

PICKS OF THE MONTH – July 2025



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Picks of the Month – July 2025

Bajaj Auto Ltd. (CMP: 8420, Target 9100, SL 8080)

- Bajaj Auto is the 2nd-largest player in the domestic motorcycle segment in terms of volume. It is the largest 3W producer in the world and the largest exporter of 2W and 3W from India.
- All-time high revenues and profitability: FY25 revenue crossed INR 50,000 crore for the first time. EBITDA crossed INR 10,000 crore, with steady margins at 20.2% across all four quarters. PAT also crossed INR 8,000 crore for the first time. Exports volume up 20% in Q4, Latin America now the largest emerging market region for motorcycles. Bajaj's exports to LATAM up 18%. Bajaj Brazil posted its highest ever retails (7,000 units in Q4, exceeding FY24 full-year sales).
- Management remains confident about FY26, with clear strategies to address headwinds, capitalize on new growth platforms, and execute the KTM turnaround.

Chambal Fertilisers & Chemicals Ltd. (CMP: 562, Target 610, SL 538)

- Chambal Fertilisers is engaged in manufacturing Urea. It is also engaged in marketing of other fertilisers such as Di-Ammonium Phosphate ("DAP"), Muriate of Potash ("MOP"), NPK fertilisers, Speciality Plant Nutrients and Crop Protection Chemicals.
- FY26 capex to be funded via internal accruals; strong balance sheet with negative net debt. Company has achieved a compounded CAGR of 25% in CPC-SN business and we hope to carry this momentum forward."
- Management is optimistic but keeps a close eye on policy and global supply risks, especially from China. The company's strategy is to leverage its channel, alliances, and R&D to drive differentiated growth, while maintaining operational and financial discipline.

Havells India Ltd (CMP: 1578, Target 1720, SL 1510)

- Havells India Limited is a leading Fast Moving Electrical Goods (FMEG) Company and a major power distribution equipment manufacturer with a strong global presence.
- Havells delivered a strong Q4 led by cables and Lloyd, with margin stability despite RM volatility. The company is doubling down on brand, distribution, and product investments, especially in Lloyd and solar. The strategic INR 600 crore investment in Goldi Solar is a notable shift, ensuring supply security and scaling up the solar business, while Lloyd continues as the key growth engine with a focus on both AC and non-AC categories.
- Cautiously optimistic; confident in medium-term growth drivers across segments. Emphasis on long-term brand building, distribution, and product innovation.

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Mazagon Dock Shipbuilders Ltd (CMP: 3325, Target 3620, SL 3180)

- Mazagon Dock is among India's leading shipbuilding yards, specializing in constructing and repairing warships and submarines for the Ministry of Defence and commercial vessels. The company has built 802 vessels, including warships, submarines, destroyers, missile boats, frigates, and advanced ships for the Indian Navy and Coast Guard.
- FY25 revenue from operations at an all-time high: Rs. 11,432 crore, Profit Before Tax (PBT): Rs. 3,109 crore, Profit After Tax (PAT): Rs. 2,324.88 crore. Q4 EBITDA margin dropped to 13.74% (from 35.1% in Q3) due to provisioning.
- While headline margins and growth have been elevated due to late-stage execution of high-margin projects, management expects normalization as the project mix evolves. The company is well positioned to benefit from a robust pipeline of large defence orders, increasing indigenization, and a diversifying business mix.

Colgate-Palmolive (India) Ltd. (CMP: 2247, Target 2445, SL 2150)

- The company's product portfolio includes various SKUs of toothpaste, tooth powder, toothbrush, mouthwash, and personal care products. They are sold under its well-recognized brands i.e. Colgate and Palmolive. The company's flagship brand Colgate is one of the most recognized oral care brands in India and it has a penetration of ~88% in the domestic market.
- Colgate-Palmolive India is executing a clear, multi-pronged strategy: drive category penetration (especially frequency), preimmunize via science-backed innovation, expand rural and premium urban segments, and diversify into personal care.
- While urban mass-market demand and heightened trade promotions present near-term headwinds, management remains confident in the resilience of its brand, the effectiveness of its innovation pipeline, and the eventual normalization of competitive intensity. Premiumization, rural growth, and innovation are expected to be key growth levers in FY26 and beyond.

* Time Horizon: All stock ideas to exhaust by end of the last trading day of the month or 10% upside or 5% downside, whichever is earlier.

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