



EXYST VENTURES



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# BEYOND NIFTY 500: MADE IN INDIA & GOVERNMENT CAPEX BENEFICIARIES

A client-ready thematic equity research report focused on NSE-listed smaller companies outside the Nifty 500 that may benefit from India's public spending, localisation and domestic manufacturing push

Policy landscape updated through 13 August 2026 | Universe filter: NSE main-board EQ series, outside current Nifty 500  
| Preference: Nifty Microcap 250 and select companies below that universe

**Prepared by Exyst Ventures**

August 2026



## EXECUTIVE SUMMARY

## The opportunity below the Nifty 500 is narrower - but potentially more sensitive to policy execution

This version moves the research lens below India's top 500 listed companies. The screen uses the current Nifty 500 constituent file as an exclusion list, then favours companies in the Nifty Microcap 250 - the next 250 companies beyond the Nifty 500 by average full market capitalisation - plus selected smaller NSE main-board names outside both indices.

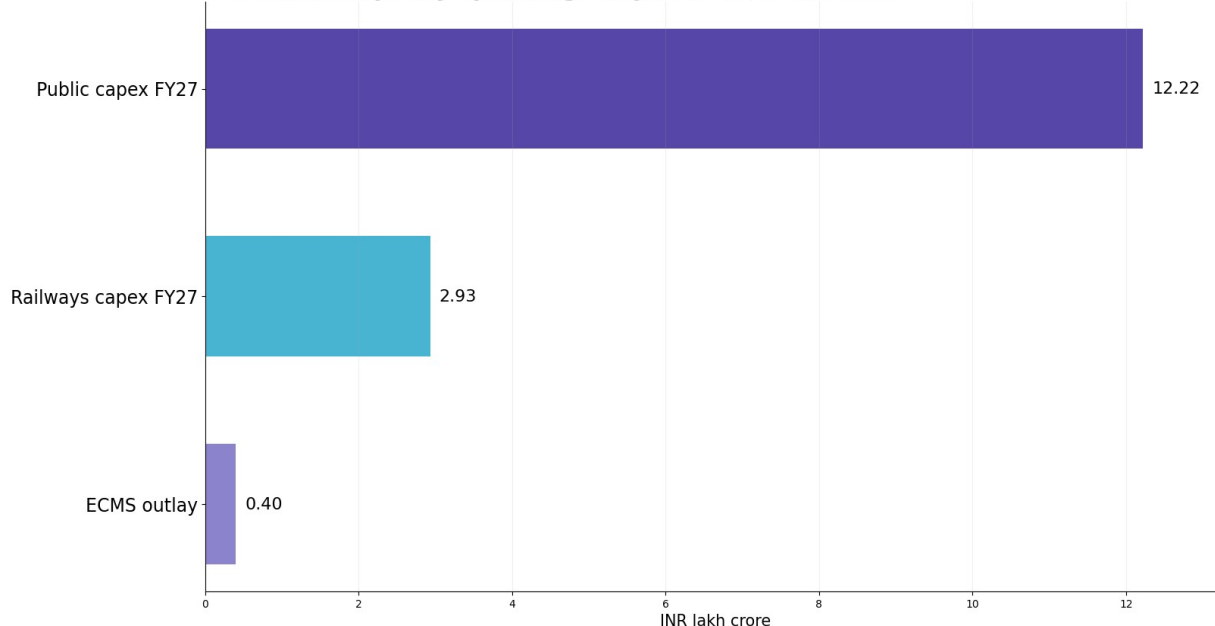
|                               |                            |                           |                               |
|-------------------------------|----------------------------|---------------------------|-------------------------------|
| ₹12.2 tn<br>FY27 public capex | ₹2.93 tn<br>Railways capex | ₹40,000 cr<br>ECMS outlay | 55 names<br>Outside Nifty 500 |
|-------------------------------|----------------------------|---------------------------|-------------------------------|

**Exyst view.** Smaller policy beneficiaries can show stronger earnings sensitivity when a new order, localisation mandate or capacity ramp is meaningful relative to their existing revenue base. The trade-off is materially higher liquidity, governance, balance-sheet, execution and valuation risk. The best candidates are therefore those with a clear domestic manufacturing capability, identifiable policy transmission, credible end-market demand and a business model that can survive after incentives normalise.

### What this report does - and does not do

This revised version intentionally removes all current Nifty 500 constituents from the stock matrices. It prioritises smaller NSE main-board companies with direct manufacturing, localisation or public-capex exposure. It is a research universe, not a buy list; liquidity, governance, valuation and execution require separate due diligence.

### Government policy spending: major 2026-27 anchors





# The three transmission channels investors should track

## 1. Direct public capex

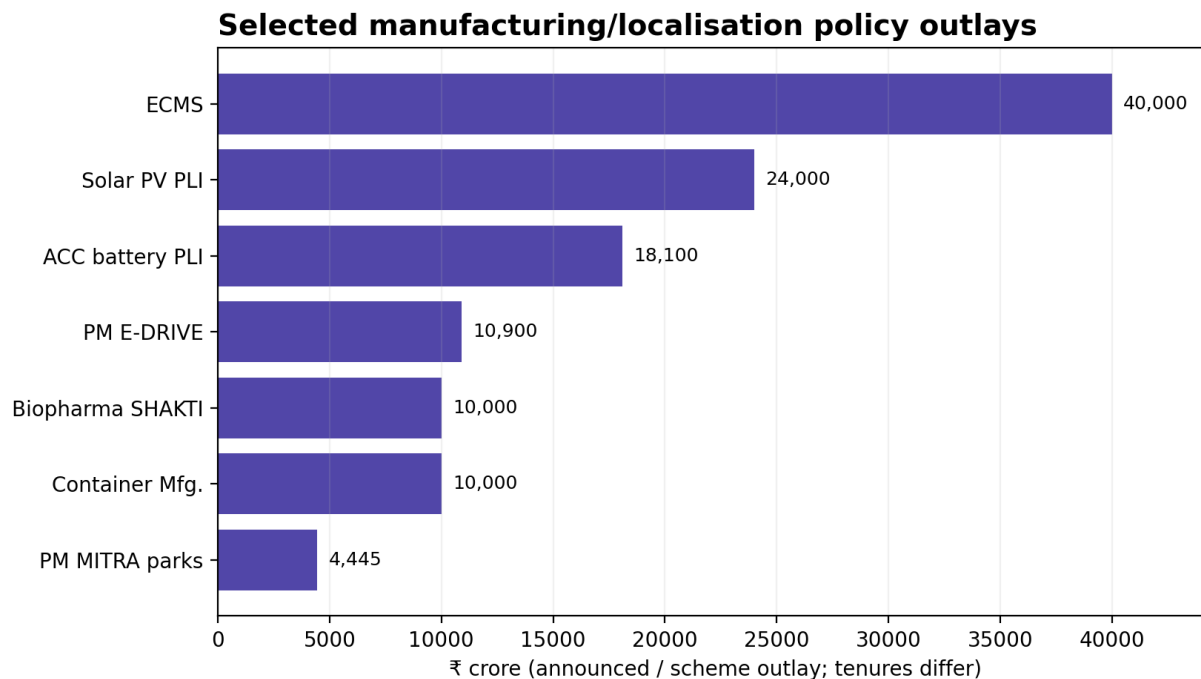
Railways, power transmission, urban infrastructure and industrial equipment receive the cleanest order-flow transmission from government spending. Best suited to companies with execution capacity, order-book quality and working-capital discipline.

## 2. Local-content / PLI incentives

Electronics, solar, batteries, autos, textiles and pharmaceuticals benefit where incentives explicitly reward production, investment or domestic value addition. Best suited to firms that can scale capacity without destroying returns on capital.

## 3. Strategic import substitution

Semiconductors, biopharma, advanced materials and critical inputs gain where policy seeks supply-chain resilience and technological capability. Higher optionality, but often a longer gestation period and greater technology risk.



*Note: scheme tenures and accounting differ; outlays are shown only to illustrate policy scale, not as directly comparable annual spending.*

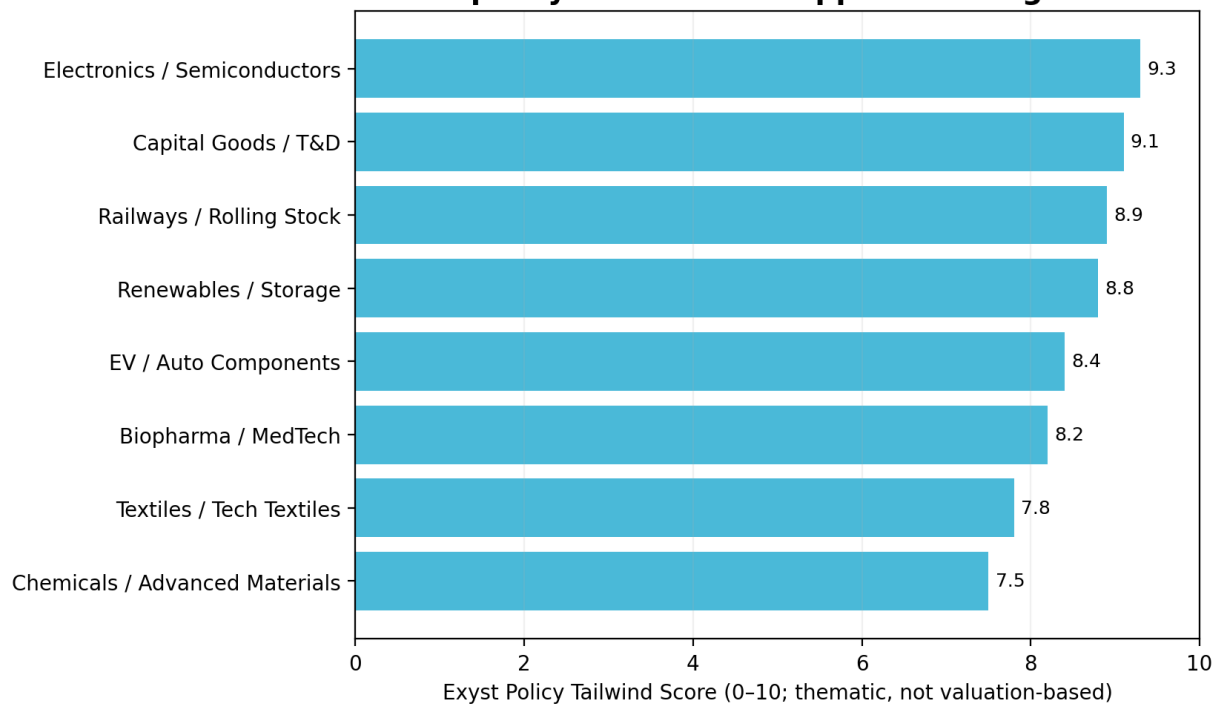


## EXYST FRAMEWORK

## How we rank policy tailwinds

| Factor                      | Weight | Interpretation                                                            |
|-----------------------------|--------|---------------------------------------------------------------------------|
| Policy visibility           | 30%    | How explicit, funded and durable is the government support?               |
| Domestic value-add leverage | 25%    | Does the policy directly reward or require manufacturing in India?        |
| Earnings transmission       | 20%    | How quickly can policy convert into orders, utilisation or revenue?       |
| Industry structure          | 15%    | Are barriers to entry, technology and customer qualification supportive?  |
| Execution risk              | 10%    | Can the sector absorb capex without margin / balance-sheet deterioration? |

### Where policy transmission appears strongest



#### Interpretation

Scores are thematic and policy-based. They deliberately do not incorporate live share price, valuation multiples or technical indicators, which can materially alter investment attractiveness.



## UNIVERSE DEFINITION

## Smaller than Nifty 500: how the revised screen is constructed

This report uses index membership rather than a fixed rupee market-cap cut-off because the Nifty 500 is itself a dynamic, rules-based large/mid/small-cap universe. All stock matrices below exclude current Nifty 500 constituents.

|                |                    |                                |
|----------------|--------------------|--------------------------------|
| 55             | 36                 | 19                             |
| selected names | Nifty Microcap 250 | smaller / outside Microcap 250 |

**Primary bucket. Nifty Microcap 250 constituents are the top 250 companies beyond the Nifty 500, selected using average full market capitalisation. Secondary bucket. Selected NSE main-board EQ-series companies that are outside both the Nifty 500 and Nifty Microcap 250 are treated as an even smaller opportunity set; they can carry substantially higher liquidity and execution risk.**

- The screen excludes SME-platform names and avoids BE-series names in the primary matrices to improve investability and reduce surveillance/liquidity distortions.
- Index membership is not a quality signal. A company can be outside the Nifty 500 because of size, trading history, liquidity, eligibility or index-buffer rules; therefore “smaller” should not be read as “cheaper” or “better”.
- Exyst discipline: policy purity first, then business quality, balance-sheet resilience, cash conversion, governance, liquidity and valuation before any portfolio decision.

### Exyst size screen

All names in the sector matrices are NSE main-board EQ-series companies and are outside the current Nifty 500 constituent list. “Microcap 250” means the company is in the Nifty Microcap 250. “Below Microcap 250” means it is outside both the Nifty 500 and Microcap 250 constituent files and therefore requires an even stricter liquidity and governance filter.



## SECTOR 1

# Railways, Rolling Stock & Mobility Infrastructure

Exyst Policy Tailwind Score: 8.9 / 10 | Indicative policy horizon: 3–7 years

## Policy backdrop

Record Indian Railways capex of ₹2.93 lakh crore in FY2026–27, combined with localisation in rolling stock, electrification, signalling, stations and freight corridors. The largest beneficiaries are businesses with domestic manufacturing capacity, execution track record and a credible order-to-revenue conversion engine.

**Investment thesis.** This theme has a direct public-spending transmission mechanism: government capex converts into tenders, project awards, rolling-stock orders and recurring maintenance / systems demand. The quality split, however, is increasingly between manufacturers with scalable plants and EPC businesses where working capital, receivables and execution discipline matter more than headline order wins.

## Key policy-to-earnings catalysts

- Wagon, metro and passenger rolling-stock orders
- Signalling, communications and safety modernisation
- Station redevelopment and track/electrification projects
- Freight corridor and logistics capacity addition

## Exyst filter

All companies in this matrix are NSE main-board EQ-series names outside the current Nifty 500. Preference is given to direct domestic manufacturing / localisation exposure. Microcap and below-Microcap names require tighter position sizing, liquidity checks, governance review and cash-flow underwriting than large-cap policy beneficiaries.



## SECTOR 1 — STOCK MATRIX

## Railways, Rolling Stock & Mobility Infrastructure

Smaller policy beneficiaries for further due diligence. “Link” = VH (very high), H (high), M (medium) policy/localisation sensitivity; “Size bucket” shows current Nifty Microcap 250 membership or a smaller company outside both indices.

| Company                    | Policy / localisation link       | Why it can benefit                                                                                                                                                    | Key watchpoint                                                                                    | Size bucket        |
|----------------------------|----------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|--------------------|
| Texmaco Rail & Engineering | VH - rolling stock / rail EPC    | Domestic wagons, rail EPC, bridges and steel structures provide direct operating leverage to railway capex, freight modernisation and localisation.                   | Order conversion, working capital, project mix and cyclical wagon demand.                         | Microcap 250       |
| Kernex Microsystems        | VH - railway safety / signalling | Railway safety electronics and train-protection systems create direct exposure to the rollout of indigenous signalling and automatic train-protection infrastructure. | Tender concentration, certification / execution timing and high project lumpiness.                | Below Microcap 250 |
| Quadrant Future Tek        | VH - KAVACH / specialty cables   | KAVACH train-control development plus speciality cables gives a differentiated localisation angle to railway safety and rolling-stock electronics.                    | Commercial scale-up, qualification milestones, customer concentration and new-listing volatility. | Below Microcap 250 |
| GPT Infraprojects          | H - sleepers / rail civil works  | Concrete railway sleeper manufacturing and transport infrastructure execution can benefit from track renewal, capacity additions and freight / metro investment.      | EPC margin discipline, receivables and project concentration.                                     | Below Microcap 250 |



|                             |                                       |                                                                                                                                                                    |                                                                                     |                    |
|-----------------------------|---------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|--------------------|
| Salasar Techno Engineering  | H - rail electrification / structures | Manufacturing of railway overhead electrification structures and EPC capabilities connect it to electrification, transmission and broader infrastructure spending. | Working-capital intensity, commodity costs and execution across multiple verticals. | Below Microcap 250 |
| Hind Rectifiers             | H - traction power / rail electricals | Power electronics, rectifiers and traction-related equipment offer a smaller-company route into railway electrification and rolling-stock electrical systems.      | Customer concentration, technology qualification and order volatility.              | Below Microcap 250 |
| BCPL Railway Infrastructure | H - rail electrification EPC          | Focused railway electrification and infrastructure execution can benefit from network modernisation and related project awards.                                    | Small scale, tender dependence, receivable cycles and liquidity.                    | Below Microcap 250 |

**Research note:** A company can have a strong policy link and still be an unattractive investment at an excessive valuation or with weak execution. Before any portfolio action, review latest results, order book / capacity utilisation, balance sheet, cash conversion, governance and valuation.



## SECTOR 2

# Capital Goods, Power T&D & Industrial Automation

Exyst Policy Tailwind Score: 9.1 / 10 | Indicative policy horizon: 3–8 years

## Policy backdrop

Union Budget 2026–27 continues the public-capex-led investment cycle and adds measures to strengthen domestic capital-goods capability, including hi-tech tool rooms and a proposed Construction & Infrastructure Equipment scheme. Grid expansion, industrial capex and localisation create a multi-year demand runway.

**Investment thesis.** This is arguably the broadest “multiplier” theme. A rupee of infrastructure spending creates demand not only for EPC contractors but also for transformers, switchgear, motors, industrial automation, process equipment and high-voltage systems. Companies with technology, service capability and domestic capacity are better placed than simple fabricators.

## Key policy-to-earnings catalysts

- Power transmission and renewable grid integration
- Private manufacturing capex and factory automation
- Urban infrastructure / data-centre / industrial demand
- Domestic production of higher-value equipment and components

## Exyst filter

All companies in this matrix are NSE main-board EQ-series names outside the current Nifty 500. Preference is given to direct domestic manufacturing / localisation exposure. Microcap and below-Microcap names require tighter position sizing, liquidity checks, governance review and cash-flow underwriting than large-cap policy beneficiaries.



## SECTOR 2 — STOCK MATRIX

## Capital Goods, Power T&D & Industrial Automation

Smaller policy beneficiaries for further due diligence. “Link” = VH (very high), H (high), M (medium) policy/localisation sensitivity; “Size bucket” shows current Nifty Microcap 250 membership or a smaller company outside both indices.

| Company                             | Policy / localisation link        | Why it can benefit                                                                                                                                                                        | Key watchpoint                                                                      | Size bucket  |
|-------------------------------------|-----------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|--------------|
| Atlanta Electricals                 | VH - transformers                 | Domestic transformer manufacturing is a direct beneficiary of grid expansion, renewable integration and the multi-year replacement / augmentation cycle in transmission and distribution. | Capacity ramp, raw-material swings, customer concentration and recent-listing risk. | Microcap 250 |
| Quality Power Electrical Equipments | VH - high-voltage / power quality | High-voltage grid connectivity and power-quality equipment aligns with renewable integration, grid stability and higher-value domestic electrical manufacturing.                          | Order conversion, technology execution, export mix and valuation sensitivity.       | Microcap 250 |
| Skipper                             | H - transmission structures / EPC | Transmission towers, poles and related engineering can gain from national grid expansion and rising renewable evacuation requirements.                                                    | Steel prices, project margins, debtor days and tender competition.                  | Microcap 250 |
| Voltamp Transformers                | H - transformers                  | A focused transformer franchise can capture rising utility and industrial capex while benefiting from localisation of electrical equipment.                                               | Capacity utilisation, input costs, customer mix and cyclicity.                      | Microcap 250 |



|                             |                                       |                                                                                                                                             |                                                                         |                    |
|-----------------------------|---------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------|--------------------|
| Genus Power Infrastructures | VH - smart metering / AMI             | Domestic smart-meter manufacturing and AMI solutions link directly to distribution-sector modernisation and digital utility infrastructure. | Execution of large AMI orders, receivables and project financing risk.  | Below Microcap 250 |
| HPL Electric & Power        | H - meters / switchgear               | Meters, switchgear and electrical equipment provide exposure to smart metering, housing electrification and distribution upgrades.          | Competitive pricing, working capital and product-mix margins.           | Below Microcap 250 |
| Indo Tech Transformers      | H - power / distribution transformers | Smaller transformer manufacturer with leverage to utility capex, renewable evacuation and industrial electrification.                       | Scale, customer concentration, raw materials and order-book visibility. | Below Microcap 250 |

**Research note:** A company can have a strong policy link and still be an unattractive investment at an excessive valuation or with weak execution. Before any portfolio action, review latest results, order book / capacity utilisation, balance sheet, cash conversion, governance and valuation.



## SECTOR 3

## Electronics, EMS & Semiconductors

Exyst Policy Tailwind Score: 9.3 / 10 | Indicative policy horizon: 3–10 years

### Policy backdrop

Budget 2026–27 announced India Semiconductor Mission 2.0 and increased the Electronics Components Manufacturing Scheme outlay to ₹40,000 crore. The policy direction is shifting from final assembly toward deeper component, sub-assembly, semiconductor packaging and design localisation.

**Investment thesis.** The next phase is less about importing kits and more about increasing domestic value addition. Winners should be firms that can move from low-complexity assembly to components, box-build, PCB assemblies, design-led manufacturing and semiconductor packaging. Customer concentration and capital intensity remain critical filters.

### Key policy-to-earnings catalysts

- ECMS incentives for components and sub-assemblies
- ISM 2.0: equipment, materials, IP and supply-chain depth
- Electronics exports and contract manufacturing migration
- Domestic demand from consumer, industrial, auto and telecom electronics

### Exyst filter

All companies in this matrix are NSE main-board EQ-series names outside the current Nifty 500. Preference is given to direct domestic manufacturing / localisation exposure. Microcap and below-Microcap names require tighter position sizing, liquidity checks, governance review and cash-flow underwriting than large-cap policy beneficiaries.



## SECTOR 3 — STOCK MATRIX

## Electronics, EMS & Semiconductors

Smaller policy beneficiaries for further due diligence. “Link” = VH (very high), H (high), M (medium) policy/localisation sensitivity; “Size bucket” shows current Nifty Microcap 250 membership or a smaller company outside both indices.

| Company             | Policy / localisation link             | Why it can benefit                                                                                                                                                        | Key watchpoint                                                                              | Size bucket        |
|---------------------|----------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|--------------------|
| Avalon Technologies | VH - integrated EMS                    | High-mix electronics manufacturing, box-build and component capabilities position it for outsourcing, import substitution and deeper domestic value addition.             | Customer concentration, margin mix and utilisation of new capacity.                         | Microcap 250       |
| Optimus Infracom    | H - electronics manufacturing platform | A domestic electronics manufacturing platform can participate in localisation of devices, telecom / smart products and component ecosystems.                              | Execution across ventures, capital allocation and customer concentration.                   | Microcap 250       |
| Elin Electronics    | H - EMS / appliances / components      | Integrated manufacturing across electronics, appliances, motors and lighting can benefit as brands shift more sourcing and assembly to India.                             | Demand cyclicalities, customer concentration and margin pressure in contract manufacturing. | Below Microcap 250 |
| Cyient DLM          | VH - design-led high-mix EMS           | Design-led electronics manufacturing in complex industrial and regulated applications is well placed for higher-value localisation rather than low-margin assembly alone. | Long qualification cycles, customer concentration and programme timing.                     | Below Microcap 250 |



|                      |                                           |                                                                                                                                                                |                                                                                                |                    |
|----------------------|-------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|--------------------|
| EPACK Durable        | H - appliances / components manufacturing | Domestic room-AC and consumer-durable manufacturing plus backward integration benefits from local sourcing and manufacturing incentive structures.             | Seasonality, capex intensity, customer concentration and commodity costs.                      | Below Microcap 250 |
| MosChip Technologies | M/H - semiconductor design / IP           | Semiconductor design and engineering can benefit indirectly from ISM 2.0 as India builds a deeper chip-design, packaging, materials and electronics ecosystem. | Less direct manufacturing leverage, talent costs, project concentration and high expectations. | Below Microcap 250 |

**Research note:** A company can have a strong policy link and still be an unattractive investment at an excessive valuation or with weak execution. Before any portfolio action, review latest results, order book / capacity utilisation, balance sheet, cash conversion, governance and valuation.



## SECTOR 4

# Renewable Equipment, Solar, Storage & Grid

Exyst Policy Tailwind Score: 8.8 / 10 | Indicative policy horizon: 3–10 years

## Policy backdrop

India's solar manufacturing ecosystem is being supported by the ₹24,000 crore high-efficiency Solar PV PLI, ALMM-linked domestic sourcing, rapid renewable capacity addition and storage policies. By March 2026, solar module manufacturing capacity had risen to about 172 GW.

**Investment thesis.** The opportunity is moving from module assembly to vertically integrated cells, wafers, inverters, storage and grid integration. Policy helps create demand, but global equipment-price deflation and rapid capacity additions can compress margins. The strongest models combine manufacturing scale, distribution, technology and a balance sheet able to fund expansion.

## Key policy-to-earnings catalysts

- Domestic solar-cell and module localisation
- Rooftop and utility-scale solar buildout
- Wind repowering and new turbine demand
- Grid-scale and behind-the-meter energy storage

## Exyst filter

All companies in this matrix are NSE main-board EQ-series names outside the current Nifty 500. Preference is given to direct domestic manufacturing / localisation exposure. Microcap and below-Microcap names require tighter position sizing, liquidity checks, governance review and cash-flow underwriting than large-cap policy beneficiaries.



## SECTOR 4 — STOCK MATRIX

## Renewable Equipment, Solar, Storage & Grid

Smaller policy beneficiaries for further due diligence. “Link” = VH (very high), H (high), M (medium) policy/localisation sensitivity; “Size bucket” shows current Nifty Microcap 250 membership or a smaller company outside both indices.

| Company                | Policy / localisation link                        | Why it can benefit                                                                                                                                        | Key watchpoint                                                                      | Size bucket  |
|------------------------|---------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|--------------|
| Vikram Solar           | VH - solar modules / integrated manufacturing     | Domestic module manufacturing and upstream integration offer direct leverage to solar PLI, domestic-content rules and India's utility / rooftop buildout. | Module price deflation, technology shifts, capex execution and recent-listing risk. | Microcap 250 |
| Saatvik Green Energy   | VH - solar PV manufacturing                       | Solar-module manufacturing and cell integration plans fit the policy objective of deeper domestic solar value addition and lower import dependence.       | Capacity ramp, working capital, pricing and technology transition risk.             | Microcap 250 |
| Borosil Renewables     | VH - solar glass                                  | Domestic solar-glass manufacturing is a picks-and-shovels beneficiary of local PV capacity expansion and import substitution.                             | Global glass pricing, imports, energy costs and capacity utilisation.               | Microcap 250 |
| Websol Energy System   | VH - solar cells / modules                        | Cell and module manufacturing provides direct sensitivity to domestic-content requirements and solar manufacturing scale-up.                              | Small scale, technology migration, balance-sheet execution and pricing volatility.  | Microcap 250 |
| Fujiyama Power Systems | H - rooftop solar / inverters / power electronics | Domestic solar and power-electronics products can benefit                                                                                                 | New-listing risk, channel execution, product quality and                            | Microcap 250 |



from rooftop adoption and localisation of inverters and related balance-of-system equipment. competitive intensity.

|                      |                              |                                                                                                                                                                  |                                                                                            |              |
|----------------------|------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|--------------|
| Oswal Pumps          | H - solar / industrial pumps | Pump manufacturing has a direct policy transmission through solar irrigation and water-management programmes, while industrial pumps benefit from broader capex. | Tender concentration, subsidy cycles, working capital and agricultural demand variability. | Microcap 250 |
| Shakti Pumps (India) | VH - solar pumps             | A focused domestic solar-pump manufacturer can benefit from solarisation of agriculture and Make-in-India sourcing in pump and motor systems.                    | Government-order concentration, receivables, subsidy timing and valuation risk.            | Microcap 250 |

**Research note:** A company can have a strong policy link and still be an unattractive investment at an excessive valuation or with weak execution. Before any portfolio action, review latest results, order book / capacity utilisation, balance sheet, cash conversion, governance and valuation.



## SECTOR 5

# Electric Vehicles & Auto Components

Exyst Policy Tailwind Score: 8.4 / 10 | Indicative policy horizon: 3–8 years

## Policy backdrop

PM E-DRIVE (₹10,900 crore), the Auto PLI and the ₹18,100 crore ACC battery PLI collectively support zero-emission vehicles, advanced automotive technology and domestic battery manufacturing. Policy emphasis is increasingly tied to domestic value addition rather than only end-demand subsidies.

**Investment thesis.** The best beneficiaries are likely to be OEMs and suppliers that own technology, localise critical powertrain/electronic content and can monetise software, safety and premiumisation. Pure volume growth is not enough: domestic content, platform wins and balance-sheet capacity matter.

## Key policy-to-earnings catalysts

- EV adoption in 2W/3W/4W and buses
- Advanced automotive technology localisation
- Battery cells, BMS, motors and power electronics
- Premiumisation and higher electronic content per vehicle

## Exyst filter

All companies in this matrix are NSE main-board EQ-series names outside the current Nifty 500. Preference is given to direct domestic manufacturing / localisation exposure. Microcap and below-Microcap names require tighter position sizing, liquidity checks, governance review and cash-flow underwriting than large-cap policy beneficiaries.



## SECTOR 5 — STOCK MATRIX

## Electric Vehicles & Auto Components

Smaller policy beneficiaries for further due diligence. “Link” = VH (very high), H (high), M (medium) policy/localisation sensitivity; “Size bucket” shows current Nifty Microcap 250 membership or a smaller company outside both indices.

| Company                 | Policy / localisation link             | Why it can benefit                                                                                                                                                | Key watchpoint                                                            | Size bucket  |
|-------------------------|----------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------|--------------|
| Fiem Industries         | H - vehicle lighting / electronics     | Lighting and electronic systems gain from higher electronic content per vehicle and localisation across two-wheelers, including EV platforms.                     | Two-wheeler cycle, customer concentration and pricing pressure.           | Microcap 250 |
| Lumax Auto Technologies | H - auto systems / electronics         | Broader auto systems and electronics content can rise with premiumisation, localisation and new EV / ICE platform launches.                                       | Integration of acquisitions / JVs, capex intensity and OEM concentration. | Microcap 250 |
| Pricol                  | VH - instrument clusters / telematics  | Digital instrument clusters, sensors and connected-vehicle electronics are direct beneficiaries of higher electronics content and advanced automotive technology. | Customer concentration, technology pace and auto-cycle sensitivity.       | Microcap 250 |
| ASK Automotive          | H - braking / aluminium lightweighting | Braking systems and lightweight aluminium components can gain from domestic two-wheeler production, safety upgrades and localisation.                             | OEM concentration, raw-material costs and limited direct EV exclusivity.  | Microcap 250 |
| Varroc Engineering      | H - lighting / electrical-electronics  | Automotive lighting and electrical-electronics content                                                                                                            | Global auto cycle, leverage / capex discipline and                        | Microcap 250 |



can rise with premiumisation and EV adoption across domestic and export platforms.

customer concentration.

|                     |                                 |                                                                                                                                                                   |                                                                         |                    |
|---------------------|---------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------|--------------------|
| Sansera Engineering | H - precision components        | Precision-engineered components with powertrain-neutral applications offer a route to localisation while reducing dependence on any single propulsion technology. | Global demand, customer concentration and execution of diversification. | Microcap 250       |
| RACL Geartech       | H - precision gears / driveline | High-precision gears and driveline components can benefit from premium vehicle localisation, export substitution and new EV / e-mobility applications.            | Small scale, customer concentration, technology shifts and liquidity.   | Below Microcap 250 |

**Research note:** A company can have a strong policy link and still be an unattractive investment at an excessive valuation or with weak execution. Before any portfolio action, review latest results, order book / capacity utilisation, balance sheet, cash conversion, governance and valuation.



## SECTOR 6

## Biopharma, CRDMO & Medical Devices

Exyst Policy Tailwind Score: 8.2 / 10 | Indicative policy horizon: 4–10 years

### Policy backdrop

Biopharma SHAKTI, announced in Budget 2026–27 with a ₹10,000 crore five-year outlay, aims to build an end-to-end ecosystem for biologics and biosimilars. The broader policy framework also encourages domestic APIs, research capability and medical-device manufacturing.

**Investment thesis.** This is a “move up the value chain” policy rather than a simple capex stimulus. The largest value can accrue to companies with complex manufacturing, regulatory compliance, biologics know-how, clinical development capability and global customer relationships. Regulatory outcomes and R&D execution remain the key risks.

### Key policy-to-earnings catalysts

- Biologics and biosimilar manufacturing ecosystem
- Clinical-trial and research infrastructure
- API / complex formulation localisation
- Medical-device import substitution and export growth

### Exyst filter

All companies in this matrix are NSE main-board EQ-series names outside the current Nifty 500. Preference is given to direct domestic manufacturing / localisation exposure. Microcap and below-Microcap names require tighter position sizing, liquidity checks, governance review and cash-flow underwriting than large-cap policy beneficiaries.



## SECTOR 6 — STOCK MATRIX

## Biopharma, CRDMO & Medical Devices

Smaller policy beneficiaries for further due diligence. “Link” = VH (very high), H (high), M (medium) policy/localisation sensitivity; “Size bucket” shows current Nifty Microcap 250 membership or a smaller company outside both indices.

| Company             | Policy / localisation link      | Why it can benefit                                                                                                                                      | Key watchpoint                                                                  | Size bucket        |
|---------------------|---------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------|--------------------|
| Shilpa Medicare     | VH - complex pharma / biologics | Complex formulations, oncology and biologics-related capabilities align with the policy push to move India toward higher-value biopharma manufacturing. | Regulatory execution, product ramp, capex returns and balance-sheet discipline. | Microcap 250       |
| Supriya Lifescience | H - APIs / specialty pharma     | API manufacturing and chemistry capabilities fit import substitution and supply-chain diversification in critical pharmaceutical inputs.                | Product concentration, pricing and regulatory compliance.                       | Microcap 250       |
| Aarti Pharmalabs    | H - APIs / CDMO                 | API and custom-manufacturing capabilities can benefit from global supply-chain diversification and domestic manufacturing depth.                        | Client concentration, project ramp and pharma pricing cycles.                   | Microcap 250       |
| Viyash Scientific   | H - APIs / CDMO manufacturing   | Pharmaceutical manufacturing and development services provide exposure to local value addition and global outsourcing.                                  | Integration / scale-up, customer concentration and execution visibility.        | Microcap 250       |
| Windlas Biotech     | H - formulations CDMO           | Domestic formulations manufacturing and                                                                                                                 | Customer concentration,                                                         | Below Microcap 250 |



CDMO capabilities benefit as Indian brands and global customers outsource more production locally.

utilisation and pricing pressure.

|                  |                                      |                                                                                                                                                         |                                                                                    |                    |
|------------------|--------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|--------------------|
| Innova Captab    | H - formulations / CDMO              | Integrated formulation manufacturing and CDMO activity can capture local outsourcing and capacity consolidation in pharmaceuticals.                     | Acquisition integration, working capital and regulatory compliance.                | Below Microcap 250 |
| Tarsons Products | H - laboratory plasticware / medtech | Domestic laboratory consumables and plasticware are a practical import-substitution opportunity as research, diagnostics and biopharma capacity expand. | Demand normalisation, imported-input exposure, capacity utilisation and liquidity. | Below Microcap 250 |

**Research note:** A company can have a strong policy link and still be an unattractive investment at an excessive valuation or with weak execution. Before any portfolio action, review latest results, order book / capacity utilisation, balance sheet, cash conversion, governance and valuation.



## SECTOR 7

## Textiles & Technical Textiles

Exyst Policy Tailwind Score: 7.8 / 10 | Indicative policy horizon: 3–7 years

### Policy backdrop

Budget 2026–27 announced an integrated textile programme, mega textile parks in challenge mode and support for technical textiles, sustainable manufacturing and skilling. Seven PM MITRA parks already carry an outlay of ₹4,445 crore through 2027–28.

**Investment thesis.** The policy objective is scale, integration and export competitiveness. The winners are likely to be firms with vertical integration, strong buyer relationships, compliance and technical-product capability rather than commodity textile producers. Global demand and cotton/MMF spreads remain important swing factors.

### Key policy-to-earnings catalysts

- Mega parks and cluster modernisation
- Technical textile and MMF value addition
- Export diversification / China+1 sourcing
- Sustainable and compliant supply chains

### Exyst filter

All companies in this matrix are NSE main-board EQ-series names outside the current Nifty 500. Preference is given to direct domestic manufacturing / localisation exposure. Microcap and below-Microcap names require tighter position sizing, liquidity checks, governance review and cash-flow underwriting than large-cap policy beneficiaries.



## SECTOR 7 — STOCK MATRIX

## Textiles & Technical Textiles

Smaller policy beneficiaries for further due diligence. “Link” = VH (very high), H (high), M (medium) policy/localisation sensitivity; “Size bucket” shows current Nifty Microcap 250 membership or a smaller company outside both indices.

| Company                 | Policy / localisation link        | Why it can benefit                                                                                                                                      | Key watchpoint                                                                        | Size bucket  |
|-------------------------|-----------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|--------------|
| Gokaldas Exports        | VH - apparel export manufacturing | Scaled apparel manufacturing can benefit from India's push for integrated textile capacity, global sourcing diversification and export competitiveness. | Buyer concentration, labour intensity, integration of acquisitions and global demand. | Microcap 250 |
| Pearl Global Industries | VH - apparel export platform      | A multi-country, export-oriented apparel platform can use India-based capacity additions to capture sourcing shifts and value-chain consolidation.      | Customer concentration, geography mix, working capital and acquisition execution.     | Microcap 250 |
| Kitex Garments          | H - infant apparel manufacturing  | Integrated manufacturing and export orientation can benefit from scale, compliance and sourcing diversification toward India.                           | Customer concentration, export demand and governance perception.                      | Microcap 250 |
| Indo Count Industries   | H - home textiles                 | Integrated home-textile manufacturing and downstream customer relationships provide leverage to export growth and cluster / logistics efficiencies.     | US demand, cotton spreads, forex and customer concentration.                          | Microcap 250 |
| Arvind                  | H - integrated                    | Integrated textile                                                                                                                                      | Textile cyclicalities,                                                                | Microcap 250 |



|                |                                          |                                                                                                                                      |                                                                    |                    |
|----------------|------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|--------------------|
|                | textiles / advanced materials            | manufacturing and value-added fabrics can benefit from technical-textile support, cluster modernisation and domestic value addition. | margin mix and capital allocation.                                 |                    |
| S. P. Apparels | H - apparel manufacturing                | Focused apparel manufacturing gives direct exposure to export sourcing diversification and scaling of domestic garment capacity.     | Small scale, buyer concentration, labour costs and liquidity.      | Below Microcap 250 |
| Nitin Spinners | H - yarn / fabrics / integrated textiles | Integrated spinning, weaving and processed-fabric capacity can benefit from scale, modernisation and higher domestic value addition. | Cotton prices, commodity spreads, capex returns and export demand. | Below Microcap 250 |

**Research note:** A company can have a strong policy link and still be an unattractive investment at an excessive valuation or with weak execution. Before any portfolio action, review latest results, order book / capacity utilisation, balance sheet, cash conversion, governance and valuation.



## SECTOR 8

## Specialty Chemicals & Advanced Materials

Exyst Policy Tailwind Score: 7.5 / 10 | Indicative policy horizon: 4–10 years

### Policy backdrop

Budget 2026–27 proposed three dedicated chemical parks on a plug-and-play model and new Rare Earth Corridors to strengthen mining, processing, research and manufacturing. The opportunity is primarily import substitution, supply-chain resilience and higher-value materials rather than near-term direct subsidy.

**Investment thesis.** This theme has high strategic relevance but lower immediate earnings visibility than rail or electronics. The best-positioned companies are those with proprietary chemistry, customer qualification, export relationships and products used in batteries, electronics, semiconductors, renewables and industrial manufacturing.

### Key policy-to-earnings catalysts

- Chemical parks and shared infrastructure
- Import substitution in fluorochemicals / intermediates
- Battery and electronics materials
- Supply-chain diversification and export opportunity

### Exyst filter

All companies in this matrix are NSE main-board EQ-series names outside the current Nifty 500. Preference is given to direct domestic manufacturing / localisation exposure. Microcap and below-Microcap names require tighter position sizing, liquidity checks, governance review and cash-flow underwriting than large-cap policy beneficiaries.



## SECTOR 8 — STOCK MATRIX

## Specialty Chemicals & Advanced Materials

Smaller policy beneficiaries for further due diligence. “Link” = VH (very high), H (high), M (medium) policy/localisation sensitivity; “Size bucket” shows current Nifty Microcap 250 membership or a smaller company outside both indices.

| Company                    | Policy / localisation link                  | Why it can benefit                                                                                                                                                 | Key watchpoint                                                              | Size bucket  |
|----------------------------|---------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------|--------------|
| Neogen Chemicals           | VH - advanced chemistry / battery materials | Specialty bromine / lithium chemistry and battery-material initiatives align with import substitution in advanced materials and the domestic energy-storage chain. | Technology scale-up, capex execution, customer qualification and valuation. | Microcap 250 |
| Privi Speciality Chemicals | H - specialty aroma chemicals               | Domestic specialty chemical manufacturing and export capability can gain from supply-chain diversification and chemical-cluster infrastructure.                    | Raw-material volatility, customer concentration and cyclical pricing.       | Microcap 250 |
| Aether Industries          | VH - specialty chemicals / CDMO             | Complex chemistry and contract manufacturing provide a higher-value localisation angle as customers diversify supply chains toward India.                          | Capacity ramp, customer concentration and project execution.                | Microcap 250 |
| Laxmi Organic Industries   | H - specialty intermediates                 | Integrated acetyl and specialty-intermediate manufacturing can benefit from domestic substitution and shared chemical infrastructure.                              | Commodity spreads, new-capacity utilisation and global demand.              | Microcap 250 |
| Alkyl Amines Chemicals     | H - amines / specialty intermediates        | Amines are building-block chemicals used across pharma and                                                                                                         | Cycle normalisation, feedstock costs and capacity additions.                | Microcap 250 |



industrial value chains, giving the company leverage to local sourcing and import substitution.

|                             |                                             |                                                                                                                                                          |                                                                           |              |
|-----------------------------|---------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------|--------------|
| Archean Chemical Industries | H - bromine / industrial minerals           | Bromine and industrial minerals are strategic inputs across specialty chemicals and advanced applications, benefiting from domestic resource processing. | Commodity pricing, export dependence and customer concentration.          | Microcap 250 |
| Sudeep Pharma               | H - specialty minerals / pharma ingredients | High-purity mineral and specialty ingredients can benefit from localisation in pharma, food and advanced industrial applications.                        | Recent-listing risk, niche-market concentration and qualification cycles. | Microcap 250 |

**Research note:** A company can have a strong policy link and still be an unattractive investment at an excessive valuation or with weak execution. Before any portfolio action, review latest results, order book / capacity utilisation, balance sheet, cash conversion, governance and valuation.



## CROSS-SECTOR SYNTHESIS

## Highest policy-purity research priorities

These names are selected for the clearest connection between domestic manufacturing policy and their business model—not as a buy list.

| Company                             | Theme               | Why it ranks high                                               | Size bucket        |
|-------------------------------------|---------------------|-----------------------------------------------------------------|--------------------|
| Quality Power Electrical Equipments | Power T&D           | High-value grid equipment + energy-transition localisation      | Microcap 250       |
| Atlanta Electricals                 | Power T&D           | Transformer capacity leveraged to grid and renewable capex      | Microcap 250       |
| Genus Power Infrastructures         | Smart metering      | Direct utility digitalisation / AMI manufacturing link          | Below Microcap 250 |
| Avalon Technologies                 | Electronics / EMS   | High-mix, higher-value domestic electronics manufacturing       | Microcap 250       |
| Cyient DLM                          | Electronics / EMS   | Design-led complex electronics localisation                     | Below Microcap 250 |
| Vikram Solar                        | Solar manufacturing | Direct solar manufacturing / domestic-content exposure          | Microcap 250       |
| Borosil Renewables                  | Solar materials     | Picks-and-shovels solar glass import substitution               | Microcap 250       |
| Shakti Pumps (India)                | Solar pumps         | Direct solar-agriculture equipment manufacturing                | Microcap 250       |
| Pricol                              | Auto electronics    | Digital cockpit / telematics content growth                     | Microcap 250       |
| Sansera Engineering                 | Auto components     | Precision manufacturing with propulsion-neutral diversification | Microcap 250       |
| Shilpa Medicare                     | Biopharma           | Complex pharma and biologics optionality                        | Microcap 250       |
| Aarti Pharmalabs                    | Pharma / CDMO       | API and custom manufacturing localisation                       | Microcap 250       |
| Gokaldas Exports                    | Textiles            | Scale + export sourcing diversification                         | Microcap 250       |



|                   |                     |                                                               |              |
|-------------------|---------------------|---------------------------------------------------------------|--------------|
| Neogen Chemicals  | Advanced materials  | Battery / lithium chemistry + specialty chemical localisation | Microcap 250 |
| Aether Industries | Specialty chemicals | Complex chemistry + CDMO import substitution                  | Microcap 250 |

**Important**

This ranking measures policy purity and research priority, not expected share-price return. Smaller companies can experience sharp liquidity and valuation swings. A lower-ranked company may outperform if bought at a better valuation, while a high-purity company can underperform if execution disappoints.



## RISK FRAMEWORK

# What can break the “Made in India” investment thesis

**Policy execution gap**

Announced outlays may take time to become tenders, approvals or disbursements. Track actual awards and utilisation, not only headlines.

**Over-capacity**

PLI and demand visibility can trigger aggressive capacity additions; electronics, solar and batteries are especially exposed to utilisation and pricing risk.

**Valuation compression**

Policy beneficiaries often re-rate before earnings arrive. A correct sector call can still produce poor returns if entry valuations are extreme.

**Working-capital stress**

Rail, EPC, equipment and government-linked projects can produce receivable build-up. Cash conversion should be a core filter.

**Technology obsolescence**

Semiconductors, batteries, solar and EV components face rapid technology shifts; capex can become obsolete faster than in traditional industries.

**Import dependence inside “local” products**

Final assembly may still depend on imported cells, chips, wafers, materials or machinery. Track true domestic value addition.

**Customer concentration**

EMS, auto components, CRDMO and export textiles can have a small number of large customers; one programme delay can materially affect earnings.

**Global cycle and trade risk**

Export-facing textiles, chemicals, pharma and autos remain sensitive to global demand, tariffs and currency movement.



## PORTFOLIO USE

## How to use the theme without turning the portfolio into a policy bet

### 1. Treat the smaller-company basket as satellite research, not a substitute for portfolio core

Beyond-Nifty-500 names can be more volatile and less liquid. The strongest use-case is as a carefully sized satellite allocation around diversified core holdings, subject to client suitability and mandate constraints.

### 2. Diversify the policy transmission mechanism

Combine direct public-capex names (rail, T&D) with incentive-led manufacturing (electronics, solar, auto) and export / import-substitution themes (pharma, textiles, chemicals) so the portfolio does not depend on a single tender or ministry.

### 3. Demand liquidity and cash-conversion evidence

For microcaps, average daily traded value, debtor days, operating cash flow and promoter / related-party governance should be monitored as closely as revenue growth. Avoid allowing a compelling policy narrative to excuse weak cash conversion.

### 4. Stagger research and entry decisions

Policy themes are multi-year, while smaller-company valuations can move far faster than fundamentals. Staggered diligence and entry levels reduce the risk of buying an entire policy narrative at peak expectations.

### 5. Re-underwrite after every major capacity addition or policy change

The small-company advantage can disappear if industry capacity expands too quickly, incentives change, technology shifts or a company takes on excessive leverage. Re-underwrite the investment case rather than anchoring to the original thesis.



## CONCLUSION

## Beyond Nifty 500, policy sensitivity rises - and so does the underwriting burden

India's public-capex and localisation cycle is creating a second layer of potential beneficiaries below the better-known Nifty 500 names. These smaller businesses can see a larger percentage impact from a new tender, capacity ramp or import-substitution opportunity because the addressable opportunity can be large relative to their existing revenue base.

That asymmetry works both ways. Smaller companies typically carry lower liquidity, thinner management bandwidth, higher customer / project concentration and greater vulnerability to working-capital stress. Exyst therefore treats this universe as a research pool that demands more intensive governance, cash-flow and execution checks - not as an automatic higher-return substitute for established companies.

Exyst monitoring priorities for the next 12 months include: actual railway tender conversion and KAVACH rollout; transformer and smart-meter order execution; ECMS / ISM 2.0 localisation depth; solar-cell / module and component capacity utilisation; EV component programme wins; biopharma / CDMO qualification progress; textile export share gains; chemical-park and advanced-material project execution; and, across all themes, operating cash conversion and leverage.

### Bottom line

The most attractive beyond-Nifty-500 beneficiaries are not simply the smallest companies in fashionable sectors. They are the companies where a funded policy tailwind meets real manufacturing capability, acceptable governance, scalable execution and disciplined balance-sheet management.



## SOURCES

## Primary policy references

Government / ministry sources used for the policy landscape. Accessed 13 August 2026.

### [G1] Union Budget 2026–27 – Budget at a Glance

Total capital expenditure of ₹12,21,821 crore for FY2026–27.

[https://www.indiabudget.gov.in/doc/Budget\\_at\\_Glance/budget\\_at\\_a\\_glance.pdf](https://www.indiabudget.gov.in/doc/Budget_at_Glance/budget_at_a_glance.pdf)

### [G2] PIB – Highlights of Union Budget 2026–27

Manufacturing, capital-goods and strategic-sector measures.

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2221455>

### [G3] PIB – Record CapEx of ₹2.93 Lakh Crore for Indian Railways

Railways capital expenditure of ₹2,93,030 crore.

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2221838>

### [G4] PIB – The Defence Decade / Union Budget 2026–27 Defence

Defence budget and capital expenditure; indigenisation progress.

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2273854>

### [G5] PIB – India Semiconductor Mission 2.0 / ECMS

ISM 2.0 launch and ECMS outlay raised to ₹40,000 crore.

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2221522>

### [G6] MNRE – Production Linked Incentive Scheme for High Efficiency Solar PV Modules

Solar PV manufacturing PLI; total outlay ₹24,000 crore across the programme.

<https://mnre.gov.in/en/production-linked-incentive-pli/>

### [G7] PIB – India's Solar Growth Enters a New Era

Solar module manufacturing capacity about 172 GW as of 31 March 2026.

<https://www.pib.gov.in/PressNoteDetails.aspx?ModuleId=3&NotelId=159396&id=159396&lang=1&reg=22>

### [G8] Ministry of Heavy Industries – PLI ACC / PM E-DRIVE / PLI Auto

ACC battery PLI outlay and localisation framework.

<https://heavyindustries.gov.in/en/pli-scheme-national-programme-advanced-chemistry-cell-acc-battery-storage>

### [G9] PIB – Transforming India into a Global Biopharma Hub

Biopharma SHAKTI ₹10,000 crore over five years.

<https://www.pib.gov.in/PressNoteDetails.aspx?ModuleId=3&NotelId=157147&lang=1&reg=3>

### [G10] PIB – Strengthening India's Textile Sector, Budget 2026–27

Integrated textile programme, mega textile parks and technical-textile focus.

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2222927>

### [G11] PIB – Year End Review 2025: Ministry of Textiles

Seven PM MITRA parks with ₹4,445 crore outlay.

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2208051&lang=1&reg=6>

### [G12] PIB – Scaling up Manufacturing in 7 Strategic and Frontier Sectors

Rare Earth Corridors, chemical parks, container manufacturing and capital-goods measures.

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2221451&lang=1&reg=3>



#### [G13] Nifty Indices - Nifty 500

Defines the Nifty 500 as the top 500 companies from the eligible universe based on full market capitalisation and turnover criteria.

This document is a thematic research and discussion note prepared by Exyst Ventures using publicly available information believed to be reliable as of the date shown. It is not an offer, solicitation, personalised investment recommendation or assurance of return. The stock matrices intentionally focus on smaller companies outside the current Nifty 500 and therefore carry materially higher liquidity, volatility, governance, execution and valuation risk than a typical large-cap universe. Suitability, tax position, investment horizon and risk capacity must be assessed separately before any investment decision.

#### [G14] Nifty Indices - Nifty Microcap 250

Defines the Microcap 250 as the top 250 companies beyond the Nifty 500, selected on average full market capitalisation; used here as the primary smaller-company bucket.

<https://www.niftyindices.com/indices/equity/broad-based-indices/nifty-microcap-250>

#### [G15] NSE - Securities available for trading (Equity list)

Used to verify NSE main-board listing and EQ series for the primary stock matrices.

[https://nsearchives.nseindia.com/content/equities/EQUITY\\_L.csv](https://nsearchives.nseindia.com/content/equities/EQUITY_L.csv)

#### IMPORTANT INFORMATION

## Exyst Ventures – Research & Risk Disclaimer

This document is a thematic research and discussion note prepared by Exyst Ventures using publicly available information believed to be reliable as of the date shown. It is not an offer, solicitation, personalised investment recommendation, tax opinion, legal opinion or assurance of future returns. The companies mentioned are examples of listed businesses with potential exposure to the themes discussed; inclusion does not imply a recommendation to buy, hold or sell. Policy announcements, budget allocations, incentive schemes, tender pipelines and regulatory frameworks can change, be delayed, be underspent, or have outcomes different from expectations.

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Figures relating to government schemes and budget allocations are drawn from official Government of India / ministry releases listed in the Sources section. Scheme outlays with different tenures should not be added or compared as if they represent the same accounting period. Stock-level analysis in this report is qualitative and does not include live prices, target prices or execution instructions.

Prepared for client discussion

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