

Ventura Securities

2025 Diwali Picks



BUY @ CMP INR 568

Target: INR 794 in 24 months

Upside Potential: 39.8%

Strategic expansion and green initiatives to fuel growth

Business Model – With a consolidated installed capacity of 105 MTPA, Ambuja Cement Ltd (ACEM) is the second largest cement producer in India. The company and its subsidiaries were acquired by Adani Group in Sept 2022.

The Indian cement industry is undergoing rapid consolidation as major players expand their dominance to capture market share and enhance economies of scale. Since its acquisition by the Adani Group, ACEM has aggressively expanded its cement production capacity from 67.5 MTPA in September 2022 to 105 MTPA in June 2025. The management remains focused on expansion projects and sustainability initiatives, with the near-term growth outlook underpinned by ongoing industry consolidation and rising cement demand from both urban and rural markets. ACEM is targeting 118 MTPA capacity by March 2026 and planning to incur capex of INR 9,000-10,000 cr during FY26. Under its Vision 2028 program, the company is targeting a capacity of 140 MTPA (from current 100 MTPA), green energy share of 60% and EBITDA/ton of INR 1500. Key brownfield expansion projects include Farakka (2.4 MTPA), Sankrail (2.4 MTPA), and Sindri (1.5 MTPA) grinding units, along with debottlenecking initiatives. Projects under execution include Bhatapara Line 3, Salai Banwa, Bathinda, Marwar, Maratha Line 2, Dahej Line-2, Kalamboli, Jodhpur (Penna IU), Krishnapatnam Penna, and Warisaliganj. With its sustained focus on capacity augmentation, digital transformation, and improved supply chain efficiencies, Ambuja is positioned to capture incremental market share and deliver value to stakeholders in FY26 and beyond.

For FY25-28E, the ACEM's consolidated sales volume, revenue, EBITDA, and net earnings are expected to grow at a CAGR of 12.5%, 17.5%, 35%, and 20.9%, respectively, reaching 92.9 mn tons, INR 56,958 cr, INR 14,706 cr, and INR 7,370 cr. EBITDA per ton is forecast to improve to INR 1,584, supported by a reduction in power costs and the benefits of operating leverage. Net margins are expected to improve by 107bps to 12.9%. As a result, return ratios – RoE and RoIC – are expected to improve by 308bps to 10.9% and 1267bps to 20.4% respectively due to improvement in operating profitability and cash flows.

ACEM launched 'Adani Cement FutureX' on Engineer's Day 2025, a major initiative linking top engineering colleges and schools to foster next-gen leaders in the infrastructure sector. The program aligns with India's Yoga Bharat Mission and Viksit Bharat 2047, addressing skill gaps and promoting employability. Key components include Smart Cement Labs, STEM activations, experiential learning, and collaborative R&D focused on decarbonisation and sustainability. The initiative offers internships, pre-placement offers, and youth engagement activities like hackathons. It positions ACEM as a leader in the industry, emphasizing sustainability and innovation in workforce development and nation-building.

Valuation call – With FutureX initiatives, capacity expansion & cost optimization strategies, ACEM is well positioned to capitalize on infrastructure growth story. We recommend BUY with a price target of INR 794 (12.2X FY28 EV/EBITDA), representing an upside of 39.8%.

Key consolidated financial data (INR Cr, unless specified)

	Net Revenue	EBITDA	Adj. Net Profit	EBITDA (%)	Adj Net (%)	EPS (₹)	BVPS (₹)	RoE (%)	RoIC (%)	P/E (X)	EV/EBITDA (X)
FY24	33,160	6,400	3,573	19.3	10.8	14.5	206.4	8.6	15.7	39.5	20.3
FY25	35,125	5,971	4,167	17.0	11.9	16.9	259.1	7.8	7.7	33.9	22.3
FY26E	46,566	10,278	4,494	22.1	9.7	18.2	274.2	7.9	15.4	31.4	12.5
FY27E	51,669	12,281	5,866	23.8	11.4	23.8	293.5	9.5	17.0	24.1	10.5
FY28E	56,958	14,706	7,370	25.8	12.9	29.9	317.1	10.9	20.4	19.2	8.5

Industry Cement

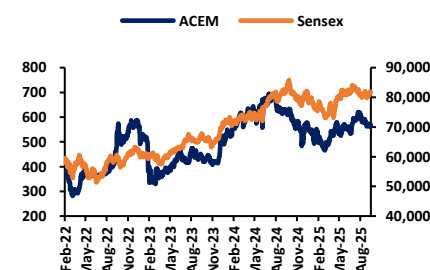
Scrip Details

Face Value (INR)	2.0
Market Cap (INR Cr)	1,40,424
Price (INR)	568
No of Sh O/S (Cr)	246.3
3M Avg Vol (000)	5,031.8
52W H/L (INR)	643/453
Dividend Yield (%)	0.35

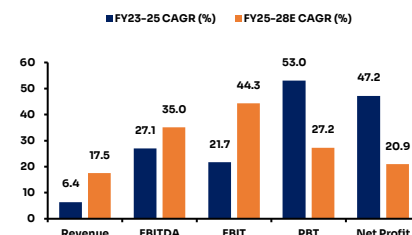
Shareholding (%) Jun 2025

Promoter	67.6
Institution	26.1
Public	6.3
TOTAL	100.0

Price Chart



Financial Growth – Past vs Projection





BUY @ CMP INR 515

Target: INR 700 in 24 months

Upside Potential: 35.9%

Ambitious 2030 growth plan and asset-light strategy

Business Model – Royal Orchid Hotels Ltd (ROHL) operates and manages mid-to-upscale hotels under its own brands. The company currently has a portfolio of 9,583 rooms in 78 locations across India.

India's hotel industry is undergoing a structural shift, driven by demand-supply gap, rising domestic travel, pro-growth policies, and accelerating demand for business-oriented stays. ROHL, an Indian hospitality brand, is well-positioned to capitalize on India's evolving hospitality landscape, and the company is transforming into a technology-driven, asset-light hotel chain. ROHL's 'Vision 2030' aims to grow from the current 115 hotels & 9,583 rooms (6,929 operational and 2,654 under development) to +345 hotels & +22,000 rooms by 2030. The target is to reach every district which has potential to attract tourists or business travelers. This growth will be achieved in an asset-light manner, primarily through franchisee properties, where ROHL will earn management fees by licensing its brand to local hotels. The initial capex required for these properties will be minimal, primarily for standardizing them to 'Royal Orchid' quality, with ongoing maintenance capex thereafter. This expansion will accelerate brand visibility across India, positioning ROHL among the largest hotel chains in the country.

The company has created a versatile brand portfolio with offerings for every traveler, ranging from upscale resorts to budget-friendly options. ROHL is implementing a structured brand portfolio:

- **ICONIQA (Upper Upscale & Luxury):** Opened 1 in Mumbai and targeting 8 more by 2030. Owned or leased hotels with high management and financial inclusion.
- **Crestoria (Upscale):** Opened 2 and targeting 27 more by 2030. Mostly owned and leased hotels.
- **Regenta (Four-star Upper Midscale):** Currently operating 15 hotels and targeting 30 more by 2030. Mostly owned and leased hotels.
- **Regenta Place (Midscale):** Currently operating 15 hotels and targeting 50 more by 2030. Mostly franchisee hotels.
- **Regenta Zed (Economy):** Currently operating 85 hotels and targeting 120 more by 2030. Franchisee hotels with minimal management and financial inclusion

The company reported FY25 net revenue of INR 319 cr and targets INR 450–480 cr in FY26, INR 550–600 cr in FY27 and ~INR 1300 cr by FY30. ARR is expected to grow 5–8% with ~75% occupancy. The current gross debt is INR 100 cr, and ROHL aims for an asset-light model, using FCF selectively for expansion and debt repayment, primarily relying on internal accruals for growth. Over FY25–28E, ROHL's revenue, EBITDA & net earnings are projected to grow at a CAGR of 24.8%, 26.2% & 23.8%, respectively, reaching INR 621 cr, INR 147 cr & INR 90 cr. Our estimates are lower than management targets as we have taken a conservative approach in our forecast. EBITDA margins are expected to expand by 80bps to 23.7%, while net margins could decline by 34bps to 14.4% due to an increase in lease expenses. Strong operating performance is expected to improve return ratios – RoE & RoIC could improve by 110bps to 21.6% and 660bps to 25.7% by FY28E.

Valuation call – At the CMP of INR515, ROHL is trading at FY28 P/E of 15.8X. We recommend BUY with a DCF price target of INR700 (21.4X FY28 P/E), representing an upside of 35.9%.

Key consolidated financial data (INR Cr, unless specified)

	Net Revenue	EBITDA	Adj. Net Profit	EBITDA (%)	Adj Net (%)	EPS (₹)	BVPS (₹)	RoE (%)	RoIC (%)	P/E (X)	EV/EBITDA (X)
FY24	293.6	76.1	48.5	25.9	16.5	17.7	75.9	25.4	27.2	29.1	18.8
FY25	319.5	73.1	47.2	22.9	14.8	17.2	90.1	20.5	19.1	29.9	19.9
FY26E	396.9	91.7	58.8	23.1	14.8	21.4	108.3	20.9	21.6	24.0	15.8
FY27E	502.4	116.6	70.7	23.2	14.1	25.8	130.1	20.8	23.5	20.0	12.5
FY28E	620.5	146.9	89.7	23.7	14.4	32.7	157.5	21.6	25.7	15.8	9.8

Industry Hospitality

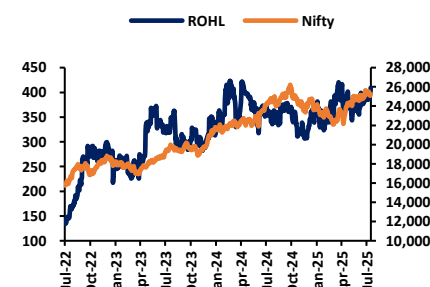
Scrip Details

Face Value (INR)	10.0
Market Cap (INR Cr)	1,413
Price (INR)	515
No of Sh O/S (Cr)	2.7
3M Avg Vol (000)	59.6
52W H/L (INR)	430/301
Dividend Yield (%)	0.49

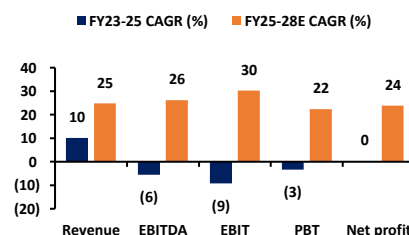
Shareholding (%) Jun 2025

Promoter	63.9
Institution	8.5
Public	27.6
TOTAL	100.0

Price Chart



Financial Growth – Past vs Projection



BUY @ CMP INR 1,064

Target: INR 2,142 in 24 months

Upside Potential: 101.3%

High CUFs and plant availability boost generation efficiency

Business Model – Adani Green Energy Ltd (AGEL) develops, owns and operates large scale solar, wind, and hybrid renewable projects, securing revenue through long-term PPAs with government and C&I customers.

AGEL stands at the forefront of India's renewable energy revolution, having reached a significant operational milestone of 15.8 GW as of June 2025, making it the nation's largest and fastest-growing pure-play renewable energy company. AGEL added 4,882 MW of green power capacities in the past 12 months, and Khavda accounted for 73.4% of this addition (3,582 MW), taking its installed base to 5.6 GW (~35.4% of total capacity). The 30 GW Khavda project (spread over 538 sq. km) will be completed by 2030, contributing ~60% of AGEL's targeted capacity. AGEL is selective in bidding for new tenders, focusing on predictable and better returns given its significant locked-in capacity towards the 50 GW target. Of the approximately 36.5 GW total capacity, 31.5 GW is currently under PPA.

Operational excellence continues to be a hallmark of AGEL, with cutting-edge AI- and ML-enabled maintenance and monitoring through the Energy Network Operation Center, resulting in leading capacity utilization factors—28.0% for solar, 42.3% for wind, and 43.9% for hybrid assets in Q1 FY26. Beyond operational performance, AGEL's commitment to ESG remains steadfast: the company is ranked first globally in FTSE Russell's ESG score in the Alternative Electricity sub-sector, and has received India's top power sector ranking from NSE Sustainability Ratings and CRISIL ESG. With repeat industry recognition and a best-in-class governance and sustainability framework, AGEL is well-positioned to accelerate India's transition to clean, affordable energy, remaining a key driver of national decarbonization goals.

Robust capacity expansion over the next five years, deployment of advanced technologies, and focus on high-resource sites like Khavda should drive sustained growth in the forecasted period. Over FY25–28E, revenue, EBITDA, and net profit are projected to grow at a CAGR of 31.9%, 32.9%, and 58% to INR 25,705 Cr, INR 20,852 Cr, and INR 5,693 Cr, respectively, with EBITDA margins improving by 195 bps to 81.1% and net margins by 927 bps to 22.1%.

AGEL has received INR 9,350 cr from its promoter group after converting share warrants into equity, boosting promoter holding to 62.43%. This infusion will be used to repay shareholder loans and fund capital expenditure, supporting AGEL's goal of reaching 50 GW installed capacity by 2030.

Valuation call – At CMP of INR 1,064, we recommend BUY for AGEL with a price target of INR 2,142 (22.9X FY27 EV/EBITDA), representing an upside of 101.3%.

Key consolidated financial data (INR Cr, unless specified)

	Net Revenue	EBITDA	Adj. Net Profit	EBITDA (%)	Adj Net (%)	EPS (₹)	BVPS (₹)	RoE (%)	RoIC (%)	P/E (X)	EV/EBITDA (X)
FY24	9,220	7,318	1,100	79.4	11.9	6.7	97.3	11.9	8.5	159.3	31.4
FY25	11,212	8,877	1,444	79.2	12.9	8.8	128.4	13.5	7.5	121.4	28.1
FY26E	15,512	12,278	2,610	79.1	16.8	15.8	144.2	19.6	9.6	67.1	21.0
FY27E	20,362	16,384	4,223	80.5	20.7	25.6	169.9	24.1	10.1	41.5	17.1
FY28E	25,705	20,852	5,693	81.1	22.1	34.6	204.4	24.5	10.8	30.8	14.4

Industry Power Generation

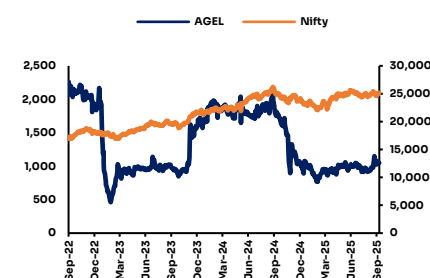
Scrip Details

Face Value (INR)	10.0
Market Cap (INR Cr)	1,75,260
Price (INR)	1,064
No of Sh O/S (Cr)	164.7
3M Avg Vol (000)	2,447.2
52W H/L (INR)	2,092/758
Dividend Yield (%)	0.0

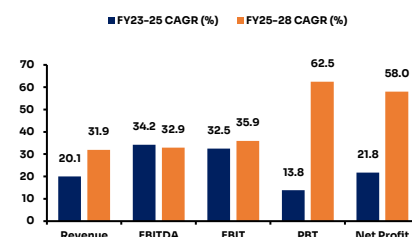
Shareholding (%) Jun 2025

Promoter	61.9
Institution	14.5
Public	23.6
TOTAL	100.0

Price Chart



Financial Growth – Past vs Projection



BUY @ CMP INR 1,237

Target: INR 2,074 in 24 months

Upside Potential: 61.8%

At the forefront of technology, set to enter its next growth phase

Business Model – One97 Communications Ltd (Paytm) is India's leading digital payment ecosystem for consumers and merchants. As of Jun 30, 2025, the company had 74 mn+ monthly transacting users (MTUs) and 13 mn+ device subscription merchants to whom it offers payment services, financial services, and commerce & cloud services.

Since our [initiating coverage](#) on Paytm in Aug 2024, the company has significantly improved its business position, achieving profitability and strong revenue growth through operational and strategic shifts. Paytm's merchant base grew from 40.7 mn in Q1FY25 to 45 mn in Q1FY26, sustaining Paytm's leadership in the industry, while payment GMV climbed from INR 4,210 bn to INR 5,341 bn over the same period. Additionally, device penetration in merchant base surged from 10.9 mn to 13 mn, presents a strong ecosystem for recurring revenue stream. Paytm's extensive merchant network, ranging from small MSMEs to large enterprises, benefits from value-added services like credit, payment devices, and business management tools. Paytm's UPI market share improved from 7% in Q1FY25 to 7.3% in Q1FY26, with its UPI P2M market share rising from 20.4% to 20.9% (assuming 80% of Paytm GMV comes through UPI platforms).

Additionally, Paytm relaunched 'Paytm Postpaid' – "Spend Now, Pay Next Month", an innovative product in partnership with Suryoday Small Finance Bank, powered by NPCI. The product is on Paytm app and can be available on merchant UPI network. There is ongoing innovation in merchant payment solutions, aiming to capture high-margin opportunities in financial services and further leverage AI across its ecosystem. As Paytm continues to navigate the evolving fintech landscape, its ability to leverage technology, and maintain strong relationships with device merchants will be crucial to its sustained growth. With UPI emerging as the favoured digital payments medium and Paytm originated soundbox (+POS) becoming an essential toolkit for payments, Paytm is well placed to benefit from the industry tailwind. As Paytm continues to navigate the evolving fintech landscape, its ability to adapt to regulatory changes, leverage technology, and maintain strong relationships with merchants and MTUs will be crucial to its sustained growth in other verticals – Financial Services and Cloud & marketing Services.

We anticipate Paytm's MTUs & subscription paying device merchant base could increase from 74 mn & 13 mn in Q1FY26 to 95 mn & 22 mn respectively by FY28E, while payment GMV could improve from INR 18.7 trillion in FY25 to INR 33.9 trillion by FY28E. Over FY25-28E, Paytm's revenue & contribution profit is projected to grow at a CAGR of 27.3% & 30.8%, to reach INR 14,200 cr & INR 8,208 cr respectively, while contribution margin is expected to improve from 53.2% to 57.8% over the same period. Paytm turned post-ESOP EBITDA positive in Q1FY26, a trend we expect to sustain. By FY28E, we project a post-ESOP EBITDA of INR 2,164 cr (15.2% margin) and net profit of INR 2,138 cr (15.1% margin), a sharp turnaround from FY25 losses of INR 1,543 cr & INR 659 cr, respectively. This improvement is underpinned by AI-driven operating leverage and a disciplined cost structure.

Valuation call – At the CMP of INR 1,237, Paytm is trading at FY28 P/E of 36.9X. We recommend BUY with a DCF based price target of INR 2,074 (61.8X FY28 P/E), representing an upside of 61.8%.

Key consolidated financial data (INR Cr, unless specified)

	Net Revenue	EBITDA	Adj. Net Profit	EBITDA (%)	Adj Net (%)	EPS (₹)	BVPS (₹)	RoE (%)	RoIC (%)	P/E (X)	EV/EBITDA (X)
FY24	9,971	(1,158)	(1,417)	(11.6)	(14.2)	(22.2)	208.6	(10.6)	(45.2)	(55.6)	(60.2)
FY25	6,888	(1,543)	(659)	(22.4)	(9.6)	(10.3)	235.3	(4.4)	(117.6)	(119.7)	(42.6)
FY26E	8,702	599	684	6.9	7.9	10.7	246.0	4.4	(2.8)	115.2	109.1
FY27E	11,258	1,246	1,285	11.1	11.4	20.2	266.2	7.6	19.0	61.4	51.6
FY28E	14,200	2,164	2,138	15.2	15.1	33.5	299.7	11.2	46.7	36.9	28.8

Industry	Payment Services
----------	------------------

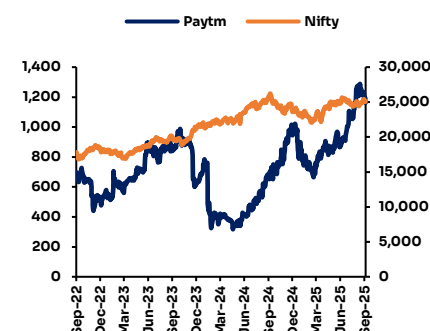
Scrip Details

Face Value (INR)	1.0
Market Cap (INR Cr)	78,844
Price (INR)	1,237
No of Sh O/S (Cr)	63.7
3M Avg Vol (000)	18,358
52W H/L (INR)	698/219
Dividend Yield (%)	0.0

Shareholding (%) Jun 2025

Promoter	54.9
Institution	15.8
Public	29.3
TOTAL	100.0

Price Chart



BUY @ CMP INR 855
Target: INR 1,069 in 24 months
Upside Potential: 25%

Capitalizing on India's Apparel Revolution – Growth, Expansion, and Profitability Unleashed

Business Model – V-Mart Retail Ltd (V-Mart) operates as a one-stop value fashion retailer. It obtains ~79% of its core revenue from its retail apparel segment, 10% from non-apparel and the remaining ~11% from general merchandise.

India's retail apparel market is set for robust expansion, projected to grow from INR 6,846 bn in 2024 to INR 10,682 bn by 2027, at a CAGR of 16.0%. This growth is further fueled by recent reductions in GST rates, income tax cuts, and favorable monsoon conditions, which are collectively driving increased consumer purchasing power and demand for fashion. As one of India's top 10 apparel retailers, V-Mart Retail is well-positioned to capitalize on the structural tailwinds driving growth in Tier 2 to Tier 4 cities.

With the rapidly increasing consumption in these regions, V-Mart plans to expand its retail network from the current 510 stores (4.4 mn sqft) to 660 stores (5.7 mn sqft) by FY28, strategically enhancing its presence in high-growth markets. The company is poised to incur a total Capex exceeding INR 350 cr by FY28, supporting both legacy store revitalization and new store expansion.

We project revenue growth at a CAGR of 16.1%, from INR 3,254 cr in FY25 to INR 5,094 cr by FY28, largely driven by:

- Expected 14.6% CAGR growth in units sold to 21.1 cr by FY28E,
- Stable ASP of INR 232-241 and,
- Average sales/sqft is projected to increase from INR 7,567 to INR 8,450 by FY28E, driven by efficient space utilization, higher footfall (projected to reach from 73 mn to 117 mn by FY28E), and a volume-driven strategy.

This aligns with V-Mart's focus on increasing sales volumes while maintaining competitive pricing to capture a larger share of the growing apparel market.

In addition to this, we expect EBITDA/net profit to grow at a CAGR of 16.6%/33.7% to INR 609 cr /INR 109 cr over the forecast period. EBITDA margin is expected to rise by 15 bps to 12.0%, supported by a marketing expenses reduction (lower online marketing cost on Limeroad), better employee productivity and process optimization across its retail and supply chain functions. Net margin is projected to rise by 74 bps to 2.1%, and ROE is expected to increase by 442 bps to 10.1%.

Valuation call – We initiate coverage with a Buy for a DCF-based price target of INR 1,069 (77.6 FY28 P/E), representing an upside of 47.4% from the current CMP of INR 855 over the next 24 months. With V-Mart trading at historical lows, we consider this a low-risk buy, positioning it well for significant upside potential as it capitalizes on the growing apparel market and macroeconomic tailwinds.

Risks: Intensifying competition, supply chain disruptions & domestic slowdown.

Key consolidated financial data (INR Cr, unless specified)

	Net Revenue	EBITDA	Adj. Net Profit	EBITDA (%)	Adj Net (%)	EPS (₹)	BVPS (₹)	RoE (%)	RoIC (%)	P/E (X)	EV/EBITDA (X)
FY24	2,785.6	220.9	(96.8)	7.9	(3.5)	(12.2)	94.1	(13.0)	(0.1)	(70.0)	31.0
FY25	3,253.9	384.1	45.8	11.8	1.4	5.8	102.1	5.6	16.5	148.0	17.9
FY26E	3,793.6	442.4	71.8	11.7	1.9	9.0	111.1	8.1	18.1	94.4	15.6
FY27E	4,435.7	533.2	94.9	12.0	2.1	12.0	123.0	9.7	21.8	71.4	12.9
FY28E	5,094.2	609.0	109.4	12.0	2.1	13.8	136.8	10.1	22.2	61.9	11.3

Industry Retail

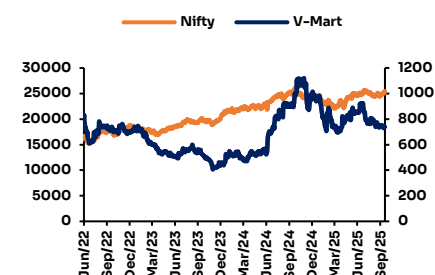
Scrip Details

Face Value (INR)	10.0
Market Cap (INR Cr)	6,788
Price (INR)	855
No of Sh O/S (Cr)	7.9
3M Avg Vol (000)	2,01,225
52W H/L (INR)	1,130/ 675
Dividend Yield (%)	0.0

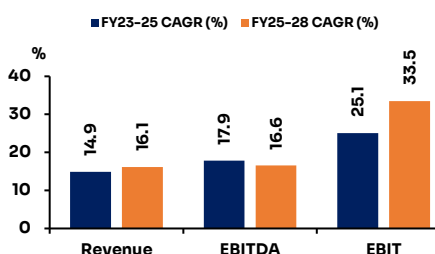
Shareholding (%) Jun 2025

Promoter	44.2
Institution	49.8
Public	6.0
TOTAL	100.0

Price Chart



Financial Growth – Past vs Projection



BUY @ CMP INR 190

Target: INR 274 in 24 months

Upside Potential: 44.2%

Riding the Gold Loan Surge

Business Model – Diversified secured retail lending through gold loans, MSME, housing finance, and construction finance. The company also generates fee income through insurance distribution and car loan origination.

Capri Global Capital Ltd. (CGCL) is a resilient, growth-focused lender with a diversified and secured loan portfolio, anchored by high-yield segments like gold loans (37% of AUM with yield of ~21%), MSME (22% of AUM with yield of ~17%), housing finance (22% of AUM with yield of ~13%), and construction finance (18% of AUM with yield of ~17.3%). With gold loans yielding 21%, CGCL has seen strong profitability and asset quality, maintaining NPAs below 2%.

CGCL has made significant strides in cost-to-income improvement and branch-level productivity. Branch productivity has surged, with Gold AUM per branch increasing from INR 2 Cr in FY23 to INR 10 Cr in FY25, and overall, AUM per branch growing from INR 14 Cr to INR 21 Cr. These improvements reflect enhanced operational efficiency and a more scalable, profitable business model.

CGCL also generates asset light complementary income streams from its car loan origination and insurance distribution businesses, diversifying revenue. Its tech-driven approach, including AI-powered underwriting and digital loan journeys, optimizes efficiency and cost. With a favorable borrowing structure (~90% floating rates), CGCL is positioned to benefit from declining interest rates, further boosting margins and long-term growth prospects.

We expect CGCL to achieve strong growth from FY25 to FY28, with AUM growing at a 29% CAGR, reaching INR 48,975 Cr by FY28. Gold loans will remain the dominant segment, contributing 40% of AUM, while MSME, housing, and construction finance will make up 21%, 21%, and 17%, respectively. Co-lending AUM is expected to reach INR 9,661 Cr, maintaining a 20% share of total AUM. On the liability side, we expect bank borrowings to constitute 75% of total borrowings by FY28, with SIDBI/NABARD refinance growing to INR 5,408 Cr. With expected credit rating improvement and 90% of borrowings on floating rates, CGCL stands to benefit from lower interest rates, which will help improve NIM by ~60 bps to 9% by FY28. GNPA and NNPA is expected to stabilize to 1.5% and 0.9% respectively, by FY28. RoA is projected to improve by ~100bps to 3.7%, and RoE is expected to reach 16.9%(+520bps) by FY28. The successful INR 2,000 Cr QIP in Q1FY26 has further bolstered CGCL's equity base, supporting continued growth.

Valuation call – We initiate coverage with a BUY rating and a price target of INR 274 (2.8X FY28E P/ABV), representing an upside of 44.2% of the CMP of INR 190 over the next 24 months.

Key Risk: As CGCL runs a fully floating book, it bears the risk of interest rates increasing, which will lead to a decrease in NIM. Increase in delinquencies will increase credit costs and compress profit margin.

Key consolidated financial data (INR Cr, unless specified)

	NII	NIM(%)	PPoP	Net Profit	GNPA (%)	NNPA (%)	ROE(%)	ROA(%)	BVPS	Adj. BVPS	P/Adj.BV
FY24	987	8.6	457	279	1.9	1.1	7.5	2.1	39.9	38.2	5.0
FY25	1,334	8.4	734	479	1.5	0.9	11.8	2.7	44.8	42.8	4.5
FY26E	1,883	8.8	1,173	804	1.6	0.9	14.1	3.2	73.6	71.2	2.7
FY27E	2,511	8.9	1,674	1,177	1.6	0.9	15.4	3.5	85.8	82.8	2.3
FY28E	3,211	9.0	2,142	1,523	1.6	0.9	16.9	3.7	101.6	98.0	2.0

Industry NBFC

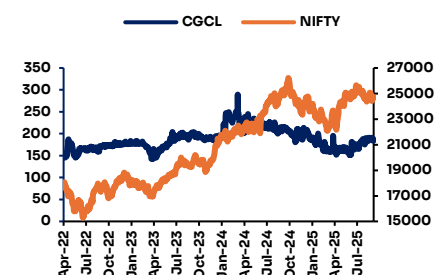
Scrip Details

Face Value (INR)	1.0
Market Cap (INR Cr)	18,521
Price (INR)	190
No of Sh O/S (Cr)	96
3M Avg Vol (000)	8300
52W H/L (INR)	151 / 231
Dividend Yield (%)	0.11

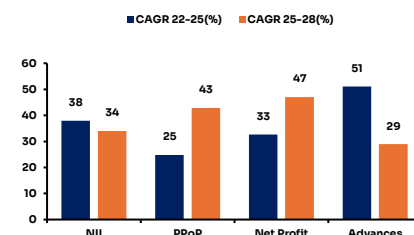
Shareholding (%) Jun 2025

Promoter	60.0
Institution	25.2
Public	14.8
TOTAL	100.0

Price Chart



Financial Growth – Past vs Projection



BUY @ CMP INR 28.9
Target: INR 64 in 24 months
Upside Potential: 120.2%

Renewal Phase: Strengthening Legacy for Future Growth

Business Model – Hindustan Construction Company (HCC) operates on an EPC-led business model, executing large and complex infrastructure projects across transport, water, power, and urban development, with niche expertise in hydropower, tunneling, and nuclear construction. It has an order book of INR 11,188 cr and generates steady cash flows from its core EPC operations.

India's FY26 infrastructure capex allocation of INR 11.2 trillion (+10.2% YoY) across railways, roads, defence, energy, and urban development provides a strong multi-year growth runway for EPC companies. With over a century of execution experience and proven technical expertise in hydro, tunneling, nuclear, metro, and transport projects, HCC stands well-positioned to benefit from this sectoral tailwind.

In FY25, HCC posted consolidated revenue of INR 5,603 cr and net profit of INR 113 cr. While the topline was softer, margins showed meaningful turnaround — EBITDA margin improved to 14.2% vs 9.6% in FY24, driven by cost discipline, sharper project selection and operational improvements. The company's order book of INR 11,852 cr as of March 2025 reflects healthy diversification with 53% in transportation, 29% in hydro, 14% in water and 4% in nuclear. Additionally, HCC holds L1 positions worth ~INR 6,000 cr, with bids of ~INR 40,000 cr under evaluation, pointing to a strong execution pipeline in FY26 and beyond.

Looking ahead, we expect HCC's consolidated revenues to grow at a CAGR of 14.6% over FY25–28E to INR 8,437 cr, supported by execution of its robust backlog and new project wins. EBITDA is projected to grow at 15.7% CAGR to INR 1,229 cr, with margins expanding by 40bps from 14.2% to 14.6%, driven by selective project execution and higher-value contracts. Net profit is projected to reach INR 782 cr, with margins expanding by 730 basis points from 2% to 9.3% margins aided by debt reduction and migration to the new tax regime. Return ratios are set to strengthen meaningfully, with ROE/ROIC projected at 21.6%/25.4% with margins expanding by 920/850 basis points by FY28E.

Balance sheet repair is central to the HCC story. The company has outlined debt reduction of ~INR 900 cr in FY26 through internal accruals, awards, and a rights issue of ~INR 900 cr. Supported by asset monetization and claim recoveries, net debt/EBITDA is projected to decline from 3.1x in FY25 to just 0.5x by FY28E — a material improvement that underpins sustainable growth. HCC's margin-focused execution, robust order pipeline, and clear deleveraging path positions it as a beneficiary of India's infrastructure investment cycle, offering investors a compelling turnaround and growth story.

Valuation call – At the CMP of INR 28.9, the stock is trading at FY28 EV/EBITDA of 12.2X. We recommend BUY with price target of INR 64, representing an upside of 120.2% over the next 24 months. **Key Risks** – Low Promoter's Holding

Disclosure: –

- In the Profit and Loss – Exceptional item incorporates Steiner AG receivables of INR 1,100 cr and Awards Receivables of INR 2,000 cr; valuation has been computed factoring the prospective ~INR 900 cr rights issue.
- Claims Receivables amounting to INR 7,000 cr have not been considered in the model as they remain subject to tribunal outcome with no defined timeline.

Key consolidated financial data (INR Cr, unless specified)

	Net Revenue	EBITDA	Adj. Net Profit	EBITDA (%)	Adj Net (%)	EPS (₹)	BVPS (₹)	RoE (%)	RoCE (%)	P/E (X)	EV/EBITDA (X)
FY24	7,006.8	670.9	478.2	9.6	6.8	2.1	(0.7)	(283.8)	19.3	13.6	12.1
FY25	5,603.4	793.8	112.6	14.2	2.0	0.5	4.0	12.4	5.6	57.7	11.7
FY26E	4,956.4	690.3	353.9	13.9	7.1	1.6	9.6	16.4	10.7	18.4	10.8
FY27E	6,956.4	948.0	671.4	13.6	9.7	3.0	12.6	23.7	13.5	9.7	7.8
FY28E	8,437.0	1,229.3	781.5	14.6	9.3	3.5	16.1	21.6	16.1	8.3	5.8

Industry Infrastructure & Engineering

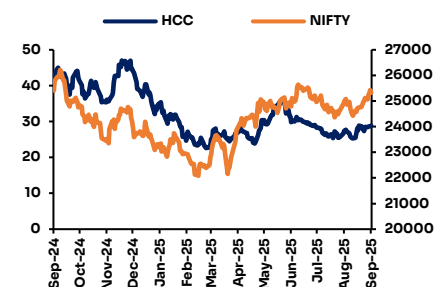
Scrip Details

Face Value (INR)	1.0
Market Cap (INR Cr)	5,258
Price (INR)	28.9
No of Sh O/S (Cr)	182
3M Avg Vol (000)	5,677
52W H/L (INR)	47.8/21.4
Dividend Yield (%)	0.00

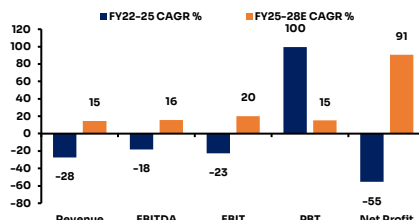
Shareholding (%) Jun 2025

Promoter	16.7
Institution	16.7
Public	66.6
TOTAL	100.0

Price Chart



Financial Growth – Past vs Projection



BUY @ CMP INR 491

Target: INR 757 in 24 months

Upside Potential: 54.2%

Capitalizing on India's power growth

Business Model – Transformers & Rectifiers India Ltd (TARIL) manufactures various transformers including – power transformers (upto 1200 KVA), furnace transformer, special transformer, distribution transformer, rectifier transformer and reactors.

The government is focused on expanding India's power infrastructure by increasing power generation capacity from 485 GW to 900 GW by 2030, reflecting a CAGR of 13.9%. This growth will necessitate a transformation capacity of 2,700 GVA by 2030, a 15.4% CAGR from the current 1,370 GVA. This expansion is driving significant growth across the power sector value chain, especially in the transformer segment, which is poised to see a market opportunity of ~INR 1.0 tn over the next 5 years—double the current market size. Additionally, the push for 'Make-in-India' & 'Atmanirbhar Bharat' is driving up demand for industrial transformers, while the expansion of off-grid power capacities in the C&I segment and the rise of green hydrogen is fueling demand for specialty transformers. Transformer manufacturers are ramping up investments to meet this surge in demand, with TARIL leading the way due to its diverse portfolio, which spans power, industrial, and specialty transformers, and its investments to secure full backward integration. TARIL exports to countries across Asia, Africa & the Middle East, but the share of exports to total revenue is expected to stay under 10%, with a primary focus on the domestic market.

TARIL currently has an installed capacity of 40.2 GVA (operating at 65% utilization), with expansion plans in place. The first phase, adding 15 GVA, is set to begin production in Sept 2025, followed by another 22 GVA for Extra High Voltage transformers, expected to commence in Feb 2026, bringing total capacity to over 77.2 GVA by FY27. The expansion is backed by a capex of INR 550 cr, supported by INR 500 cr raised through a QIP in FY25. Additionally, TARIL is on track to achieve 100% backward integration in CRGO processing, coil, bushing and pressboard by Q1FY27, which is expected to enhance operational efficiency and increase gross margins from 30% in FY25 to 40% by FY28.

With expanded capacity and complete backward integration, TARIL is well-positioned to capture future growth opportunities. Management is targeting \$1 bn (~INR 8,600 cr) revenue by FY28, with EBITDA expected to outpace revenue growth, driven by cost efficiencies from backward integration. As topline expands, margin gains and working capital savings should help the company turn net debt-free within 18–24 months, lowering interest costs and enabling net earnings to grow faster than EBITDA.

However, we believe TARIL's \$1 bn revenue goal and 40% gross margin target by FY28 is aggressive and could be delayed due to global economic uncertainty stemming from ongoing tariff wars, which may weigh on India's economic and manufacturing growth. Accordingly, we factor in the revenue milestone of INR 8,600 cr by FY29 (deferred by 1 year) and the 40% gross margin target by FY31 (deferred by 3 years). Over FY25–28E, we forecast revenue, EBITDA & net profit to grow at a CAGR of 50.7%, 57.9% & 65.2%, respectively, reaching INR 6,900 cr, INR 1,290 cr & INR 967 cr. EBITDA & net margins are projected to improve 246 bps & 339 bps to 18.7% & 14%, respectively, by FY28E.

Valuation call – At the CMP of INR491, TARIL is trading at FY28 P/E of 15.2X. We recommend BUY with a DCF price target of INR757 (23.5X FY28 P/E), representing an upside of 54.2%.

Key consolidated financial data (INR Cr, unless specified)

	Net Revenue	EBITDA	Adj. Net Profit	EBITDA (%)	Adj Net (%)	EPS (₹)	BVPS (₹)	RoE (%)	RoIC (%)	P/E (X)	EV/EBITDA (X)
FY24	1,291	134	44	10.4	3.4	1.5	18.8	8.0	14.0	331.3	111.6
FY25	2,017	327	214	16.2	10.6	7.1	42.4	17.1	26.7	68.8	44.6
FY26E	3,500	578	432	16.5	12.4	14.4	56.4	25.9	31.1	34.1	25.7
FY27E	5,200	915	664	17.6	12.8	22.1	77.5	28.8	34.4	22.2	16.3
FY28E	6,900	1,290	967	18.7	14.0	32.2	107.8	30.1	39.9	15.2	11.3

Industry Capital Goods

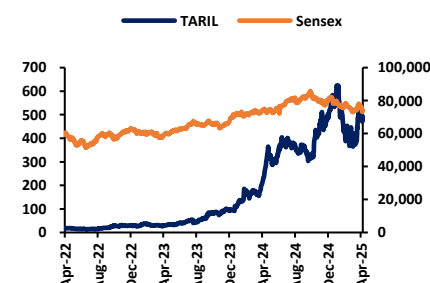
Scrip Details

Face Value (INR)	1.0
Market Cap (INR Cr)	14,738
Price (INR)	491
No of Sh O/S (Cr)	30
3M Avg Vol (000)	1,532.9
52W H/L (INR)	650/299
Dividend Yield (%)	0.04

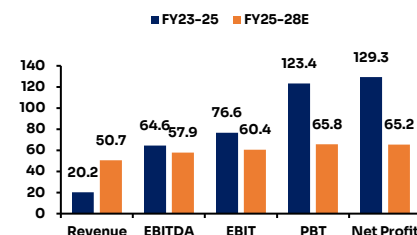
Shareholding (%) Jun 2025

Promoter	64.4
Institution	16.9
Public	18.7
TOTAL	100.0

Price Chart



Financial Growth – Past vs Projection



Rating Methodology

We rate stocks on the 2 years absolute return basis.

Rating	Criteria	Definition
BUY	$\geq 20\%$	Target price is equal to or more than 20% of CMP
HOLD	$\geq 0\%$ to $< 20\%$	Target price is more than CMP but less than 20% of CMP
SELL	$\leq 0\%$ (negative return)	Target price is less than CMP
NOT RATED	No recommendation	No target

Disclosures and Disclaimer

Ventura Securities Limited (VSL) is a SEBI registered intermediary offering broking, depository and portfolio management services to clients. VSL is member of BSE, NSE and MCX-SX. VSL is a depository participant of NSDL. VSL states that no disciplinary action whatsoever has been taken by SEBI against it in last five years except administrative warning issued in connection with technical and venial lapses observed while inspection of books of accounts and records. Ventura Commodities Limited, Ventura Guaranty Limited, Ventura Insurance Brokers Limited and Ventura Allied Services Private Limited are associates of VSL. Research Analyst (RA) involved in the preparation of this research report and VSL disclose that neither RA nor VSL nor its associates (i) have any financial interest in the company which is the subject matter of this research report (ii) holds ownership of one percent or more in the securities of subject company (iii) have any material conflict of interest at the time of publication of this research report (iv) have received any compensation from the subject company in the past twelve months (v) have managed or co-managed public offering of securities for the subject company in past twelve months (vi) have received any compensation for investment banking merchant banking or brokerage services from the subject company in the past twelve months (vii) have received any compensation for product or services from the subject company in the past twelve months (viii) have received any compensation or other benefits from the subject company or third party in connection with the research report. RA involved in the preparation of this research report discloses that he / she has not served as an officer, director or employee of the subject company. RA involved in the preparation of this research report and VSL discloses that they have not been engaged in the market making activity for the subject company. Our sales people, dealers, traders and other professionals may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein. We may have earlier issued or may issue in future reports on the companies covered herein with recommendations/ information inconsistent or different those made in this report. In reviewing this document, you should be aware that any or all of the foregoing, among other things, may give rise to or potential conflicts of interest. We may rely on information barriers, such as "Chinese Walls" to control the flow of information contained in one or more areas within us, or other areas, units, groups or affiliates of VSL. This report is for information purposes only and this document/material should not be construed as an offer to sell or the solicitation of an offer to buy, purchase or subscribe to any securities, and neither this document nor anything contained herein shall form the basis of or be relied upon in connection with any contract or commitment whatsoever. This document does not solicit any action based on the material contained herein. It is for the general information of the clients / prospective clients of VSL. VSL will not treat recipients as clients by virtue of their receiving this report. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of clients / prospective clients. Similarly, this document does not have regard to the specific investment objectives, financial situation/circumstances and the particular needs of any specific person who may receive this document. The securities discussed in this report may not be suitable for all investors. The appropriateness of a particular investment or strategy will depend on an investor's individual circumstances and objectives. Persons who may receive this document should consider and independently evaluate whether it is suitable for his/ her/their particular circumstances and, if necessary, seek professional/financial advice. And such person shall be responsible for conducting his/her/their own investigation and analysis of the information contained or referred to in this document and of evaluating the merits and risks involved in the securities forming the subject matter of this document. The projections and forecasts described in this report were based upon a number of estimates and assumptions and are inherently subject to significant uncertainties and contingencies. Projections and forecasts are necessarily speculative in nature, and it can be expected that one or more of the estimates on which the projections and forecasts were based will not materialize or will vary significantly from actual results, and such variances will likely increase over time. All projections and forecasts described in this report have been prepared solely by the authors of this report independently of the Company. These projections and forecasts were not prepared with a view toward compliance with published guidelines or generally accepted accounting principles. No independent accountants have expressed an opinion or any other form of assurance on these projections or forecasts. You should not regard the inclusion of the projections and forecasts described herein as a representation or warranty by VSL, its associates, the authors of this report or any other person that these projections or forecasts or their underlying assumptions will be achieved. For these reasons, you should only consider the projections and forecasts described in this report after carefully evaluating all of the information in this report, including the assumptions underlying such projections and forecasts. The price and value of the investments referred to in this document/material and the income from them may go down as well as up, and investors may realize losses on any investments. Past performance is not a guide for future performance. Future returns are not guaranteed and a loss of original capital may occur. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice. We do not provide tax advice to our clients, and all investors are strongly advised to consult regarding any potential investment. VSL, the RA involved in the preparation of this research report and its associates accept no liabilities for any loss or damage of any kind arising out of the use of this report. This report/document has been prepared by VSL, based upon information available to the public and sources, believed to be reliable. No representation or warranty, express or implied is made that it is accurate or complete. VSL has reviewed the report and, in so far as it includes current or historical information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed. The opinions expressed in this document/material are subject to change without notice and have no obligation to tell you when opinions or information in this report change. This report or recommendations or information contained herein do/does not constitute or purport to constitute investment advice in publicly accessible media and should not be reproduced, transmitted or published by the recipient. The report is for the use and consumption of the recipient only. This publication may not be distributed to the public used by the public media without the express written consent of VSL. This report or any portion hereof may not be printed, sold or distributed without the written consent of VSL. This document does not constitute an offer or invitation to subscribe for or purchase or deal in any securities and neither this document nor anything contained herein shall form the basis of any contract or commitment whatsoever. This document is strictly confidential and is being furnished to you solely for your information, may not be distributed to the press or other media and may not be reproduced or redistributed to any other person. The opinions and projections expressed herein are entirely those of the author and are given as part of the normal research activity of VSL and are given as of this date and are subject to change without notice. Any opinion estimate or projection herein constitutes a view as of the date of this report and there can be no assurance that future results or events will be consistent with any such opinions, estimate or projection. This document has not been prepared by or in conjunction with or on behalf of or at the instigation of, or by arrangement with the company or any of its directors or any other person. Information in this document must not be relied upon as having been authorized or approved by the company or its directors or any other person. Any opinions and projections contained herein are entirely those of the authors. None of the company or its directors or any other person accepts any liability whatsoever for any loss arising from any use of this document or its contents or otherwise arising in connection therewith. The information contained herein is not intended for publication or distribution or circulation in any manner whatsoever and any unauthorized reading, dissemination, distribution or copying of this communication is prohibited unless otherwise expressly authorized. Please ensure that you have read "Risk Disclosure Document for Capital Market and Derivatives Segments" as prescribed by Securities and Exchange Board of India before investing in Securities Market.

Ventura Securities Limited - SEBI Registration No.: INH000001634

Corporate Office: I-Think Techno Campus, 8th Floor, 'B' Wing, Off Pokhran Road No 2, Eastern Express Highway, Thane (W) - 400608