to deepen customer engagement.

**Margins** were lower due to higher digital expenditure. These will lead to improved customer traction down the road. These expenses are expected to remain stable in an absolute amount. Going forward they will reduce from 20% of revenues to 18%.

**Guidance:** There is a 14-17% growth target with operating leverage. Germany's supposed to be EBITDA positive in H2, for the whole period. Gross margins are expected to be 200bps higher next year, and a 100bps improvement in EBITDA margins. Ideal world is now profitable on direct cost and expects full cost allocation in 3-6 months

**Demand:** They are still facing sluggish customer demand in the UK and Europe. The US economy is doing relatively better, however, the jewelry market is doing slightly poorly in the US due to a lower number of marriages.

**Discontinued business:** They exited apparel manufacturing this quarter which impacted the top line, However, it was a low-margin business.

**Customer redirection:** The redirection of customers from the TV platform to the digital platform leads to their shopping values going up 4x. The average lifetime value of a customer on the TV network is USD 800.

**Customer base growth and retention** are stable and promising leading to positive performance of TV Networks and business segments like Mindful Souls and Ideal World.

**Budget pay:** The B2C EMI business doing well on the B2C side, contributing to 38% of B2C revenue.

**Outlook and Valuation:** The existing B2C business grew by 2.3% in USD, achieving 20% YoY volume growth. Digital revenues now account for 40% of revenue, and there were positive trends in the US, UK, and German markets. Looking ahead, the company aims to achieve 14-17% revenue growth for FY25 with operating leverage, but there are concerns about elevated investment in digital marketing and airtime affecting EBITDA margin, as well as economic uncertainty in the UK and Europe. Currently we have a target price of INR 581, valued at a P/E multiple of 40x the FY26E EPS of INR 14.53

**Vaidya Sane Ayurved Laboratories Ltd****CMP: INR 147 | Market Cap: INR 1.55 bn**

The Company provides holistic Ayurvedic treatments for Heart Diseases, Blood Pressure and Diabetic Patients under the brand name "Madhav Baug". They currently don't have Ayurvedic treatment facility of other chronic diseases, and are expecting to start Renal treatments (kidney ailments) in the next 5-6 months. The Company has 450 Doctors, which includes doctors of all kinds: Ayurvedic Graduates, Post graduates, PhD Ayurveda, Modern medicine Doctors, Physiotherapists, MD Medicine doctors along with Dieticians as well. They operate 350 clinics across India of which 250 clinics are franchise owned, 35 owned by the company and the rest are mini clinics.

**Business Overview:** The Concentration of Clinics is more in the states of Maharashtra & Karnataka, and going ahead the Company aims to increase their clinics in the states of Karnataka and Gujarat where Ayurvedic treatments are getting well accepted. They have 80-82 clinics in Mumbai, 37 clinics in Pune, and 18 clinics in Nagpur region. The Popularity in the Mumbai Pune region is the reason why clinics in this region get back their Initial Investments within 3-4 months, other regions of Maharashtra it is 8-10 months and other regions in the country takes up to 15-18 months. They have 3 operating Hospitals at Khopoli, Maharashtra with bed capacity of 53 Beds, Nagpur and Vizag Hospitals with 20 beds. The Occupancy ratio of the 3 hospitals is Khopoli (95-100%), Nagpur (65-70%) and Vizag being the newest Hospital has (20-25%) occupancy levels. The Company will be expanding the Khopoli Hospital by another 100 beds on account of full utilization of current capacity in the next 9-12 months. The Revenue segregation among Clinics and Hospitals is: Clinics (75%) and Hospitals (25%) of total revenue. The Margins from the Hospital business segment is higher among the 2 segments.

**Products, Manufacturing and Clinic Business Structure:** The Company recently completed the acquisition of Dynamic Remedies and UV Ayurgen Pharma Pvt. Ltd. who were their suppliers of the medicines, therapy kits and diet kits for a sum of INR 80-90 mn. Hence, currently they have full in-house manufacturing. The Medicines are manufactured by the Dynamic Remedies and the Diet Kits are manufactured by UV Ayurgen Pharma Pvt. Ltd. The Company sells their Medicines, Therapy and Diet kits through their clinics and Hospitals which are curated for the treatment of Heart, Blood Pressure and Diabetic patients. For the Franchise clinics, the sales are divided between the company and the franchise on the percentage: Medicines 40%, Therapy Kits 70% and on the Diet Kits 45% for the franchise owners. The Company earlier had strict policy of giving Franchise only to qualified Ayurvedic Doctors for which they charged: INR 5 lakh (Non-Refundable Madhav Baug branding fees), INR 1 lakh (Refundable Security Deposit) and GST. Recently, the Company has started 32 sourced Franchise clinics with Non-Ayurvedic doctor background as an experiment in the Northern Indian region. The Cash Flow of the business is annually INR 1,800-1,900 mn, of which INR 1,000 bn is the Company's revenue and the remaining INR 800-900 mn is Franchise revenue.

**Cost Structure & Treatment:** The Medicines and Diet Kits make up revenue of INR 400 mn and the Therapy Kits make up for the remaining INR 600 mn which are completely Company owned. For a patient visiting their clinic, the Medicine cost is INR 600-700 per month, Therapy Kits cost INR 1,500 and for Heart Patients, it is INR 4,500. For the Diet Kits, the monthly cost is INR 7,500 per month and for the Diabetic and Weight Loss kit is INR 6,500 per month per kit. 70% of the Patients come from word of mouth publicity while the Company spent INR 140 mn annually for marketing, of which INR 100-110 mn is actual expense and remaining is cost of Agencies etc. The Management expects to increase the Marketing budget to INR 180 mn for FY25. The incoming Patients include Heart diseases (20-25%) and the Diabetic Patients (70-75%) in terms of Patient numbers. On the contrary, in terms of revenue it is almost opposite, the Heart diseases contributes 70-75% of revenue and Diabetic contributes 20-25% of revenue. The Company has 60,000 patients including New and Renewal.



**Vascon Engineers Ltd****CMP- INR 69.4 M.Cap- INR 15.54 bn**

Vascon Engineers Ltd is engaged in engineering, procurement and construction (EPC), real estate construction and development. Company is strengthening its focus on its core area of operations, EPC and Real Estate. Company remains robust by concentrating on driving order book execution, which is supported by significant order intake throughout the year, resulting in greater capacity utilization and margins in the EPC industry in the near future.

**Order book:** The order book stood at INR 34.82bn (~4.9x of FY24 EPC revenue). External EPC order book is INR 29.79bn. Around 82% of orders from government projects. The company has received an order of INR 3.31bn from PWD, Sindhudurg for construction of a Medical college. The order is expected to start in the next 6 months and execution time frame is around 24 months. From the starting date. The project margin is 13% to 14%.

**Divestment:** The board has considered and approved the proposal of divestment of its 100% equity stake (85% holding) in GMP Technical Solutions Pvt. Ltd to Shinryo Corporation for INR 1.57bn. The divestment is expected to complete by end of Aug-24 or 1st week of Sep-24. The expected gain is around INR 200mn from the sale. Post tax, net cash flows are expected INR 1-1.1bn. The funds will be utilized for Real Estate and EPC projects.

**EPC** EPC business is expected to grow 25% CAGR over next 2 years. Around 12.5bn and 15bn revenue is expected FY26E and FY27E respectively. EPC gross margins are around 14% and PBT margins are around 8% and expected to reach 9%- 10% by FY26E.

**Real Estate** Around INR 1.25bn revenue is expected to book by FY25E. Around INR 17-18bn revenue is expected to be recognized over the next 5 years. Real estate gross margins are around 28%-30%. In Real estate, most of the projects completed in FY23 and two new launches are expected in FY25E. Om Sainath, Santacruz Mumbai project is expected to launch by Q3FY25E and Prakash Housing society project is expected to launch by post Apr-25.

Overall, the company is focused on launching one project per quarter over the next 5 quarters. Vascon revenue share is expected around INR 14bn from upcoming launches. The Kalyani project is a bigger project and the land owner is expecting significant upfront payments. The company doesn't want high capital in one project and is not in the position to give a launch date as of now.

**Outlook:** The management is optimistic about future growth driven by a robust order book, strategic partnerships, and significant government infrastructure spending.

**Vertoz Ltd****CMP INR 32.8 | Market Cap INR 27.99 bn**

Vertoz is an AI-powered MadTech and CloudTech platform, offering Digital Advertising and Monetization (MadTech) and Digital Identity and Cloud Infrastructure (CloudTech) catering to Businesses, Digital Marketers, Advertising Agencies, Digital Publishers, Cloud Providers, and Technology companies. Vertoz offers data-driven marketing, advertising and monetization solutions to Digital Marketers, Advertising Agencies and Digital Media businesses using the latest technologies. The company has in-house developed its full-stack and has also acquired various components to complement its products.

**Collaborations** Company's platform IncrementX partnered with Dantri, Vietnam's largest electronic news publication, to represent them in the Western market. This alliance will concentrate on representing advertising inventory in significant Western nations like the US, the UK and Canada.

**Global Presence:** Company has 5 head offices located at Dubai, New York, London, Mumbai and Hong Kong and 2 regional offices located at San Francisco and Delhi. It also has 5 data centers located at London, New York, Navi Mumbai, Mumbai and Singapore.

**Key Clients & Partners** Bandhan Bank, MRF, Gulf, HP, HSBC, Cadbury, OLA, Honda, Mahindra, Croma, Jio, WPP and many more.

**Business Offerings**

**Marketing & Advertising Technology-** It assists businesses in achieving their marketing objectives. It helps build a consistent revenue stream by offering services like white-labeled programmatic platforms, contextual marketplace services, and much more.

**Media & Monetization Technology-** Media & Monetization platforms bridge the gap between publishers and advertisers by offering essential tools for seamless ad inventory buying and selling.

**CloudTech Platforms:** QualiSpace: Comprehensive cloud solutions serving over 8,000 small and medium businesses.

Connect Reseller: Domain registration and online services through a global distribution network.

**Strategic Initiatives:** Expansion into international markets, particularly the United States, to capture growth opportunities. Focus on diversifying revenue streams through both MadTech and CloudTech offerings. Emphasis on product development to enhance average revenue per user (ARPU) and improve margins.

**Vibhor Steel Tubes Ltd****CMP: INR 260 | Market Cap: INR 4930mn**

The company ventures into the manufacturing of ERW black pipe, galvanised pipes, hollow section, primer painted pipes. The products find application in the construction, domestic, agriculture and the industrial sector. The company operates out of two manufacturing facilities the first one is based in Sukheli, Maharashtra, with a production capacity of 125,000 MTPA and the second one is based out of Mehboob Nagar, Telangana, with a production capacity of 96,000 MTPA. The company has also installed 2-MW solar rooftop solar power units (1 MW each at both the units) for captive consumption.

Product Portfolio: A) ERW pipes for application in water transport, oil, gas, and other non-toxic supplies.

B) Hot-dipped galvanized pipes for application in agriculture and infrastructure.

C) Hollow section pipes in square and rectangular forms.

d) Primer painted pipes

E) Crash barriers for application in railways, highways, and roads.

-The company manufactures steel pipes and tubes in various shapes and sizes such as square, round, rectangular, and elliptical or any special shape. Steel pipes and tubes can be used for many purposes like bicycle frames, and steel pipes for furniture. CDW (cold-drawn welded) pipes are used for shockers.

-The company has two manufacturing facilities in Raigad, Maharashtra, and Mahabubnagar, Telangana, and a warehouse in Hisar, Haryana.

-The company has been working with Jindal Pipes since 2003. It manufactures and supplies finished goods to Jindal Pipes via a renewed agreement of 01 April 2023 under the brand name Jindal Star. It has a long-term agreement for six years with the Jindals. Under the agreement, Jindal will provide orders with a minimum quantity of 1,00,000 TPA to fill the majority of the capacity of Unit I and Unit II of the company. In the event of any shortfall in offtake by Jindal Pipes or in supply by Vibhor Steel Tubes, compensation at Rs 2,000 per tonne of shortfall will be paid by the erring party. However, there will be no compensation liability once the minimum quantity of orders is achieved.

New Developments: A new plant is being established in Jharsuguda, with the installation of three tube mills and a galvanized unit.

The Jharsuguda plant is expected to have an installed capacity of 10,000 tonnes, similar to the existing facilities in Maharashtra.

In Hyderabad, an additional galvanized plant has been installed to meet the increased demand for highway guardrails (crash barriers).

Recent production volumes for galvanized products have increased significantly, achieving 1200 tonnes of dispatch, up from 500 tonnes previously.

-The proceeds from the IPO have primarily been utilized for working capital, particularly for the procurement of raw materials. A small portion (approximately ₹3 crores) remains unutilized and is held in fixed deposits. Long-term asset procurement has been financed through internal approvals and bank loans, rather than IPO funds.

**Virinchi Ltd****CMP: INR 33.3 | Mcap: INR 3.35 BN**

Virinchi Ltd provides SaaS services to NBFCs in the USA, where they cater them with end to end loan management solutions. These NBFCs cater to the citizens who avail small denomination loans and are mostly unsecured. They are market leaders in the segment with 50% market share in terms of clients and 60-70% share in terms of volumes. There are no competitors providing these services in India while there is some competition from US based companies. Their competitor is 30% of their size. One of the key advantage of Virinchi is their team size of 300-400 developers along with 20 odd team leads as most of their competitors do not have teams bigger than 10-15 personnel. This business comes under the standalone Virinchi Ltd entity. The standalone business also caters to Union Bank of India in India where they provide them SaaS services, generating INR 50mn revenue. The SaaS business generated ~INR 127cr revenue in FY24. They also operate an IT segment through wholly owned subsidiary in the US.

**Guidance:** The company is confident of achieving INR 140cr revenue from SaaS segment in FY25 and INR 180cr in FY26 with 40% margins. Healthcare segment can achieve INR 150cr revenue in FY25 with Oncology segment to contribute INR 20cr and INR 40cr in FY25 and FY26 respectively. Flagship hospital and Vizag facility to be major contributors. They are optimistic to achieve INR 220-230cr revenue in next 2-3 years with 20% margins. The company also plans to raise money through structured debt and once the healthcare segment starts to pick up they might look to raise funds from PE player in the subsidiary. The company has onboarded 2 new customers in the SaaS business after 5 years who will contribute INR 50cr yearly revenue starting from FY26.

**Healthcare segment-** Virinchi also operates 3 hospitals including 1 multi specialty hospital in Hyderabad. The segment is operated through their wholly owned subsidiary "Virinchi Healthcare Pvt Ltd". The current bed capacity is 600 beds with 550 of them being operational. They are in process to add an Oncology section with 100 beds capacity at flagship hospital and also leasing out a 300 beds capacity hospital in Vizag. These expansions will get completed in the next 1.5-2 years taking the total capacity to 1,100 beds. The healthcare segment generated INR 119cr revenue in FY24 as opposed to INR 160cr in FY23. The major reason has been lower utilisation. They are currently operating at 19-20% utilisation and the breakeven level is around 35%. They used to operate at ~32% utilisation pre covid. They are confident to reach breakeven levels in the next 2 years comfortably. They have also done some restructuring of their People's hospital for the same.

The company has already begun hiring new and senior doctors at their facilities in various therapies like Cardiology, Nephrology etc including medical tourism reps. Hiring key personnel and seasoned doctors will drive growth and improve utilisation in the coming time. The company has already started hiring for various departments. The company has also added fleet of ambulances to cater longer distances upto 70-80km from the city. Medical tourism to also be a contributing factor; the company already has a representative for the same. They have maintained ARBOP levels at INR 38,000 at flagship and INR 16,000 at their smaller facility. The Oncology section will be ready by October 2024 and Vizag facility by Mid 2026.

**Virtuoso Optoelectronics Ltd****CMP Rs 383 | Market Cap INR 8.74bn**

VOEPL is promoted by Bharti family. It is an OEM /ODM for white goods and electronic items. Company is engaged in manufacturing, selling and marketing of Consumer Electronics Goods (White Goods) like Air Conditioners, Water Heaters and Lighting. It also offers Electronics Manufacturing Services and related products.

Strong revenue visibility from Voltas: The company supplies its ACs entirely to Voltas which is guiding for a strong demand in FY25E as compared to FY24. Voltas is targeting for 2.5mn units in FY25 (2mn in FY24).

Management claims that VOEPL will be able to fulfill Voltas' requirement from Virtuoso in entirety, for the first time this year. In the previous years, Virtuoso couldn't fulfill the entire requirements as raised by Voltas, which it shall be doing this year.

Growing share of new segments: Company has bought 2 land parcels one for commercial refrigeration and the other for washing machines. Currently, AC revenue share is around 80% and revenue share are expected to be AC45%, deep freezer-25%, lighting-10%, dispenser-10% and remaining from others by FY27E which will de-risk dependency on AC.

They are also evaluating INR 200mn investments for BLDC motors, where margins are expected to be 20%. The company has also entered water dispenser segment for which it has tied up with OEM and 2-3 retail chains and is planning to start exports.

Psycho Metric Lab giving competitive advantage: Virtuoso is the first one to have psycho metric lab which helps in checking the synchronization of the IDU with the ODU. Competitors do not have this in house and have to send samples to third party to get it checked. This lab helps the co. to get its ACs export ready right from its factories which are then exported through the nearby cargo airport in Nashik.

Capex Initiative for additional growth: Company is expanding its manufacturing capabilities by establishing a unit in Chennai for making AC components. Targeted capex for FY25E is INR 600mn. The company is aiming for an EBITDA margin of ~9% on a conservative basis.

It is also in the process of adding assembly lines in its existing plants. They have also added new clients like GM in its lighting business. Lighting has a revenue capacity of INR 900-1,000mn.

Company is planning to increase its lamp equivalent units to 60mn in FY25 from 40mn in FY24. It is also increasing its ODU capacity by 200k units to 600k units in FY25E. Cross flow fans capacity to increase by 200k units to 800k units in FY25E. Around 100k units capacity to be added in FY25E and revenue from commercial refrigeration expected to start flowing from Q4FY25E.

With the recent fund raise co. has undertaken, finance cost for this year is expected to be lower. The company is working with Hasbro for manufacturing but is still in very nascent stage and is only 2-3% of topline. It is open to participate in PLI schemes that may come up for ACs and toys

**Waaree Renewables Technologies Ltd****CMP: INR 1675 | Mcap: INR 174.46 Bn**

Waaree Renewables Technologies Ltd is engaged in the business of generation of power through renewable energy sources and also provides consultancy services in this regard. Waaree Energy is one of the largest vertically integrated new energy companies. It has India's largest Solar panel manufacturing capacity of 12GW at its plants in Chikhli, Surat and Umbergaon in Gujarat. The company has an energy generation site located in Maharashtra, India. It has a 12 GW Module capacity & it has a plan to expand 5.4 GW Cell capacity by FY25. The company is evaluating opportunities in both international and domestic markets to secure more EPC contracts. It is participating in government and private bidding processes. Company evaluates third-party O&M opportunities in international & domestic markets through both organic and inorganic methods.

**Order Book:** Company have an unexecuted order book of 2,191MW and have executed orders of 217MW. They have secured order wins totaling 58.19 MW. Company's order book consists of 30-35% orders which are with modules and 60-65% without module. If the customer doesn't specify anything specifically for procuring the modules, they source it from their parent at arms length.

In FY24, India added 21.2 GW renewable energy by adding (increase from previous years of 18.8GW). Solar energy continues to lead the country's renewable energy sector with a total installed capacity of 85GW. By June 2024, solar energy accounted for 57.7% of total installed power capacity, reflecting a notable increase from previous fiscal year, reaching 85.47 gigawatts. In the recent budget, 191bn have been allocated to the Ministry of Renewable Energy. India is poised to achieve the 100GW milestone in solar energy.

**Product Developments and Innovations:** Partnership with 5B Maverick for innovative solar deployment solutions expected to enhance project delivery speed. Upcoming deployments of 5B Maverick technology anticipated to reduce project timelines significantly.

Waaree renewable technology is the EPC company and they have two segments i.e EPC and O&M operations. They have a small portfolio of IPP as well. Domestic market is the focus for company that doesn't mean they have ruled out export markets. But for now, there's so much of opportunity that's happening in India and they want to capture a slice of that first before venturing out.

**Customer Base and Market Strategy:** Customer base diversification includes increased government contracts alongside utility-scale IPPs. Focus remains on the domestic market due to compelling opportunities, with potential future international expansion as market conditions allow.

**Margin Guidance and Stability:** Management aims for stable margins around 15% on an annualized basis, despite quarterly fluctuations. Current quarter margin reported at 17%, indicating potential volatility based on project specifics. Historically, margins have been higher in certain quarters due to specific project contributions.

**Wealth First Portfolio Managers Ltd****CMP: INR 1275 | Mcap: INR 13.59 Bn**

Wealth First Portfolio Managers Ltd is in the business of wealth management. WFPML is a client-centric, product agnostic and independent wealth management firm. It is an individual financial advisor (with no sub-brokers) and occupies 37th rank at all India level. Company provides smart investment solutions through end-to-end handholding.

**Operational performance:** 66% of company's clients are with them for >10years indicating strong client stickiness. Total client base has increased to 19,887, which is a growth of 6% YoY. Total client families increased by 9% YoY to 5,996 with 500 client families added in the last 1 year.

**Addressable AUM of HNI/UHNI:** ~200K households which are clubbed in UHNI / HNI segment are expected to grow to ~300K households by FY27E. HNI and HNI wealth in financial assets is expected to grow at a faster pace vs. overall financial household wealth for the country in the next few years (as per the McKinsey Global Wealth report). Expect 13-14% CAGR in the asset base for these classes over CY22-27E.

**Financial Assets Of Indian Households:** Majority of the Indian household assets ownership include investment in properties, with share of over 50%, with Gold in second spot at 15.5% • The % share of equities in Indian household assets has more than doubled from March 2013 to March 2023 • About 60% of the flows in mutual funds are contributed by retail. While 40% are contributed by insurance companies and EPFO & NPS

**Assets under Advisement:** In FY24, company's AUA stood at ~10,114.5 Crore which comprised of Mutual Fund+ Portfolio Management Services ~44%, Fixed Deposit ~2%, Direct Equity ~20%, Bonds ~34%

**Client Acquisition:** In FY24, company's total number of clients were ~19,549. This was ~5% more vs. FY23



**Wonder Electricals Ltd****CMP: INR 1,384 | Mcap: INR 18.54bn**

Wonder Fibromats Ltd, is a fully integrated end-to-end manufacturer and supplier of Ceiling fans, Exhaust fans, Pedestal fans and brushless DC (BLDC) fans.

Business Model: OEM Model - The Co. enters into agreements with OEMs to manufacture and supply the product based on the specifications and requirements of the customers.

Original Design Manufacturer (ODM) Model - The Co. conceptualizes, designs and manufactures the products in-house, which are then marketed to prospective customers. It then enters into agreements with some of the ODM customers while some customers directly place orders for some ODM products, which include details like quantity and pricing.

Established presence in the ceiling and exhaust fans segment, backed by extensive experience of the promoters: WEL is an original equipment manufacturer of ceiling, exhaust, pedestal, and brushless DC (BLDC) fans for reputed customers. The promoters, Mr. Harsh Anand, Mr. Yogesh Anand and Mr. Yogesh Sahni, have experience of over four decades in the industry and are actively engaged in the day-to-day operations of the company. The extensive industry experience of the promoters has enabled long standing business association with reputed clients from whom repeat orders are received.

Co. has launched several new fan models incorporating advanced technology and design improvements. These innovations enhance performance and ensure energy efficiency and sustainability.

They have taken efforts to expand into new regions and segments have yielded promising results. They have strengthened their presence in the market.

They have optimized manufacturing processes, improved supply chain efficiencies, and implemented state-of-the-art technologies to increase productivity and reduce costs.

Technological Advancements: Smart Fans: Integration of smart technology for remote control and energy efficiency. Energy-Efficient Models: Growing demand for energy-efficient appliances can be leveraged by developing fans with advanced energy-saving technologies.

Expanding Markets: Emerging Economies: Increasing urbanization and rising disposable incomes in developing countries present growth opportunities.

Diversification: Expanding product lines to include air purifiers or other climate control devices can capture more market segments.

Customization and Personalization: Design Variations: Offering customizable designs and colours can attract a niche market looking for personalized home decor.

Increasing electrification: Electricity Power: Government efforts towards enhanced power availability is continually increasing electrification in semi-urban and rural areas, along with stable electricity supply in urban areas. This has translated into better demand for electrical and consumer durable products in new and existing markets.

**Zota Health Care Ltd**

CMP- INR 668 M.Cap- INR 17.72BN

Zota Health Care Limited is a renowned pharmaceutical company that manufactures, markets, and exports pharmaceutical, ayurvedic, nutraceutical, and over-the-counter (OTC) products across boundaries into the semi-regulated and regulated markets of Asian Countries markets of African Countries, Russian Countries & Latin America.

Headquartered in Surat, Gujarat, Zota had one purpose, making affordable healthcare a reality. Today, an example of execution is stood upon, reaching millions with high-quality, cost-effective medicines. Dedication in addressing chronic ailments like heart disease, diabetes, and thyroid disorders has propelled India's healthcare sector towards a brighter future.

Zota Health Care remains resolute in the pursuit of creating a profound impact. Challenges are navigated and leadership in India's generic pharmacy domain continues to be cemented, with exceptional and affordable medicines committed to being provided to all.

A strategic business model is revolved around three key verticals: Domestic, Exports, and Retail Pharmacy Chain (Davaindia). Each is functioned independently, yet all are aligned harmoniously. The strategic business model enables both backward and forward integration to be achieved by Davaindia, allowing control over the entire product life cycle to be maintained.

Launched in 2017, Davaindia is poised to redefine affordable access to medicines, offering a vast portfolio of over 2,000+ SKUs, reflecting seamless integration capabilities. The strategic collaboration with Mr. Kapil Dev as Davaindia's brand ambassador has bolstered retail presence and further honed brand identity.

Functioning as a catalyst in India's healthcare domain is continuously explored through emerging avenues within the generic pharmaceutical space, with affordable healthcare being pioneered in sync with the needs of India's more than 1.4 billion citizens.

Footprint spans 25 states, covering nearly the entire country, with 627 Franchisee Owned Franchisee Operated (FOFO) stores and 253 Company Owned Company Operated (COCO) stores through their wholly owned subsidiary, Davaindia Health Mart Limited.

After their inception as a domestic pharmaceutical branding and marketing business, they ventured into manufacturing and exporting quality medicines worldwide.

Extensive distribution network is one of the strongest pillars of domestic marketing business. These distributors play a crucial role in ensuring that the products are available to retail pharmacies in every corner of India, thereby extending reach and impact. In terms of revenue contribution, the domestic marketing business has consistently been a significant contributor to overall financial performance. Over the years, it has generated substantial revenues, reflecting its critical role in business model.

They Commenced exports operations in 2010 within manufacturing unit in Sachin SEZ, manufacturing over 250 formulations for exports. They received 325 product approvals out of 586 dossier applications across various markets.

**Z-Tech (India) Ltd****CMP: INR 340 | Market Cap: INR 4.35 bn**

Z-Tech (India) Limited designs civil engineering products and provides state-of-the-art specialty Geo-Technical Solutions for infrastructure and civil construction projects in India. The company is involved in the waste management sector, focusing on creating theme parks using recycled scrap materials.

**Margin Guidance:** Theme park business expected to maintain PAT margins of around 20+%. Wastewater management margins are sustainable due to the specialized nature of the technology and limited competition.

**International Expansion:** Discussions ongoing for international projects, with plans to leverage partnerships with the Indian External Affairs Ministry for potential projects abroad.

**Market Outlook:** India faces a severe waste management crisis with over 3,100 landfills contributing to health and environmental risks. The metal recycling industry provides significant environmental and economic benefits, fostering job creation and reducing reliance on imports. The Indian water and wastewater treatment market valued at USD 1.51 billion in 2022, expected to grow significantly due to government initiatives.

**Growth Strategy:** Committed to expanding geographical footprint, targeting new markets in West and South India. Internal R&D setup focuses on developing new products and improving services based on customer needs. Plans to tap into more contracts, with expectations of winning a majority of the 20 ongoing tenders.

**Operational Insights:** EPC revenue expected to be around ₹60+ crores over the next three quarters. Revenue sharing model for parks includes fixed rental and a 15% revenue share from sales in shops within the parks. Ticketing revenue directly collected by Z-Tech, with a share given to the government.

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**Stock Rating Scale**

BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

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