



Diwali Picks

SAMVAT 2082



SUMMARY OF PICKS – SAMVAT 2082

Fundamental Picks:

Stock Name	CMP ₹	Target Price ₹	Potential Upside %
Dixon Technologies Limited	17,195	21,574	25%
Azad Engineering Limited	1,640	2,145	31%
Syrma SGS Technology Ltd	830	1,035	25%
Canara Bank	128	151	18%
Cholamandalam Investments & Finance Ltd	1,647	1,935	18%

Technical Picks:

Stock Name	CMP	1 st Target ₹	1 st Upside %	Target 2	2 nd Upside %	Stop Loss
Nykaa	261	300	15%	320	23%	240
Swiggy	435	480	10%	517	19%	401.5
KEI Industries	4,311	4,680	9%	5,251	22%	3,878
Bajaj Auto Ltd	9,066	10,200	13%	11,000	21%	8,250
Bharat Electronics Limited	409	451	10%	500	22%	369

DIXON TECHNOLOGIES (INDIA) LTD

- Founded in 1993, the company evolved from a small Noida-based TV assembler into India's largest EMS player in India.
- Today Dixon is the largest mobile phone manufacturer in India, accounting for 2 out of every 10 phones made in India, beating even Foxconn (i-Phones) and Samsung.
- Distinguished as the only Indian company ranked among the global top 20 EMS firms by revenue, with a unique JV driven growth model.

Superlative Q1FY26 YoY Growth:

The Company reported consolidated revenue of ₹12,838 crores in Q1FY26, marking 95% YoY growth mainly due to strong mobile and EMS segment, with EBITDA rising 89% to ₹484 crores and net profit doubling to ₹280 crores from ₹140 crores last year.

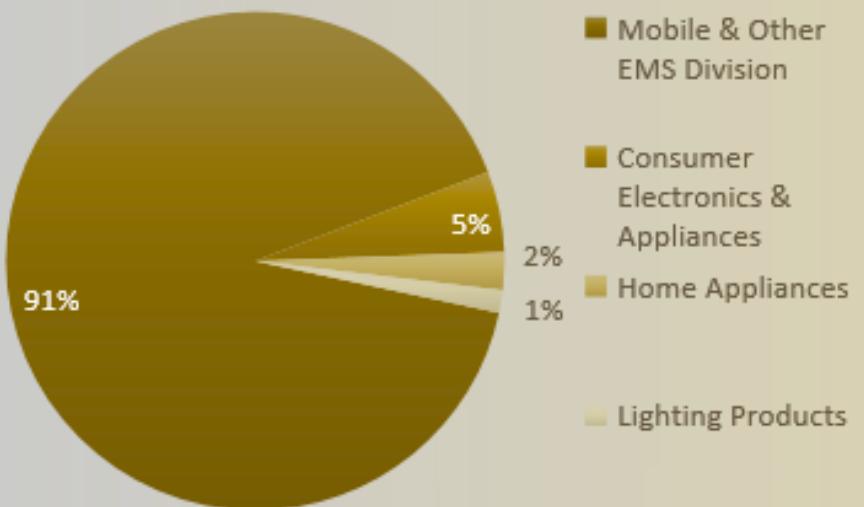
Strong Segmental Growth Led by Mobiles Phones :

Mobile and EMS, contributing 91% of revenue, grew 125% YoY to ₹11,663 crore, while Consumer Electronics, Home Appliances, and Lighting posted ₹672 crore, ₹313 crore, and ₹188 crore

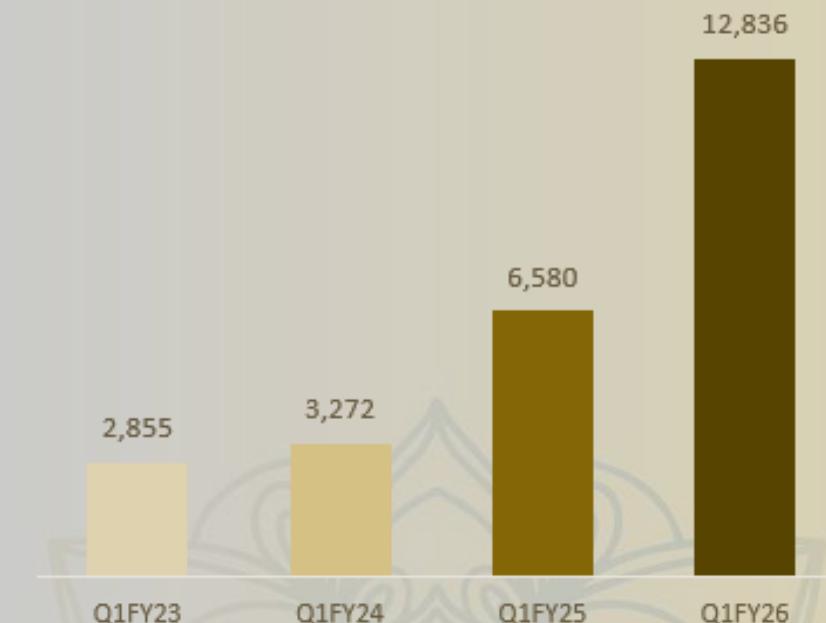
The Latest JV & Management Guidance:

Dixon's latest 74:26 JV with Longcheer of China (world's #2 in terms of ODM smartphone shipments in 2024, with a 27% global market share) brings deep tech expertise. The management has guided for an overall revenue growth of a robust 40-45% in FY26.

REVENUE BREAKUP – Q1FY26



YOY QUARTERLY REVENUE (RS CRORES)



PRICE & TARGETS

CMP / Target / Upside%	₹17,195/₹21,574/25%
52 week H/L (INR)	₹19,150 / ₹12,202
P/E (TTM)	88
Market Cap (₹cr)	₹1,04,264

Financials (Consol.)	FY23	FY24	FY25
Sales	12,192	17,691	38,860
Operating Profit	519	705	1,515
Operating Profit Margin (%)	4	4	4
Profit After Tax	255	375	1,233
Profit After Tax Margin (%)	2	2	3

OUTLOOK & VALUATION:

SMARTPHONE VOLUMES STOOD AT 9.6M IN Q1FY26 AND WE EXPECT DIXON'S HEALTHY ORDER BOOK TO RESULT IN A 15% QOQ VOLUME GROWTH IN Q2FY26. WITH LONGCHEER'S INDIA VOLUMES AT 25M AND A 51% JV WITH VIVO PLANNED FOR FY27, GROWTH IS IMMINENT. WE VALUE THE COMPANY AT 67X ITS Q2FY28E TTM EPS, WITH A TARGET PRICE OF ₹21,574, AN UPSIDE OF AROUND 25%

AZAD ENGINEERING LIMITED

- AZAD is a precision engineering company supplying life and mission critical components to the Oil & Gas, Aerospace, Defence and Power Utilities sectors, for the last 17 years.
- With deep engineering and advanced manufacturing capabilities, AZAD services global OEMs such as Boeing, Airbus, Mitsubishi and GE Vernova, in 17+ countries including the USA, Europe, China, Japan and the Middle East.
- Their products range from airfoils for turbine engines to precision components for combustion, propulsion, hydraulics, controls and much more.

Robust Revenue and PAT Growth in Q1FY26:

The company reported its best ever quarter, with consol. revenue of ₹135 crores, up 37% YoY, with PAT rising 75% to ₹30 crores, driven by strong growth across segments. Energy and O&G which makes up 80% of revenue, grew by 42% and Aerospace & Defence grew by 26%.

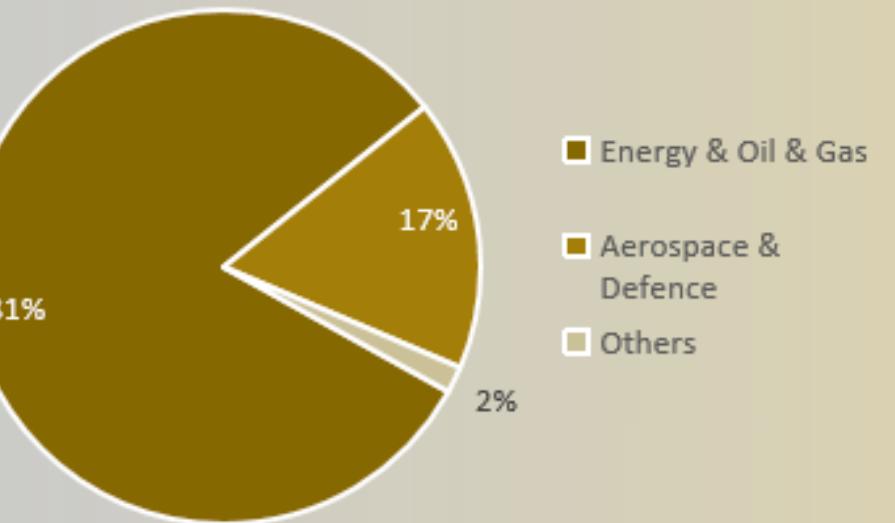
Scaling Operations for Future Growth:

The company expansion strategy is a key growth driver, with Phase I adding a 94,899 sqmt facility. Enhanced Aerospace & Defense capacity is expected to accelerate segment contribution, positioning the company for stronger, diversified growth.

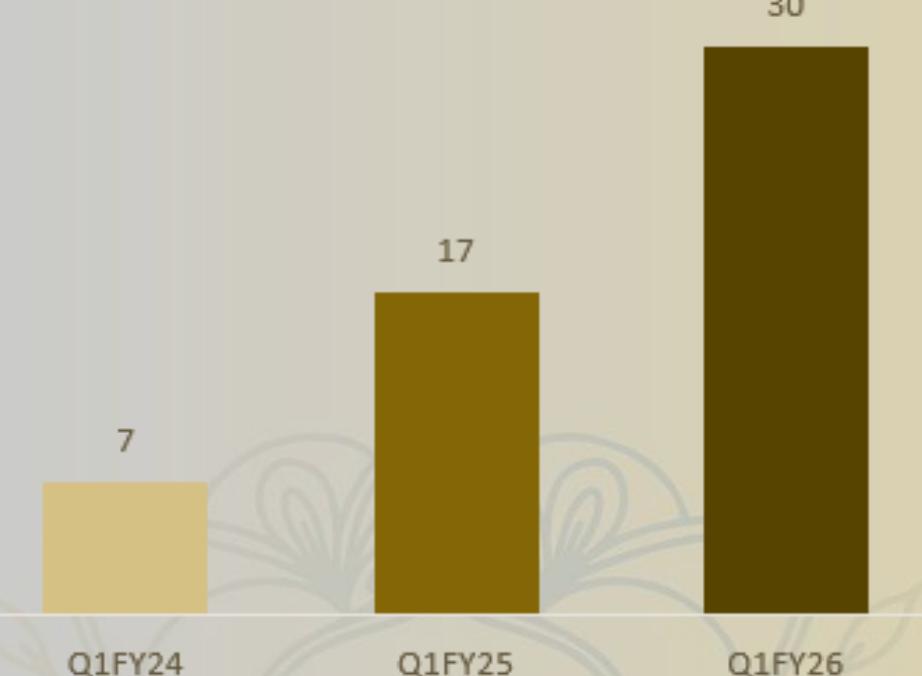
Strong Order Book Underpins Outlook:

The company's diversified order book of over ₹6,000 crores underpins management's confidence, reaffirming 25-30% FY26 revenue growth driven by healthy visibility and strategic capacity expansion.

REVENUE BREAKUP – Q1FY26



YOY QUARTERLY REVENUE (RS CRORES)



PRICE & TARGETS

CMP / Target / Upside%	₹1,640/₹2,145/31%
52 week H/L (INR)	1,930 / 1,128
P/E (TTM)	106
Market Cap (₹cr)	10,590 (₹cr)

Financials (Consol.)	FY23	FY24	FY25
Sales	252	341	457
Operating Profit	72	117	161
Operating Profit Margin (%)	29	34	35
Profit After Tax	8	59	87
Profit After Tax Margin (%)	3	17	19

OUTLOOK & VALUATION:

GIVEN A STRONG ORDER BOOK OF ₹6,000 CRORE, THE COMPANY HAS A PROJECTED (FY27) BOOK TO BILL OF 10X. MARGINS AT BOTH EBITDA AND PAT LEVELS HAVE CONSTANTLY EXPANDED, ALONG WITH AGGRESSIVE CAPACITY EXPANSION. ALTHOUGH THE STOCK CURRENTLY TRADES AT A RICH P/E OF ₹106, WE VALUE AZAD AT 65X Q2FY28E EPS OF ₹33, GIVING A TARGET PRICE OF ₹2,145 (31% UPSIDE) IN 1 YEAR.

SYRMA SGS TECHNOLOGY LTD

- SYRMA is leading Indian Electronics Systems Design and Manufacturing (ESDM) company with over four decades of industry expertise.
- It operates 18 manufacturing facilities across key Indian states and strategic R&D centers in India and Stuttgart, Germany.
- The company has forayed into the PCB business via a JV with Shinyup, which upon stabilization should take EBITDA Margins up to 15-18%. The first phase will incur a capex of US\$90 million over the next 3-5 years.

Strong Profit Growth Amid Strategic Shift in Q1FY26:

The company reported consolidated revenue of ₹960 crore, down 18.3% YoY due to reduced focus on low-margin consumer segments, while EBITDA surged 75% YoY to ₹96 crore, expanding margins to 10.7%, and net profit rose 150% YoY to ₹50 crore.

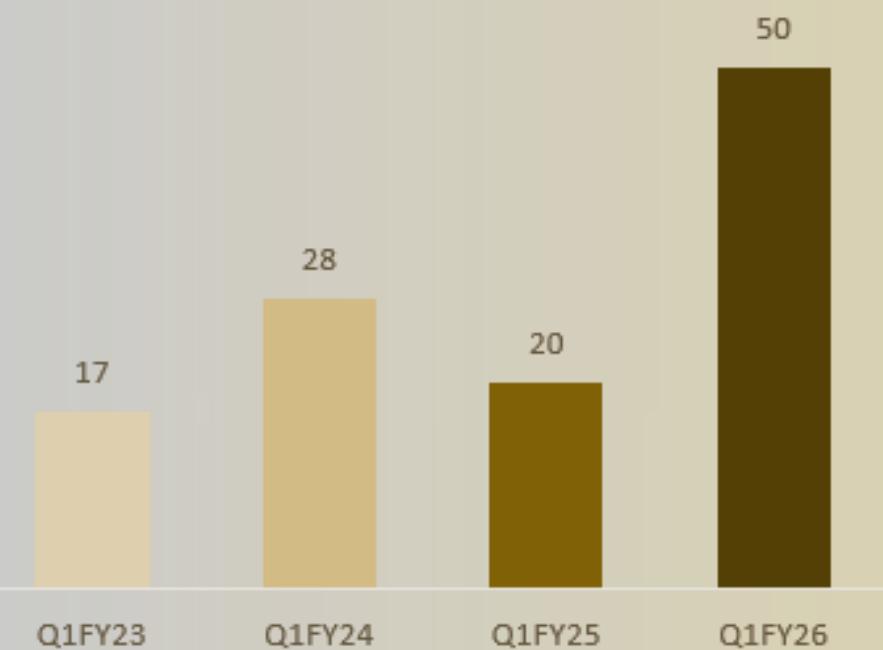
Healthy Order Pipeline Driving Growth:

The company holds a strong order book of ₹5,400–5,500 crore as of Q1FY26, ensuring healthy revenue visibility, with around 70% contribution from high-margin segments like automotive, industrial, and healthcare.

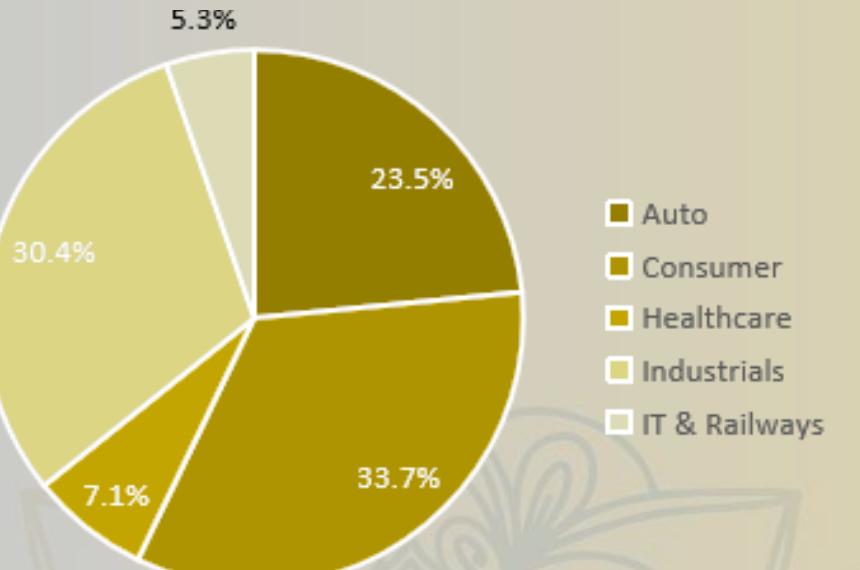
Optimistic Guidance with Margin Expansion for FY26:

Management expects 30–35% revenue growth in FY26 with improved EBITDA margins of 8.5–9%, driven by a strong order book and focus on high-margin segments.

YOY QUARTERLY NET PROFIT (RS CRORE)



REVENUE BREAKUP – Q1FY26



PRICE & TARGETS

CMP / Target / Upside%	₹830/₹1,035/25%
52 week H/L (INR)	875 / 355
P/E (TTM)	79
Market Cap (₹cr)	15,956

Financials (Consol.)	FY23	FY24	FY25
Sales	2,048	3,154	3,787
Operating Profit	192	203	323
Operating Profit Margin (%)	9	6	9
Profit After Tax	123	124	184
Profit After Tax Margin (%)	6	4	5

OUTLOOK & VALUATION:

WITH OPERATING INCOME EXPECTED TO GROW BY A CAGR OF 30% OVER THE NEXT 2 YEARS AND PAT MARGINS STABILIZING AT AROUND 7%, TOGETHER WITH THE MARGIN EXPANSION ACCRUING FROM THE PCB BUSINESS, WE VALUE THE COMPANY AT A P/E OF 45 X THE FY27E EPS OF ₹23, TRANSLATING TO A TARGET PRICE OF ₹1,035, AN UPSIDE OF AROUND 25%.

CANARA BANK

- Established in 1906, Canara Bank is among India's oldest and most respected public sector banks with 119 years of banking excellence.
- It has grown into the country's fourth-largest public sector bank, leveraging scale and operational synergies.
- The bank's market share stands at 5.8% in net advances and 6.4% in total deposits as of June 2025.

Strong Q1 Performance:

The Bank delivered strong Q1 FY26 results, with total income rising 11.88% YoY to ₹38,063 crore and net profit increasing 21.69% YoY to ₹4,752 crore, highlighting robust operational execution and enhanced profitability.

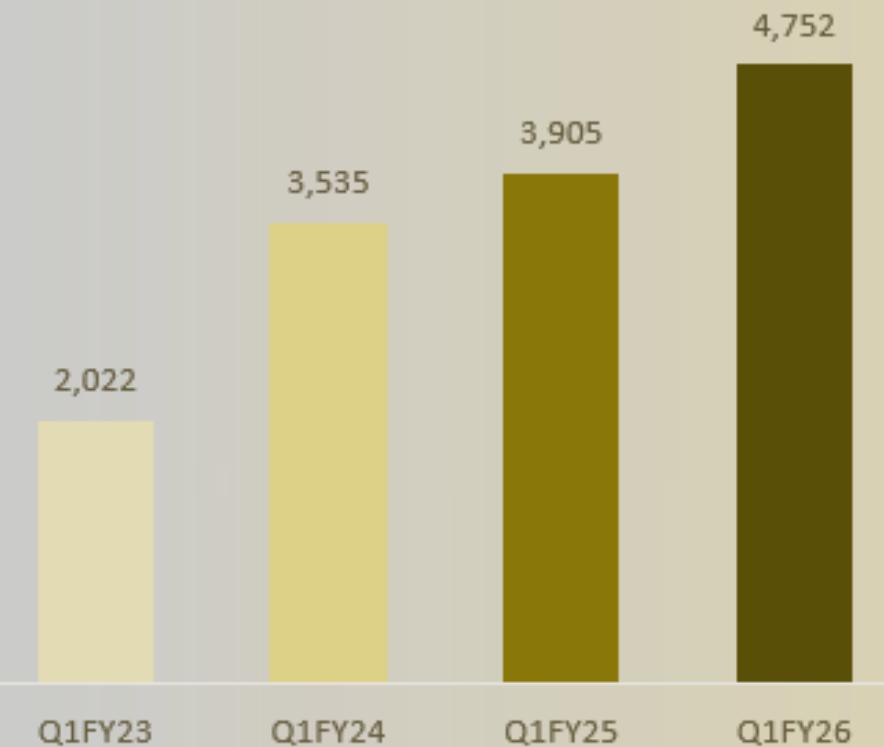
Enhanced Asset Strength :

The Bank's asset quality strengthened in Q1 FY26 with PCR at 93.17% (up 395 bps YoY), Gross NPA improving to 2.69% (down 145 bps), and Net NPA declining to 0.63% (down 61 bps), underscoring strong risk management.

Confident Growth Outlook FY26:

Management's optimistic FY26 guidance reflects confidence in growth and operations; global business rose 10.98% YoY to ₹25.64 lakh crore with a 74.70% credit-deposit ratio.

YOY QUARTERLY NET PROFIT (RS CRORE)



GROSS NPA AND NET NPA TREND



PRICE & TARGETS

CMP / Target / Upside%	₹128/₹151/18%
52 week H/L (INR)	129 / 78.6
P/BV (TTM)	1.2
Market Cap (₹cr)	1,15,778

Financials (Standalone)	FY 23	FY 24	FY 25
Interest Income	84,420	1,08,690	1,19,760
Net Interest Income (NII)	31,440	36,570	37,070
Net interest Margin (NIM)	2.56%	2.68%	2.41%
G NPA%	5.40%	4.20%	2.90%
NNPA%	1.70%	1.30%	0.70%
Adj. Book Value (ABV)	64	80	99

OUTLOOK & VALUATION:

CANBANK HAS SEEN A STEADY DECLINE IN NPAs OVER THE PAST 3 YEARS AND NIMS STABILIZING AT AROUND 2.4% LEVELS. WE EXPECT NIMS TO GRADUALLY IMPROVE TO THE 2.7-2.8% LEVELS BETWEEN FY27 AND FY28. WE VALUE THE SCRIP AT 1.2 X FY27E ABV OF ₹126, INDICATING A 1-YEAR TARGET PRICE OF ₹151, AN UPSIDE OF 18%.

CHOLAMANDALAM INVESTMENT & FINANCE COMPANY LTD

- CIFC is a leading diversified NBFC and key subsidiary of the Murugappa Group, one of India's oldest business conglomerates founded in 1900.
- Strong nationwide presence with 1,703 branches, deeply entrenched in tier 3-6 cities and rural/semi-urban markets.
- Operates as a diversified financial services provider with retail lending focus across multiple asset classes.

Resilient Q1FY26 Results:

The company posted strong Q1FY26 results with consolidated income of ₹9,383 crores, up 22% YoY, and PBT of ₹1,136 crores, a 21% rise. This performance highlights resilient growth and disciplined execution across key business segments despite a challenging environment.

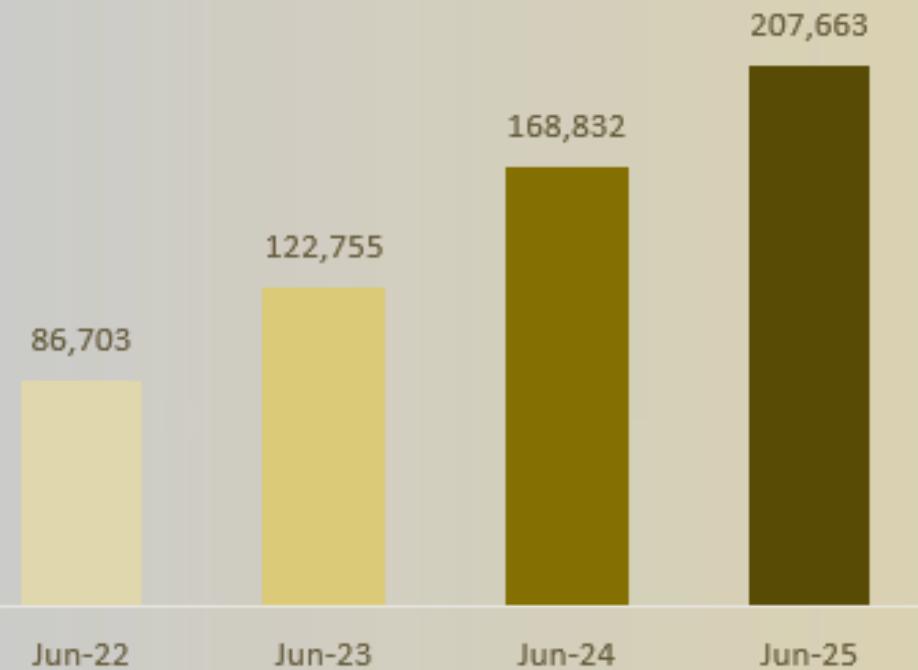
Robust AUM Growth:

In Q1FY26, the company's AUM rose to ₹2,07,663 crores, reflecting a strong 23% YoY growth from ₹1,68,832 crores. This momentum was largely driven by vehicle finance and loan against property, despite flat disbursement growth during the quarter.

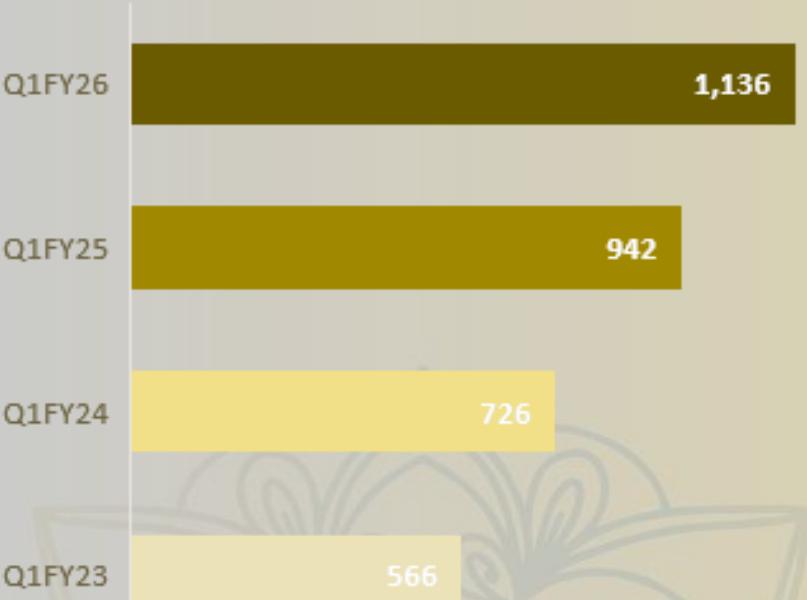
Healthy Asset-Liability Management:

The company maintains ₹17,226 crore in liquid assets, ensuring sound ALM with no negative mismatches, and expects full-year disbursement growth of around 10%.

YOY AUM GROWTH (RS CRORE)



YOY QUARTERLY PBT TREND (RS CRORE)



PRICE & TARGETS

CMP / Target / Upside%	₹1,647/₹1,935/18%
52 week H/L (INR)	1,684 / 1,168
P/BV (TTM)	6.5
Market Cap (₹cr)	1,38,595

(₹cr)

Financials (Standalone)	FY 23	FY 24	FY 25
Net Income	7,229	9,986	13,570
PAT	2,666	3,423	4,259
ROA%	2.80%	2.60%	2.40%
ROE%	20.50%	20.20%	19.70%
G NPA%	4.60%	3.50%	4.00%
NNPA%	3.10%	2.30%	2.60%

OUTLOOK & VALUATION:

WE BELIEVE CIFC WILL BE ABLE TO OVERCOME ITS CHALLENGES IN Q2FY26 AND SUSTAIN A 20% CAGR AS GUIDED BY THE MANAGEMENT AND EXPAND NIM BY AROUND 15 BPS. THEREFORE, WE VALUE THE SCRIP AT 4.5 X Q2FY28 BV OF ₹430, GIVING A 1 YEAR TARGET PRICE OF ₹1,935, AN UPSIDE OF 17.5%

FSN E-COMMERCE VENTURES



PRICE & TARGETS

CMP / Target / Upside%	₹261 /300~ 320/ 15% ~ 23%
52 week H/L (INR)	₹268 / ₹155
Market Cap (₹cr)	₹ 74,207
200 SMA	197
50 SMA	233
RSI	55

- The stock prices continue to traded in higher & higher bottom formation. The prices continue to trade above the cup & handle breakout.
- The neckline is placed near 230 levels which coincides with its 50 EMA & the 200 SMA is placed near 197 levels.
- The pattern upside signals near 300-320 levels. The RSI is very comfortable on the bullish zone.

SWIGGY



PRICE & TARGETS

CMP / Target / Upside%	₹435 / ₹480~ 517/ 10% ~ 19%
52 week H/L (INR)	₹617 / ₹297
Market Cap (₹cr)	₹ 1,08,424
200 SMA	392
50 SMA	421
RSI	55

- The stock prices continues to trade in higher top higher bottom formation in an uptrend channel.
- On the weekly time frame the stock prices have formed a bullish engulfing & retested the previous rectangle breakout.
- The RSI has also formed a positive reversal adding further bullishness. An initial upside can be expected near 480 followed by 517 .

KEI INDUSTRIES LTD



PRICE & TARGETS

CMP / Target / Upside%	₹4311 / ₹4680 ~ 5251 / 9% ~ 22%
52 week H/L (INR)	₹4724 / ₹2444
Market Cap (₹cr)	₹ 41,307
200 SMA	3652
50 SMA	4014
RSI	66

- The stock has been consistently forming higher highs and higher lows, moving within a rising channel.
- It is trading well above all its short-term and long-term moving averages, showing strong upward momentum. Momentum indicators and oscillators have given a buy signal on both the daily and weekly charts, confirming the positive trend.
- On the weekly chart, the stock has also broken out above a falling trend line.
- Based on this setup, the stock is expected to move towards new record highs at 5,251, with support placed at the 100-DMA around 3,881.

BAJAJ AUTO



PRICE & TARGETS

CMP / Target / Upside%	₹9066 / 10200 ~ 11000 / 13% ~ 21%
52 week H/L (INR)	₹11991 / ₹7088
Market Cap (₹cr)	₹ 2,53,300
200 SMA	8309
50 SMA	8750
RSI	60

- The stock has formed a solid base and moved above its key short-term and long-term moving averages.
- It has strong support at the long-term 200-DMA, placed near 8,250. Earlier, a golden crossover occurred as the 50-DMA crossed above the 200-DMA, indicating the potential start of a bullish trend.
- Momentum indicators and oscillators have given a buy crossover on both the daily and weekly charts, confirming positive momentum.
- Based on this setup, the stock is expected to move towards the 11,000 level, with strong support at 8,250.

BHARAT ELECTRONICS



PRICE & TARGETS

CMP / Target / Upside%	₹409 / ₹451~ 500 / 10% ~ 22%
52 week H/L (INR)	₹436 / ₹240
Market Cap (₹cr)	₹ 2,99,407
200 SMA	340
50 SMA	389
RSI	57

- The stock is on the verge of a triangle pattern breakout on the daily chart.
- It is trading well above all its short-term and long-term moving averages, indicating strong bullish momentum.
- The recent price action, supported by higher-than-average volumes, further strengthens the positive outlook.
- Based on this setup, the stock is expected to move towards new record highs near 500, with strong support placed at 369.

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