



Budget Picks 2026-27

Date: 23-Jan-26



Budget Picks

STOCK	SECTOR	CMP*	TARGET PRICE	POTENTIAL UPSIDE (%)
Shriram Finance Ltd	Finance	1,005.5	1,228	22.2%
Bharat Electronics Ltd	Defence	417.3	507	21.5%
CCL Products Ltd	FMCG	932.3	1,109	19.0%
Canara Bank	Bank	154.7	181	17%
NTPC Ltd	Power	342.4	390	14%

**CMP as of 22 January, 2026 closing*

Shriram Finance

Shriram Finance Limited is India's one of the leading NBFC offering loans for commercial vehicle, passenger vehicle, construction equipment, MSME, two-wheeler, and others. The company maintains a massive pan-India footprint, ensuring accessibility from thriving cities to remote villages with 3,220 branch offices.

Investment Rationale

Strong AUM and Disbursement Growth

In Q2 FY2026, the company reported AUM growth of 15.7% on a YoY basis, reaching ₹2,81,309.46 crores and the disbursements grew by 10.2% YoY to ₹43,019 crores. The growth was driven by strong demand in the rural economy. Commercial vehicle and Passenger Vehicle disbursements reached to ₹17,325 and ₹9,708 crores. With the proposed capital infusion from MUFG, SHRIRAMFIN plans to adjust its disbursement focus toward newer vehicles and larger ticket sizes.

Asset Quality Improves Further; Credit Costs Decline

The company's asset quality has significantly improved in Q2 FY2026 with Gross Stage 3 Assets showing improvement from 5.32% to 4.57%. Similarly, Net Stage 3 Assets recorded 2.49% down from 2.64% in Q2 FY2025. The cost of credit for the quarter was 1.68%, a decrease from 1.84% in the corresponding quarter of the previous year. Stage-3 assets in the two-wheeler segment remain stable. With the massive capital infusion from MUFG, further improvement in asset quality is expected.

MUFG Partnership to Drive Balance Sheet Re-rating and Cost Advantage

MUFG, the world's 10th largest bank by assets, will take a 20% stake in SFL through a preferential allotment of fresh capital amounting to approximately US\$4.4 billion. This capital infusion should support long-term growth and is expected to conclude by approximately April 2026, pending regulatory approvals. With this capital, the company aims to accelerate its growth rate from 16-17% to 18-20%. A primary benefit of the partnership is a projected 100 basis point reduction in borrowing costs over the next two years, driven by a balance sheet re-rating and a recent AAA credit rating upgrade.

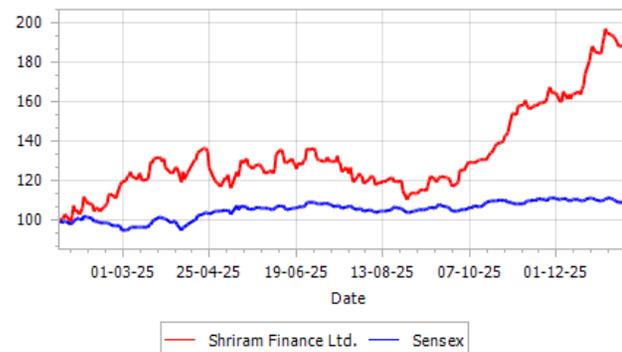
Valuation & Recommendation

We model Revenue/PAT CAGR of 22%/22% and estimate SHRIRAMFIN to clock PAT of INR 17,477 Cr by FY28E. SHRIRAMFIN is trading at a forward PB of 1.86(x) and we value at 2.2(x) FY28E and Recommend BUY on SHRIRAMFIN with price target of Rs 1,228 (22.2%) Upside.

Script Details

BSE Group	A
BSE Code	511218
NSE Code	SHRIRAMFIN
Bloomberg Code	SHFL IN
Market Cap (INR Cr.)	1,85,628
Free Float (%)	74.6%
52wk Low/High	1025/509
Beta (1yr Nifty 50)	1.67
Face Value (INR)/ D. Yield (%)	2/1
Total paid Up Shares (Mn.)	1881.5

Year	Financials			P/B
	Revenue	PAT		
FY23	30,477	6,011		3.80
FY24	34,964	7,366		3.34
FY25	41,847	9,554		2.85
FY26E	51,053	11,742		2.47
FY27E	62,285	14,326		2.15
FY28E	75,988	17,477		1.86



SHRIRAMFIN [N4306] 1005.30, 0.99%
Price Avg2(E,12,E,26)



- SHRIRAMFIN continues to exhibit a robust structural uptrend across timeframes, characterized by a classical higher-top and higher-bottom price formation.
- On the weekly timeframe, the stock is firmly placed above its key 12- and 26-week EMAs, underscoring strong trend strength. The MACD momentum indicator is trending higher, reflecting acceleration in upside momentum and reinforcing the bullish bias.
- On the daily chart, the stock has displayed a bullish mean reversion from the 12-day DEMA, further validating the positive outlook and suggesting continuation of the prevailing uptrend.

Bharat Electronics Ltd

BEL is a Navratna defence PSU providing advanced electronic systems to India's armed forces, with a diversified presence across homeland security, space, cyber security, railways, EV charging, telecom, EVMs, medical electronics and software solutions.

Investment Rationale

Healthy Order book of INR 75,500 Cr provide long term earning visibility

As of Oct'2025, BEL's order book stands at INR 75,600 Cr around 3x FY25 revenue providing strong earnings visibility through FY26 to FY28. Order inflows of INR 14,750 crore have already been secured till Oct'2025, and management remains confident of achieving the full-year order inflow target of ~INR 27,000 crore, supported by a robust Order pipeline. This underpin BEL long term growth outlook and reinforce healthy earning visibility for FY26 to FY28E. We expect BEL topline to grow by 15% CAGR over the next 3 Years.

Timely execution and New order flow keep earning movement in check

BEL has a strong order pipeline of ~₹21,000 crore, expected to be progressively converted into the order book over the next 3-4 years. The pipeline is well diversified across EP (~₹2,000 crore), NGC (~₹4,500 crore), LCA Avionics (~₹2,500 crore), AONs (~₹10,000 crore) and GBMES (~₹1,500-2,000 crore). With a healthy mix of near and long-term executable orders, BEL enjoys strong earnings visibility and momentum over the medium to long term. We expect revenue to grow at ~15% CAGR over the next three years.

A Diversified Navratna Leader in Defence Electronics and Strategic Technologies

BEL is a Navratna PSU under the Ministry of Defence and a leading defence electronics company, supplying advanced systems to the Army, Navy and Air Force, with a diversified presence across homeland security, smart cities, space electronics, energy storage and EV charging, cyber security, railways and metro, airports, EVMs, telecom, night vision devices, medical electronics, composites and software solutions.

Valuation & Recommendation

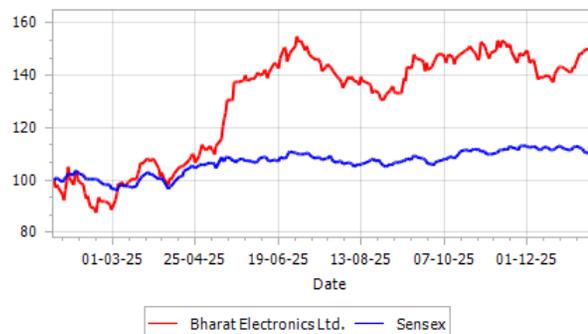
We model Revenue/EBITDA/PAT CAGR of 15%/17%/16% and estimate BEL to clock PAT of INR 8,314 Cr by FY28E. BEL is trading at a forward PE of 35.4(x) and we value at 43.0(x) FY28E and Recommend BUY on BEL with price target of Rs 507 (21.5%) Upside.

Script Details

BSE Group	A
BSE Code	500049
NSE Code	BEL
Bloomberg Code	BHE IN
Market Cap (INR Cr.)	2,94,219
Free Float (%)	48.9%
52wk Low/High	436/240
Beta (1yr Nifty 50)	1.33
Face Value (INR)/ D. Yield (%)	1/0.6
Total paid Up Shares (Mn.)	7309.8

Financials

Year	Revenue	EBITDA	PAT	PE Ratio (x)	EV/EBITDA (x)
FY23	17,734	4,086	2,984	98.6	72.7
FY24	20,268	5,046	3,985	73.8	58.9
FY25	23,769	6,834	5,321	55.3	43.5
FY26E	27,334	8,200	6,287	46.8	36.2
FY27E	31,434	9,430	7,230	40.7	31.5
FY28E	36,149	10,845	8,314	35.4	27.4



Bharat Electronics Ltd | CMP— ₹ 417.3 | Target Price— ₹ 507 (21.5%) | Stop Loss— ₹ 380 (Closing Basis)

BEL [N383] 415.20, 1.21%
Price Avg2(E,12,E,26)



- BEL has been in a robust long-term uptrend since 2020, consistently displaying strong resilience on the monthly timeframe, which highlights sustained institutional participation and structural strength.
- On the weekly chart, the stock continues to form higher bottoms and is presently consolidating near its 26-week EMA. This phase reflects healthy price digestion rather than distribution, suggesting that the broader uptrend remains intact and poised for continuation once consolidation resolves.
- From a relative performance perspective, the BEL vs NIFTY ratio chart further reinforces the positive outlook. Additionally, the recent double bottom formation on the ratio chart underscores strong relative resilience.

CCL Products (India) Ltd

CCL Products (India) Ltd, founded in 1994, produces, trades, and distributes premium coffee, operating mainly in India, Vietnam, and Switzerland. Its Guntur, Andhra Pradesh plant houses India's first freeze-dried instant coffee unit, established in 2005, featuring state-of-the-art manufacturing.

Investment Rationale

From a diversified coffee manufacturer to an emerging FMCG player

CCL has a diversified product portfolio, manufacturing over 200 coffee blends across spray-dried, granulated, freeze-dried, decaffeinated, Fairtrade and other certified coffees, chicory-blended instant coffee, flavored coffee, and specialty coffee. Over the long term, the company aims to transition into an FMCG player by leveraging its established distribution network and expanding into adjacent categories such as iced tea, institutional tea, and snacks, which is a key part of its FMCG strategy.

New Added capacities likely to fuel future growth

The company has expanded capacity at its India and Vietnam facilities from 38,500 MT in FY22 to 77,000 MT as of Sep'25. While existing plants are operating at ~100% utilization, the newly added capacity is currently at 15-20% utilization, and blended capacity stands at 65-75%. The new capacities are expected to ramp up gradually, with utilization improving by ~30% each year over the next three years.

Stable debt levels and improving cash balances strengthen the balance sheet

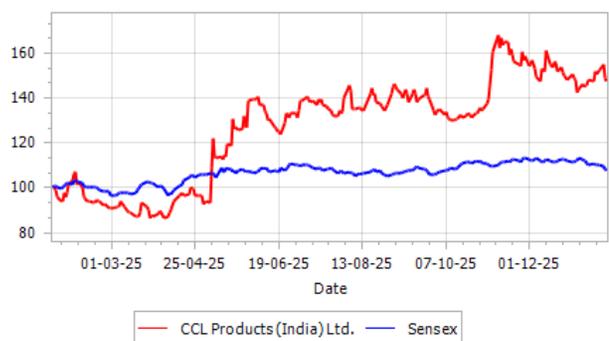
CCL debt remain stable over the last three from INR 1,622 Cr to INR 1,628 Cr in FY25 this has majorly utilization toward the capacity expansion. Fixed Asset increased from INR 1,252 Cr to INR 2,027 Cr, as the capacity get ram up over the next 3 Year the incremental revenue will aid to lower the debt and improve the PAT and cash level. In business. As of Sep 25, CCL has INR 357 Cr from INR 170 Cr in FY24

Valuation & Recommendation

We model Revenue/EBITDA/PAT CAGR of 22%/27%/30% and estimate CCL to clock PAT of INR 620 Cr by FY28E. CCL is trading at a forward PE of of 20.2(x) and we value at 24(x) FY28E and Recommend BUY on CCL with price target of Rs 1,109 (19%) Upside.

Script Details	
BSE Group	A
BSE Code	519600
NSE Code	CCL
Bloomberg Code	CCLP IN
Market Cap (INR Cr.)	12,553
Free Float (%)	53.9%
52wk Low/High	1073/475
Beta (1yr Nifty 50)	1.33
Face Value (INR)/ D. Yield (%)	2/0.5
Total paid Up Shares (Mn.)	133.5

Financials					
Year	Revenue	EBITDA	PAT	PE Ratio (x)	EV/EBITDA (x)
FY23	2,071	400	269	46.7	34.4
FY24	2,654	445	250	50.2	30.9
FY25	3,106	555	310	40.4	24.8
FY26E	3,789	758	417	30.1	18.1
FY27E	4,623	925	508	24.7	14.9
FY28E	5,640	1,128	620	20.2	12.2



CCL Products (India) Ltd | CMP— ₹ 932.3 | Target Price— ₹ 1,109 (19%) | Stop Loss— ₹ 860 (Closing Basis)

CCL [N11452] 926.60, -4.58%
Price Avg2(E,12,E,26)



- CCL has been on a sustained upward trajectory since 2020, forming a sequence of higher tops and higher bottoms on the monthly timeframe, a classic indication of a long-term bullish trend.
- On the weekly chart, the stock has exhibited a bullish mean reversion from the 26-week EMA, while the Stochastic oscillator remains in buy mode, reinforcing the positive outlook.
- CCL vs NIFTY ratio chart continues to form higher tops and higher bottoms, reinforcing the bullish outlook and highlighting the stock's strong relative strength versus the broader market.

Canara Bank

Canara Bank is a leading Indian nationalized bank with a diversified presence including eight domestic subsidiaries, five associates, and one joint venture. Government of India is majority shareholder in Canara Bank, holding 62.93% stake as of December 2025.

Investment Rationale

Gold Loan Business Well-Positioned Amid Supportive RBI Regulations

Canara Bank is one of India's leading gold loan provider, with a portfolio of ₹2,11,000 crores. Gold loans are superior product compared to other lending offerings due to several factors, including yield between 8.75% and 8.8% and slippages remaining at less than 1.1%. Recent changes in RBI regulations have supported the growth of this business. The bank maintains systems for professional appraising, re-appraisals, and cross-verification

Improving Asset Quality Supported by Strong Recoveries

In Q2 FY2026, Gross NPA improved from 2.69% in Q1 FY2026 to 2.35% in Q2, while Net NPA dropped from 0.63% to 0.54%. The Provision Coverage Ratio (PCR) further improved by 270 basis points year-on-year to reach 93.59%. The bank successfully reduced its credit cost to 0.68%, a decrease of 29 basis points year-on-year. The bank recovered ₹660 crore from written-off accounts in the first half of the year and expects to recover approximately ₹5,000 crore for the full financial year.

NIMs Seen Stabilizing, with Upside from Loan Mix Shift

Net Interest Income (NII) increased in absolute terms from ₹9,009 crore in the June quarter to ₹9,141 crore in the September quarter. Net Interest Margins (NIMs) should remain stable at 2.5% for one more quarter before showing an "uptick" in the fourth quarter. If market conditions remain stable and there are no further rate cuts, the bank should regain NIM levels in the 2.9% to 3% range. To support long-term margins, the bank is aggressively shifting its loan mix toward a 60:40 ratio between RAM (Retail, Agriculture, MSME) and Corporate sectors, as RAM sectors generally offer better yields.

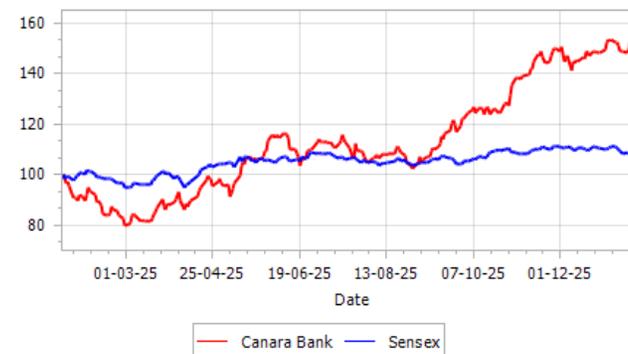
Valuation & Recommendation

We model Revenue/PAT CAGR of 20%/22% and estimate CANBK to clock PAT of INR 31,519 Cr by FY28E. CANBK is trading at a forward PB of 0.62(x) and we value at 0.73(x) FY28E and Recommend BUY on CANBK with price target of Rs 181 (17%) Upside.

Script Details

BSE Group	A
BSE Code	532483
NSE Code	CANBK
Bloomberg Code	CBK IN
Market Cap (INR Cr.)	1,39,325
Free Float (%)	37.1%
52wk Low/High	159/79
Beta (1yr Nifty 50)	0.98
Face Value (INR)/ D. Yield (%)	2/2.6
Total paid Up Shares (Mn.)	9070.7

Financials				
Year	Revenue	PAT	P/B	
FY23	85,885	11,255	1.59	
FY24	1,10,519	15,279	1.32	
FY25	1,21,601	17,540	1.07	
FY26E	1,45,921	21,888	0.89	
FY27E	1,75,106	26,266	0.74	
FY28E	2,10,127	31,519	0.62	



Canara Bank | CMP— ₹ 154.7 | Target Price— ₹ 181 (17%) | Stop Loss— ₹ 141 (Closing Basis)

CANBK [N10794] 155.65, -0.94%
Price Avg2(E,12,E,26)



- CANBK has recently displayed strong positive structural developments on the higher timeframe. During the October series, the stock witnessed a decisive breakout above its multiyear swing highs of 2010 and 2024, marking a transition into uncharted territory.
- The stock is firmly sustaining above its 12-, 26-, and 50-period week EMA, while continuing to form higher tops and higher bottoms, highlighting strong relative strength amid the prevailing market volatility.
- The CANBK vs NIFTY ratio chart has been in a sustained rising trend since March 2025, clearly indicating consistent outperformance relative to the broader market. This upward trajectory reflects strengthening relative strength.

NTPC Ltd

NTPC Limited is India's largest integrated power utility with approximately 17% of India's total installed capacity and nearly 24% of its total power supply. operates a massive infrastructure consisting of 103 power stations across India. Beyond traditional power, the company is pioneering technologies in Green Hydrogen, nuclear energy, and carbon capture.

Investment Rationale

Capacity Expansion on Track with Long-Term Growth Targets

In the first half of FY2026, NTPC Group's total installed capacity reached 83,893 MW, representing a significant 10% increase compared to the 76,443 MW recorded during the same period in the previous year. In the long term, the group has significantly revised its capacity targets upwards, aiming to reach 149 GW by 2032 and 244 GW by 2037. Between 2032 and 2037, the company plans an incremental expansion of approximately 55 to 60 GW in renewables.

Large-Scale Nuclear Project Adds a New Growth Pillar

NTPC has formally commenced its nuclear energy journey with the Mahi Banswara Rajasthan Atomic Power Project, located in Banswara, Rajasthan. The project consists of four units of 700 MW each, providing a total installed capacity of 2,800 MW. The estimated capital expenditure for the project is approximately ₹20 crore per MW, leading to a total project cost of roughly ₹50,000 crore. Looking towards the future, NTPC's expanded capacity target for 2037 includes a contribution of approximately 2.1 GW from nuclear energy.

Subsidiary's Foray into Green Chemicals and Energy Storage

NTPC Green Energy Limited, NTPC's subsidiary has marked its entry into the emerging green chemical market under the National Green Hydrogen Mission. The company secured its first contract for the supply of 0.7 lakh tonnes of green ammonia. Further, the company is aggressively pursuing energy storage to provide round-the-clock renewable power and enhance grid stability. The company is developing 5,000 MWh, 1,990 MWh, and a 6,000 MWh project pipeline in BESS.

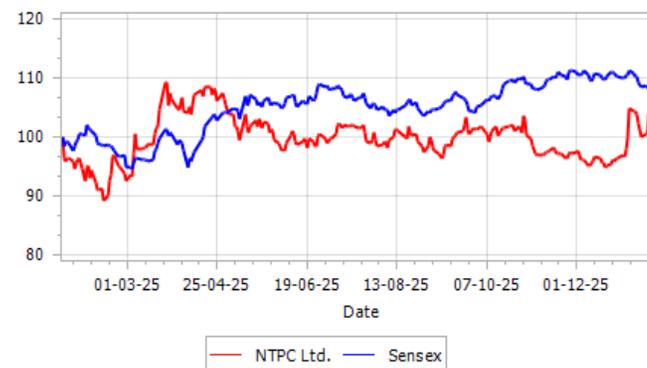
Valuation & Recommendation

We model Revenue/EBITDA/PAT CAGR of 11%/14%/13% and estimate NTPC to clock PAT of INR 33,446 Cr by FY28E. NTPC is trading at a forward PE of 9.8(x) and we value at 11.6(x) FY28E and Recommend BUY on NTPC with price target of Rs 390 (14%) Upside.

Script Details

BSE Group	A
BSE Code	532555
NSE Code	NTPC
Bloomberg Code	NTPC IN
Market Cap (INR Cr.)	3,28,475
Free Float (%)	48.9%
52wk Low/High	371/293
Beta (1yr Nifty 50)	0.98
Face Value (INR)/ D. Yield (%)	10/2.5
Total paid Up Shares (Mn.)	9696.7

Year	Financials				
	Revenue	EBITDA	PAT	PE Ratio (x)	EV/EBITDA (x)
FY23	1,76,207	47,730	16,913	19.4	12.1
FY24	1,78,507	51,099	20,812	15.8	11.3
FY25	1,88,121	54,111	23,422	14.0	10.7
FY26E	2,08,815	64,733	27,146	12.1	8.9
FY27E	2,31,784	71,853	30,132	10.9	8.0
FY28E	2,57,281	79,757	33,446	9.8	7.3



NTPC LTD | CMP— ₹ 342.4 | Target Price— ₹ 390 (14%) | Stop Loss— ₹ 315 (Closing Basis)

NTPC [N11630] 342.75, -1.04%
Price Avg2(E,50,E,100)



- NTPC has been consolidating around its 26-month EMA on the monthly timeframe for the past nine months, indicating a prolonged phase of time-wise correction within a broader structural trend rather than a breakdown. This consolidation suggests base formation and potential energy build-up for the next directional move.
- On the weekly timeframe, the NTPC–NIFTY ratio chart is displaying constructive relative strength signals. While the ratio line has formed lower bottoms, the price has continued to form higher bottoms, resulting in a bullish hidden divergence.
- Momentum indicators further support this view, with the RSI currently at 53 and sustaining above its 9-week average, reflecting neutral-to-positive sentiment and suggesting room for momentum to gradually strengthen.

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