

# Diwali

Picks 2025



# Vikram Samvat 2082

Reliance Industries		Sector: Oil & Gas	
Market Cap (in Cr.)	CMP*	Target Price	Upside (%)
₹ 18,61,059	₹ 1,375	₹ 1600	16.4

HDFC Life Insurance Co.		Sector: Life Insurance	
Market Cap (in Cr.)	CMP*	Target Price	Upside (%)
₹ 1,60,276	₹ 744	₹ 870	17.0

Power Finance Corporation		Sector: NBFC	
Market Cap (in Cr.)	CMP*	Target Price	Upside (%)
₹ 1,31,161	₹ 397	₹ 502	26.6

Mahindra & Mahindra Financial Services		Sector: NBFC	
Market Cap (in Cr.)	CMP*	Target Price	Upside (%)
₹ 39,763	₹ 286	₹ 327	14.3

Nuvoco Vistas Corp		Sector: Cement	
Market Cap (in Cr.)	CMP*	Target Price	Upside (%)
₹ 15,188	₹ 425	₹ 478	12.4

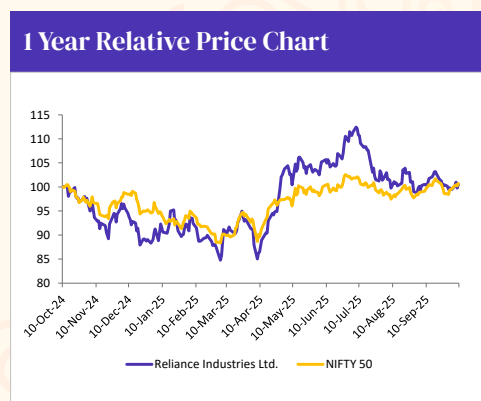
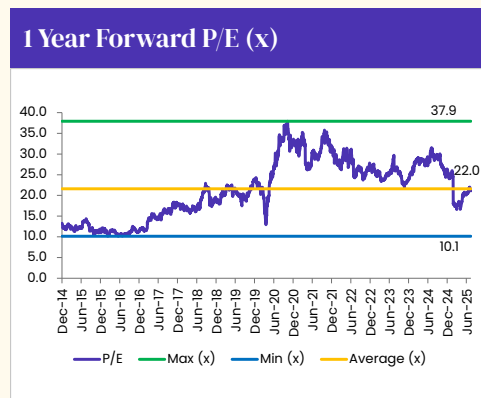
\*CMP as on 14th October, 2025

# Reliance Industries (RELIANCE)

Consumer engines firing; new energy to drive the next leg

Buy	
Current Market Price	1,375
Target Price	1600
Upside (%)	16.4%

Key Stock Data	
Company Name	Reliance Industries
BSE Code	500325
NSE Code	RELIANCE
Bloomberg	RIL:IN
Shares o/s, (Cr.) / FV.	1353.2 / 10
Market Cap (Rs Cr)	18,61,059
3M Avg Volume (NSE)	1,04,35,083
52 week H/L	1551/1115



Reliance Industries (RIL), India's largest private sector enterprise, holds a leading position across energy, telecom, and retail sectors. Its integrated oil-to-chemicals operations, expanding digital ecosystem through Jio, and strong retail footprint drive diversified and resilient earnings. The company's ongoing investments in new energy and technology innovation position it well to capture emerging opportunities across the next growth cycle.

## Investment Rationale

**1. Dominant Consumer Platforms Set for Sustained Growth:** Reliance's consumer businesses are positioned to be the primary drivers of future growth and profitability. Jio's consistent ability to add millions of new subscribers each quarter, combined with a steady increase in ARPU driven by the ongoing 5G rollout and premiumization, points to a long runway of high-margin growth. Simultaneously, Reliance Retail is set to further solidify its leadership by continuing its dual strategy of aggressive physical store expansion and scaling its digital commerce capabilities through JioMart, ensuring it captures an ever-larger share of India's rising consumption.

**2. New Energy Poised to Emerge as the Next Value-Creation Engine:** The company's massive investment in its New Energy ecosystem is nearing a major inflection point. With the fully integrated mega-factories in Jamnagar expected to become operational within the next 4-6 quarters, the narrative will shift from capital expenditure to revenue generation and monetization. This business is strategically designed to be a self-funding growth engine, poised to not only capture the multi-decade opportunity in India's energy transition but also to provide low-cost captive power, enhancing the profitability of all other business verticals.

**3. Resilient O2C Cash Flows to Fund a New Media Powerhouse:** The legacy Oil-to-Chemicals (O2C) business is expected to remain a resilient and powerful cash generator, with a constructive outlook supported by robust domestic demand and limited global capacity additions. This financial strength provides a solid foundation to fund the company's high-growth ambitions. Foremost among these is the newly consolidated Media business (JioStar), which has already proven its ability to monetize premium content like the IPL at a massive scale and is now structured to dominate India's entertainment and sports landscape for years to come.

## Valuation & Outlook

The outlook remains robust, driven by sustained momentum in the high-growth consumer businesses (Jio and Retail) and the impending monetization of the New Energy mega-complex. We expect this to translate into a strong consolidated Revenue/EBITDA to grow at a CAGR of 10%/15.1% over FY25-27E, as resilient O2C cash flows continue to fund new growth engines. The current valuation does not fully capture the immense value-unlocking potential from the New Energy and consolidated Media businesses. We therefore maintain a **BUY** rating, as these catalysts are expected to drive a re-rating and support a target price of ₹1,600.

Financial Summary - Consolidated				
Particulars Rs Cr	FY24	FY25	FY26E	FY27E
Net revenue	9,14,472	9,80,136	11,21,195	11,86,046
EBITDA	1,62,233	1,65,399	1,90,155	2,18,945
EBITDAM (%)	16.2%	15.4%	15.5%	16.9%
APAT	78,633	80,787	94,775	1,13,114
APATM (%)	7.9%	7.5%	7.7%	8.7%
EPS (Rs)	58.1	59.7	70.0	83.6
PE (x)	28.9	24.1	20.5	17.2
RoE (%)	8.5%	8.0%	8.6%	9.3%

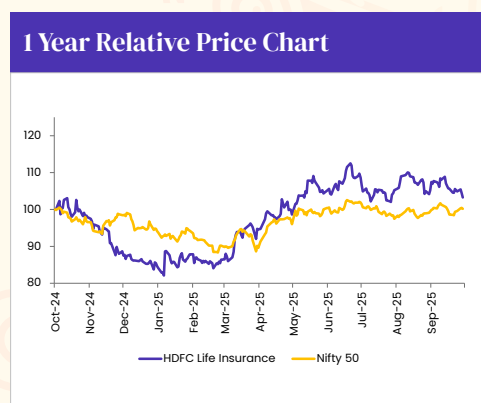
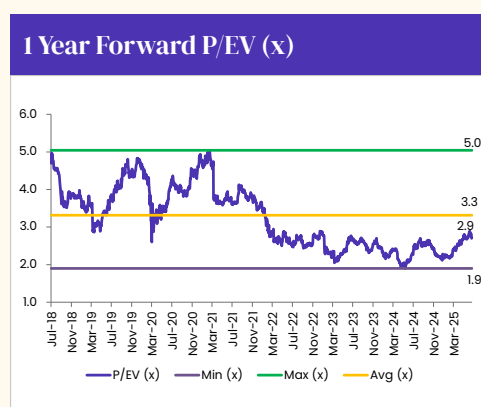
Source: RBL Research

# HDFC Life Insurance Company (HDFCLIFE)

Sustained compounding through quality growth and digital scale

Buy	
Current Market Price	744
Target Price	870
Upside (%)	17.0%

Key Stock Data	
Company Name	HDFC Life Insurance Company
BSE Code	540777
NSE Code	HDFCLIFE
Bloomberg	HDFCLIFE:IN
Shares o/s, (Cr.) / FV.	215.1 / 10
M.Cap (Rs.Cr)	1,60,276
3M Avg Vol	26,28,168
52 week H/L	820.75/584.3



HDFC Life Insurance, a subsidiary of HDFC Bank (holding 50.3%), is among India's top private life insurers offering a wide range of protection, savings, investment, annuity, and health products. In FY25, it recorded 18% growth in individual APE and a 13% rise in VNB to ₹3,962 crore, with a strong 11.1% market share in individual WRP. Supported by persistency ratios of 87% (13th month) and 63% (61st month), along with 600 branches and 2.4 lakh agents, the company maintains leadership in profitability and efficiency. Its continued focus on digital initiatives and diversified distribution drives consistent long-term growth.

## Investment Rationale

**1. Diversified Growth Engine Delivering Robust Performance:** HDFC Life continues its strong growth trajectory with a 12.6% YoY increase in Individual APE and a 13.6% rise in New Business Premium in Q1FY26. This performance is anchored by a well-balanced product portfolio across ULIPs, participating products, and protection, coupled with a formidable multi-channel distribution network led by its dominant bancassurance channel and an expanding agency force, ensuring sustained, broad-based growth.

**2. Resilient Profitability Underpinned by High-Quality Business:** The Company demonstrates strong operational discipline by maintaining stable Value of New Business (VNB) margins at 25.1%, effectively navigating regulatory changes. This profitability is reinforced by industry-leading 13th-month persistency of 87%, which reflects superior customer retention and ensures a predictable, high-quality stream of renewal premiums, forming a solid foundation for long-term value creation.

**3. Strategic Expansion Unlocking Future Value:** HDFC Life is securing its next phase of growth by strategically deepening its penetration into Tier 2/3 markets, which now contribute to three-fourths of new business operating profit. This geographic expansion is amplified by significant investments in digital transformation ('Project Inspire') to enhance agent productivity and operational efficiency, building a scalable and technologically advanced model to capture India's vast underinsured market.

## Valuation & Outlook

HDFC Life's consistent execution, strong brand franchise, and industry-leading profitability metrics justify its premium valuation. The long-term outlook remains robust, driven by its strategic expansion into underpenetrated Tier 2/3 markets, a growing protection business, and a relentless focus on digital innovation. We expect an Embedded Value (EV) CAGR of over 17% through FY27, reflecting sustained value creation. While near-term margin pressures are largely priced in, the company's resilient business model and clear growth drivers support continued upside. We value the stock at 2.6x its FY27E EV, maintaining a positive outlook with a target price of **Rs. 870**.


Financial Summary - Consolidated				
Particulars Rs Cr	FY24	FY25	FY26E	FY27E
Net premiums	62,112	69,616	80,266	91,552
Total Income	1,00,941	95,948	1,12,375	1,30,720
Commission	5,262	7,835	7,992	7,832
Surplus/(deficit) before tax	783	1,046	4,561	10,286
Surplus/(Deficit) for the period	701	936	4,083	9,208
Embedded value (EV)	44,592	50,610	60,037	71,249
EV per share (Rs)	207.5	235.5	279.3	331.5
P/EV (x)	2.9	2.6	2.2	1.8

Source: RBL Research

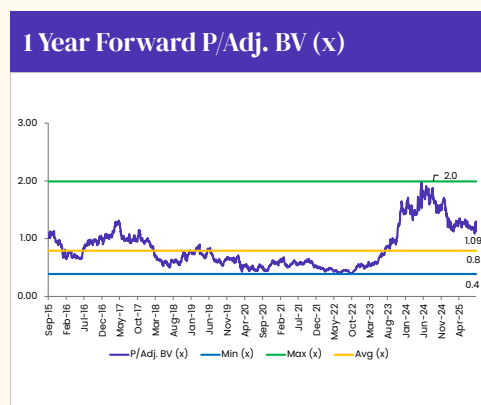


# Power Finance Corporation (PFC)

Powering growth, financing India's energy evolution

<div>Buy</div> 	
Current Market	397
Target Price	502
Upside (%)	26.6%

Key Stock Data	
Company Name	Power Finance Corporation
BSE Code	532810
NSE Code	PFC
Bloomberg	POWF:IN
Shares o/s, (Cr.) / FV.	329.7 / 10
M.Cap (Rs.Cr)	1,31,161
3M Avg Vol	50,77,424
52 week H/L	566/357



Power Finance Corporation, a Maharatna public sector enterprise, stands as India's largest Non-Banking Financial Company (NBFC) and a pivotal financier for the nation's power sector. With the Government of India holding a majority stake of ~56%, PFC plays a strategic role in implementing national energy policy by providing financial assistance across the entire power value chain, including generation, transmission, and distribution projects. Having consolidated its leadership by acquiring Rural Electrification Corporation (REC), PFC has progressively aligned its portfolio with India's energy transition goals, increasing its focus on financing green initiatives like renewable energy, battery storage, and EV infrastructure.

## Investment Rationale

**1. Diversified Growth Engine Delivering Robust Performance:** PFC's loan book is on a strong growth trajectory, driven by a renewed thrust from the private sector, particularly in renewable energy and power distribution. This segment expanded at a 48% CAGR between FY20-FY25, fueling an overall loan growth of 12.2% CAGR in the same period. With a revived capital expenditure cycle and stable asset quality, this momentum is expected to continue, with projections indicating a 12.4% CAGR in the loan book and a 13.5% CAGR in disbursements through FY27.

**2. Resilient Profitability Underpinned by Stable Asset Quality:** The company demonstrates strong financial discipline, with Net Interest Margins (NIMs) expected to remain stable around 3.8%. This stability, combined with resilient asset quality, is set to drive robust earnings growth. While a rising share of private sector lending may slightly increase credit costs from cyclical lows, overall provisions are expected to remain modest. This foundation supports a projected Profit After Tax (PAT) growth of 12.3% CAGR over FY25-FY27E.

**3. Structurally Positioned for Sustained Value Creation:** PFC is a crucial lender in India's power sector, with its growth firmly anchored to structural tailwinds like the national push for renewable energy, grid modernization, and increasing private sector involvement. Supported by a stronger balance sheet and disciplined credit underwriting, the company's valuation is well-supported, limiting downside risk. Its strategic importance ensures a healthy disbursement pipeline and sustained earnings momentum for the long term.

## Valuation & Outlook

PFC's outlook remains strong, driven by its strategic role in financing India's energy transition and infrastructure growth. The company is set to capitalize on a healthy disbursement pipeline, stable profitability, and resilient asset quality, which are projected to deliver a PAT CAGR of 12.3% over FY25-27E. We value PFC on a standalone basis at 0.9x its FY27E Adjusted Book Value and add the value of its stake in REC (with a 30% holding company discount). This methodology supports continued upside, and we maintain a positive outlook with a target price of ₹502.

### Financial Summary - Consolidated

Particulars Rs Cr	FY24	FY25	FY26E	FY27E
Interest Income	43641	49875	55309	63278
Finance Cost	28015	30535	33899	38633
Net interest income	15626	19340	21410	24645
Pre-provisioning operating profit	17455	21629	23920	27449
Profit before Tax	17626	21172	23325	26750
Profit after Tax	14367	17352	19068	21868
EPS (Rs)	43.54	52.58	57.78	66.26
Standalone Book Value per share	240	276	317	365
P/Cons. BV (x)	1.65	1.44	1.25	1.08
RoE (%)	18.1%	19.1%	18.2%	18.1%
ROA (%)	3.2%	3.4%	3.4%	3.5%

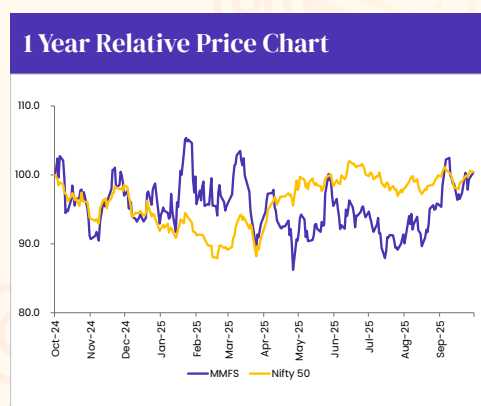
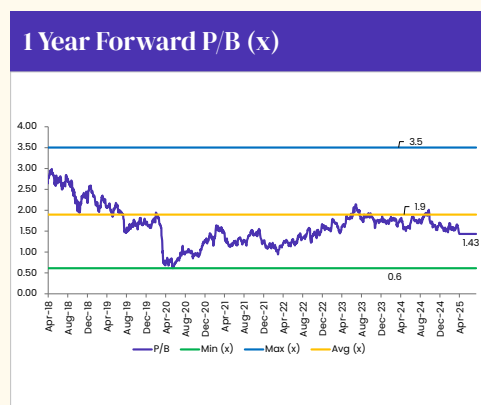
Source: RBL Research

# Mahindra & Mahindra Financial Services (M&MFIN)

Rural recovery and digital leverage to lift profitability

Buy	
Current Market	286
Target Price	327
Upside (%)	14.3%

Key Stock Data	
Company Name	Mahindra & Mahindra Financial Services
BSE Code	532720
NSE Code	M&MFIN
Bloomberg	MMFS:IN
Shares o/s, (Cr.) / FV.	123.6 / 2
M.Cap (Rs.Cr)	39,763
3M Avg Vol	21,81,681
52 week H/L	296/232



Mahindra & Mahindra Financial Services (MMFS) is a leading non-banking financial company (NBFC) with a strong rural and semi-urban focus. As a key part of the Mahindra Group, it leverages a vast network of over 1,375 branches to provide a comprehensive suite of services, including vehicle and tractor financing, SME lending, and leasing. With a robust AUM and strong capitalization, the company is a vital player in driving financial inclusion across India.

## Investment Rationale

**1. Synergistic Growth Driven by Parent Company:** MMFS's growth is intrinsically linked to the strong market position of its parent, Mahindra & Mahindra. A significant portion of its AUM is driven by financing M&M's expanding portfolio of utility vehicles and tractors, creating a reliable and sustained pipeline for loan growth. This powerful synergy provides a strong foundation for consistent AUM expansion, further supported by favorable government policies and a positive rural economy.

**2. Profitability Boosted by Margin Expansion and Efficiency:** The company is poised for improved profitability, driven by an expected expansion in Net Interest Margins (NIMs) as borrowing costs ease. This is complemented by significant gains in operational efficiency, with AUM per branch and AUM per employee showing strong growth. Ongoing investments in digital infrastructure are expected to further streamline operations and moderate the cost-to-income ratio, leading to better return metrics.

**3. Strategic Diversification and Resilient Asset Quality:** MMFS is actively diversifying its portfolio to reduce historical dependence on the cyclical vehicle financing segment. A strategic push into SME lending, leasing, and digital financial products is gaining traction, building a more balanced and resilient business model. This growth is supported by stable asset quality, achieved through strengthened collection processes and enhanced digital risk management, ensuring credit costs remain under control.

## Valuation & Outlook

The long-term outlook for MMFS is positive, supported by its deep rural presence, strong promoter backing, and a clear strategy for portfolio diversification. With steady AUM growth, improving cost efficiencies, and stable asset quality, the company is well-positioned for healthy earnings momentum. We maintain a positive outlook with a **Buy** rating and a target price of **Rs. 327**, valuing the company at 1.4x its FY27E adjusted book value.

Financial Summary - Consolidated				
Particulars Rs Cr	FY24	FY25	FY26E	FY27E
Interest Income	14,412	16,566	18,230	21,011
Revenue from Operations	15,797	18,463	20,455	23,587
Total Income	15,970	18,531	20,546	23,692
Net interest income	8,838	10,048	11,462	13,828
Profit before Tax	2,573	2,962	3,367	4,851
Profit after Tax	1,943	2,261	2,567	3,680
EPS (Rs)	15.7	18.3	20.8	29.8
P/Adj. BV (x)	1.8	1.6	1.5	1.3
RoE (%)	10.0	12.4	11.2	14.2

Source: RBL Research

# Nuvoco Vistas Corporation (NUVOCO)

## Operational efficiency and capacity expansion to cement growth

### Buy

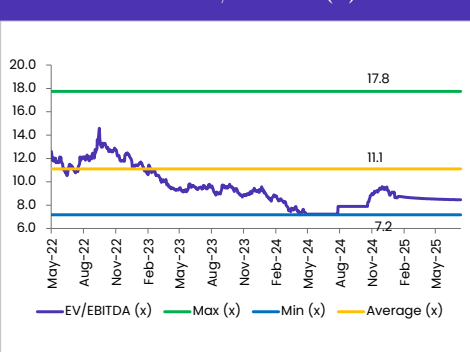


Current Market Price	425
Target Price	478
Upside (%)	12.4%

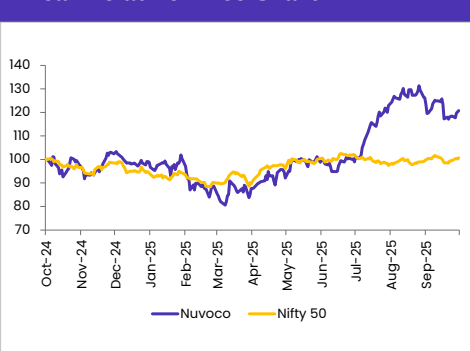
### Key Stock Data

Company Name	Nuvoco Vistas Corporation
BSE Code	543334
NSE Code	NUVOCO
Bloomberg	NUVOCO:IN
Shares o/s, (Cr.) / FV.	35.7 / 10
Market Cap (Rs Cr)	15,188
3M Avg Volume (NSE)	5,70,339
52 week H/L	477.5/287

### 1 Year Forward EV/EBITDA (x)



### 1 Year Relative Price Chart



Nuvoco Vistas is a leading cement player in India, with a strong presence in the Eastern and a growing footprint in the Western regions. The company boasts a significant manufacturing capacity, which is set to expand to approximately 31 million tons per annum (MTPA) by Q3 FY27 following the strategic acquisition of Vadraj Cement. Nuvoco focuses on a high-margin product mix, with a significant share of premium products in its trade sales, and is committed to strengthening its balance sheet through a consistent deleveraging strategy for its core business operations.

### Investment Rationale

**1. Robust Operational Performance Driving Growth:** Nuvoco has demonstrated strong operational performance, characterized by healthy revenue growth driven by a balanced increase in sales volumes and improved pricing realizations. With management guiding for steady volume growth in line with a favorable industry demand outlook, the company is well-positioned for sustained top-line expansion.

**2. Margin Expansion Through Efficiency and Pricing:** The company's profitability has shown significant improvement, with EBITDA per ton reaching multi-quarter highs. This has been achieved through a combination of sustained pricing power and rigorous cost-control measures, including savings in power and fuel. Management's continued focus on operational excellence is expected to protect and enhance margins going forward.

**3. Strategic Acquisition Unlocking Future Capacity:** The successful acquisition and fast-tracked integration of Vadraj Cement is a key strategic initiative that strengthens Nuvoco's presence in the high-growth Western India market. This expansion is being funded through a prudent mix of debt and equity, minimizing balance sheet strain. This move not only adds significant capacity but also positions the company to capitalize on regional demand spurred by government infrastructure and housing projects.

### Valuation & Outlook

Nuvoco Vistas' outlook is positive, underpinned by strong industry tailwinds and projected demand growth in the cement sector. The company's strong operational performance, coupled with the strategic expansion through the Vadraj acquisition, provides clear visibility for future earnings. Management's dual focus on deleveraging the core business while efficiently managing capex for growth inspires confidence. Therefore, we maintain a **Buy** rating with a target price of **Rs. 478**.

### Financial Summary - Consolidated

Particulars Rs Cr	FY24	FY25	FY26E	FY27E
Net revenue	10,732	10,356	13,106	15,250
EBITDA	1,623	1,371	2,147	2,407
EBITDAM (%)	15.1	13.2	16.4	15.8
APAT	147.4	19.0	366.6	361.0
APATM (%)	1.4	0.2	2.8	2.4
EPS (Rs)	4.1	0.5	10.3	10.1
EV/EBITDA	12.1	14.0	8.7	7.4
RoE (%)	1.6	0.2	3.9	3.7

Source: RBL Research

## Our Research Team

Name	Email Id
Ajit Mishra	<a href="mailto:ajit.mishra@religare.com">ajit.mishra@religare.com</a>
Abhijeet Banerjee	<a href="mailto:abhijeet.banerjee@religare.com">abhijeet.banerjee@religare.com</a>
Gaurav Sharma	<a href="mailto:gauravsharma2@religare.com">gauravsharma2@religare.com</a>
Ashwani Harit	<a href="mailto:ashwani.harit@religare.com">ashwani.harit@religare.com</a>
Divya Parmar	<a href="mailto:divya.parmar@religare.com">divya.parmar@religare.com</a>
Vinay Kalani	<a href="mailto:vinay.kalani1@religare.com">vinay.kalani1@religare.com</a>
Rajan Gupta	<a href="mailto:rajan.gupta1@religare.com">rajan.gupta1@religare.com</a>



# Disclaimer

Before you use this research report, please ensure to go through the disclosure inter-alia as required under Securities and Exchange Board of India (Research Analysts) Regulations, 2014 and Research Disclaimer at the following link: [www.religareonline.com/disclaimer](http://www.religareonline.com/disclaimer)

Specific analyst(s) specific disclosure(s) inter-alia as required under Securities and Exchange Board of India (Research Analysts) Regulations, 2014 is/are as under:

S No.	Statement	Answer	
		Tick Appropriate	
		Yes	No
1.	I/we or any of my/our relative has any financial interest in the subject company? (If answer is yes, nature of interest is given below this table)		No
2.	I/we or any of my/our relatives, have actual/beneficial ownership of one per cent. or more securities of the subject company, at the end of the month immediately preceding the date of the research report or date of the public appearance?		No
3.	I/we or any of my/our relative, has any other material conflict of interest at the time of publication of the research report or at the time of the public appearance?		
4.	I/we have received any compensation from the subject company in the past twelve months?		No
5.	I/we have managed or co-managed public offering of securities for the subject company in the past twelve months?		No
6.	I/we have received any compensation for brokerage services from the subject company in the past twelve months?		No
7.	I/we have received any compensation or other benefits from the subject company or third party in connection with the research report?		No
8.	I/we have served as an officer, director or employee of the subject company?		No
9.	I/we have been engaged in market making activity for the subject company?		No

2014 is/are as under:

Statements of ownership and material conflicts of interest, compensation – Research Analyst (RA)

Nature of Interest [If answer to f (a) above conflicts is Yes .....]

Name(s) with Signature(s) of RA(s).

[Please note that only in case of multiple RAs and if the answers differ inter-se between the RAs, then RA specific answer with respect to

S. No.	Name of RA	Signature of RA	Serial Question of question which the signing RA needs to make a separate declaration	Answer	Answer

Copyright: This document vests exclusively with RBL. This information should not be reproduced or redistributed or passed on directly or indirectly in any form to any other person or published, copied, in whole or in part, for any purpose, without prior written permission from RBL. We do not guarantee the integrity of any emails or attached files and are not responsible for any changes made to them by any other person.