



MANGAL KESHAV
NURTURING WEALTH, SINCE 1939



DIWALI PICKS

2025

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Diwali Picks 2025



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Following are our Top Picks for SAMVAT 2082

Company	CMP (₹)	Market Cap (₹) in cr	Target Price in (₹)	Potential Upside %
JM Financial Ltd	171	16397	215	25.73
Sansera Engineering Ltd	1439	8938	1856	28.98
Entero Healthcare Solutions Ltd	1107	4816	1441	30.17
Muthoot Finance Ltd	3334	133870	4025	20.73
Carysil Ltd	910	2589	1098	20.66



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JM Financial Ltd

CMP : ₹171 M Cap : ₹16,397 Cr Target Price ₹215 Rating : Buy

Company overview

JM Financial Ltd is an integrated and diversified financial services group. Its primary businesses include investment banking, wealth and asset management, mortgage lending and alternative and distressed credit. Its clients include institutional, corporate, government, and ultra-high-net-worth (UHNW) individuals, as well as retail clients.

Investment Rationale

Pivot to asset-light, fee-led model:

Shifting away from high-risk wholesale loans to syndication/fee income, expected to unlock ~₹2,000 Cr cash over 3–4 years and lift ROE.

Wealth & Asset Management scaling fast:

RMs +91% YoY, sales +37% YoY; revenue +29%, PAT +69% with a deliberate 2x investment phase—sets up operating leverage and re-rating closer to listed wealth/AM peers.

Deleveraging strengthens balance sheet:

FY25 borrowings reduced by ₹4,726 Cr to ₹11,419 Cr; Net D/E down to 0.77x; ARC recoveries ₹1,368 Cr; treasury cash flows used to repay debt.

Dividend trajectory improving:

DPS raised from ₹1.8 → ₹2.7 with a stated path to ₹5 over 2–3 years, enhancing yield while earnings compound.



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JM Financial Ltd

Future outlook : While wealth management and asset management companies typically command valuations above 40x earnings and affordable housing financiers are valued above 3x book, JM Financial's business lines remain discounted due to return metrics that have not yet converged with industry leaders. SOTP valuation points to Value/share \approx ₹205 (vs CMP ₹176): Corporate Advisory & Capital Markets at 22x, Wealth/AM at 21x, Alternative & Distressed Credit at 1.2x Net Worth (NW), Mortgage at 2.5x NW, Treasury at 0.9x NW. PAT is expected to reach ₹2,000–2,500 Cr in 2–3 years if markets remain favorable; at a sector-normal \sim 20x multiple, this implies ₹40,000–50,000 Cr potential m-cap vs current \sim ₹16,500 Cr, creating room for re-rating alongside rising dividends. Thus, JM Financial screens as a Buy with Target Rs.215 driven by fee-mix shift, balance-sheet repair, WM/AM scale-up, and visible capital return.



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Sansera Engineering Ltd

CMP: ₹1439 M Cap : ₹8938 Cr Target : ₹1856 View : Buy

Company Overview

Sansera Engineering is a Bengaluru-based precision engineering company that manufactures and supplies a wide range of precision forged and machine components across automotive and non-automotive sectors. It has 17 plants across India & Sweden, serving 90+ clients in 23 countries. Historically Auto-ICE focused, Sansera is executing a clear pivot toward Tech-agnostic/XEV and Aerospace, Defence & Semiconductor (ADS) to structurally de-risk growth.

Investment rationale

De-risking beyond Auto-ICE:

Auto-ICE already down to ~73.6% of revenue in FY25; medium-term goal ~60% as Tech-agnostic/XEV and ADS scale. This aligns with global lightweighting/electrification trends and reduces cyclical risk.

High-growth adjacencies ramping:

The Aerospace & Defence (ADS) business is set to more than double in FY26, driven by new direct contracts with Airbus and a ₹120 crore investment in advanced aerospace machining. In the semiconductor equipment segment, Sansera has signed a Letter of Intent worth USD 17–30 million over the next three years and is setting up a Class-1000 cleanroom to meet global quality standards.

Blue-chip customer set:

Airbus, Boeing, Daimler, Maruti Suzuki, premium 2W OEMs, and a North American EV OEM—sticky, long-cycle programs with high entry barriers.



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Sansera Engineering Ltd

Robust, global order book:

Sansera has a strong order book of ₹2,024 crore, with about 62% coming from exports. The business mix is well diversified — roughly half from traditional ICE components, one-fifth from EV and tech-agnostic parts, and another one-fifth from non-auto segments like aerospace and semiconductors.

Exports as a growth engine:

Exports already ~32% of FY25 revenue; target 35–40% with North America largest market and new EV drivetrain programs for PVs/CVs.

Financial strength post QIP:

The ₹1,200 crore QIP helped the company repay its debt, making it virtually debt-free. It continues to maintain a healthy EBITDA margin of around 17%, with a clear path to reach about 20% as new high-value segments scale up.

Future Outlook : At a CMP of ₹1,514, the stock trades at 43.5x trailing earnings (market cap ~₹9,402 Cr). Using our estimates, this implies about 32.1x FY26E EPS of ₹47.18 and 26.0x FY27E EPS of ₹58.13, with operating leverage and mix shift supporting further earnings compounding. We value Sansera at 25x FY28E EPS of ₹74.24, reflecting confidence in: (i) diversification toward high-margin ADS and semiconductor equipment, (ii) export-led growth with a healthy order book, and (iii) a deleveraged, net-cash balance sheet post-QIP. This yields a Target Price of ₹1,856 (upside ~22.6%). With a margin expansion toward ~19% EBITDA by FY28E, we recommend a BUY rating.



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Entero Healthcare Solutions Ltd

CMP ₹ 1107 M Cap : ₹ 4816 Cr Target : ₹ 1441 View : Buy

Company Overview

Founded in 2018 and headquartered in Gurugram, Entero Healthcare Solutions Ltd is one of India's top three healthcare distributors by revenue. It operates an integrated platform connecting manufacturers with pharmacies, hospitals, and clinics nationwide. The company offers a wide portfolio of 74,700+ SKUs covering pharmaceuticals, medical devices, diagnostics, and surgical consumables. Growth has been driven by ~50 successful acquisitions that expanded its geographic reach to 19 states with 102 warehouses and 71,000+ pharmacy customers. Entero's tech-enabled supply chain ensures transparency and operational efficiency, while its private-label "Entero Surgicals" range adds higher-margin medical and homecare products to its portfolio.

Investment Rationale

Benefiting from industry consolidation:

The ₹2.8 lakh crore healthcare distribution industry remains fragmented with 65,000+ distributors and 9 lakh retailers. Entero is gaining market share through acquisitions and integration of regional distributors, positioning itself as a preferred pan-India partner for manufacturers and hospitals.

Margin and cash flow improvement:

EBITDA margins are expected to expand from 3.6% in FY25 to over 5% by FY28 driven by a richer product mix, supply-chain efficiencies, and higher contribution from private-label and device categories. Working capital improvement (debtor days reducing from 66 to 60) is expected to turn cash flows positive, lowering debt dependence.





Entero Healthcare Solutions Ltd

Diversified and scalable model:

Entero combines distribution (demand fulfilment) with demand generation through marketing and analytics support for manufacturers. This dual approach helps expand relationships and sustain profitability across multiple healthcare categories.

Proven execution through organic and inorganic growth:

Having executed ~50 acquisitions and maintaining ~15% organic growth (vs 9% industry growth), Entero has demonstrated strong integration capability and consistent revenue momentum.

Technology-led efficiency:

A proprietary digital platform enables end-to-end supply chain visibility, real-time order tracking, and analytics for manufacturers, creating efficiency and transparency.

Experienced management team:

Led by Prabhat Agrawal (ex-Alkem CEO), Prem Sethi (ex-IQVIA), and Balakrishnan Kaushik (ex-Piramal, Deloitte), the team combines healthcare, consulting, and financial expertise, ensuring disciplined growth and governance.

Future Outlook : India's \$33.2 bn healthcare distribution market is expected to grow at 10–11% CAGR till FY28, with the organized segment rising from 8–10% to 20–30%. Entero is well placed to capitalize on this structural shift through its scale, technology platform, and acquisition pipeline. EBITDA is projected to grow to ₹506 Cr by FY28 (5% margin), with PAT reaching ₹340 Cr and EPS ₹78.2. At 11.1x FY28E EV/EBITDA, valuations appear attractive. Applying a fair multiple of 13.5x gives a target price of ₹1,441, implying ~22% upside.



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Muthoot Finance Ltd

CMP ₹ 3334 M Cap : ₹ 133870 Cr Target : ₹ 4025 View : Buy

Company Overview

Muthoot Finance Limited is India's largest and most trusted gold financing company by loan portfolio, leveraging a 135+ year family business legacy and recognized as the No.1 Most Trusted Financial Services Brand for nine consecutive years. The core segment is providing secured gold loans against gold jewellery, a model that minimizes credit risk and involves holding significant gold collateral, totaling 208 tonnes in FY25. The company operates through an extensive pan-India branch network of 4,855+ locations across 29 States/Union Territories, primarily focusing on offering easy access to credit for underserved communities, including small businessmen, vendors, traders, farmers, and salaried individuals in rural and semi-urban areas.

Investment Rationale

Gold cycle tailwinds directly lift earnings

Global demand for gold is strong and broad-based: central banks have bought 1,000+ tonnes for a third straight year, while investment demand has stayed firm amid macro uncertainty. That supports elevated prices and a favorable backdrop for gold lenders like Muthoot.

Category leader with visible growth momentum

Muthoot just posted its highest-ever metrics: consolidated AUM at ₹1.34 lakh cr (+37% YoY), gold-loan AUM at ₹1.13 lakh cr (+40% YoY), and record quarterly PAT (₹1,974 cr). Productivity is rising too: average gold-loan AUM per branch is ₹23.21 cr, and new-to-bank disbursements hit ₹6,355 cr to 4.45 lakh customers in Q1 FY26. This shows both scale and sustained customer acquisition.

Operating leverage and digital execution support margins

Management flagged that opex efficiency is improving as AUM per branch climbs (now ₹25 cr+), with overall opex expected to remain broadly stable aside from inflation. On top of that, Muthoot's digital stack (iMuthoot app, UPI/BBPS, WhatsApp, video KYC, AI chatbot) has 15.4 million



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Muthoot Finance Ltd

downloads and enables faster disbursements, renewals and collections—further aiding margins and growth.

Strong collateral coverage and balance-sheet strength

The franchise is secured by 209 tonnes of pledged gold and a fast-turning, highly liquid book (a large share of loans roll within six months), which helps manage risk through cycles. At FY25, capital and asset-quality buffers were healthy (CRAR ~23.7%, Stage-3 ~3.4%). Together, this underpins resilience and protects downside.

Regulatory changes are business-friendly

New RBI rules (effective ahead) allow LTV up to 85% for loans \leq ₹2.5 lakh, and management calls the framework “gold-loan business friendly.” Importantly, ~85% of customers fall in this ticket bucket, giving room to fine-tune products and drive volume while keeping discipline.

Future Outlook : At the CMP, Muthoot Finance trades at 16.9x FY26E EPS of ₹198, offering an attractive entry point given its 40%+ AUM growth, strong RoE of 28%, and robust balance sheet (CRAR 23%). We value the stock at 20.3x FY26E EPS, arriving at a target price of ₹4,025 (upside of ~20%). The re-rating is supported by sustained gold-price strength, improving operating leverage, and steady branch-led growth. BUY with a 6-month horizon and a stop-loss at ₹3,185 for disciplined risk management.



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Carysil Ltd

CMP ₹ 910 M Cap : ₹2589 Cr Target : ₹ 1098 View : Buy

Company Overview :

Carysil is a global kitchen & bath solutions company best known for composite quartz sinks manufactured using licensed Schock (Germany) technology. Its portfolio spans quartz and stainless-steel sinks, built-in kitchen appliances, faucets, food-waste disposers, and engineered solid surfaces. The company sells in 55+ countries, with exports contributing ~75%+ of revenue; the India business is built around a fast-scaling B2C dealer network. Manufacturing is anchored in Bhavnagar (Gujarat) with subsidiaries for distribution/fabrication in the UK, USA, and UAE.

Investment Rationale

Step-change in export visibility via marquee wins:

Carysil has secured two transformational contracts: (a) an in-principle expansion of IKEA's non-US quartz-sink sourcing share from ~25% to ~75%, and (b) a long-term Karran-Lowe's agreement to supply 150,000 quartz sinks annually across 1,800+ Lowe's stores in North America. Together, these can materially lift volumes (especially in the US) and embed multi-year revenue visibility with blue-chip partners.

Capacity unlocked and utilization lever:

With demand reviving, Carysil has restarted idle quartz-sink capacity, targeting a utilization lift from ~65% (FY25) to 85–90%; additional moulds/tooling are on order. In stainless steel sinks, capacity will expand by ~70,000 units to 2.5 lakh units by Q3 FY26, supported by a second PVD line to push premium finishes—creating headroom for growth and mix improvement.

Margin expansion underway:

Raw-material and freight costs have cooled; **gross margin expanded sequentially** in Q4FY25. Management **re-iterates 18–20% EBITDA margin guidance**, with operating leverage from higher volumes, richer mix (quartz, PVD steel), and **local assembly of appliances** aiding profitability.



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Carysil Ltd

Domestic B2C engine gaining speed:

India is now ~20% of sales and ~80% B2C (dealer/retail); the dealer network has scaled to 2,500+ outlets. Management guides to 25–30% domestic growth in FY26 on deeper metro/Tier-1 penetration and a broader mid-premium range (sinks, faucets, appliances).

Broadening into integrated kitchen solutions:

Beyond sinks, Carysil is investing in built-in appliance manufacturing (new plant; late-FY26 start) and launching “Cary Stone” engineered-quartz countertops with fabrication centers (Delhi first, two more to follow)—a move that enables sink-plus-countertop bundles and higher wallet share per kitchen.

Future Outlook : At a CMP of ₹884, Carysil is positioned at the start of a cyclical upswing in volumes and margins. Management expects an earnings acceleration over the next two years, with ~16.1% revenue CAGR and ~27.5% PAT CAGR in FY25–FY27E, driven by the IKEA/Karran order ramp, utilization gains, and domestic B2C scale-up. On our estimates, FY27E revenue is ~₹1,099 Cr and PAT ~₹104 Cr, with ROCE improving from ~14% (FY25) to ~17% by FY27E as capacity sweats harder and mix improves. On valuation, the stock trades at ~24× FY27E EPS—reasonable against the medium-term earnings and ROCE trajectory. We value Carysil at 30× FY27E EPS (FY27E EPS ~₹37 from our model), which yields a Target Price of ₹1,098—~24% upside from CMP. We re-iterate BUY, supported by (i) multi-year export visibility with marquee retailers, (ii) margin normalization toward the 18–20% zone, and (iii) optionality from appliances and “Cary Stone” to deepen the integrated kitchen proposition.



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