

PICKS OF THE MONTH – August 2025



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Maruti Suzuki India Ltd. (CMP: 12580, Target 13965, SL 11950)

- It is the market leader in passenger vehicle segment in India. In terms of production volume and sales, the Company is now SMC's largest subsidiary.
- Despite a slight moderation in the overall passenger vehicle (PV) market growth, India's low car penetration and rising disposable incomes point to significant long-term growth potential. Maruti Suzuki, as the clear market leader, stands to be a primary beneficiary, especially with its deep rural penetration and wide portfolio covering entry-level, CNG, hybrid, and SUV segments.
- Maruti is significantly expanding its production capacity, aiming to increase from around 2.4 million units to approximately 4 million units by 2030. Maruti is actively addressing the increasing demand for SUVs and aims to strengthen its market share in this segment with a strong pipeline of new model launches.

Bharti Airtel Ltd (CMP: 1942, Target 2155, SL 1844)

- Bharti Airtel Ltd is one of the world's leading providers of telecommunication services with presence in 18 countries representing India, Sri Lanka, 14 countries in Africa.
- Airtel's strong emphasis on premiumization and its ability to consistently increase its average revenue per user (ARPU) is a significant differentiator. The Q1 FY26 ARPU stands at ₹250. Airtel has completed its pan-India 5G rollout and now its strategic focus is on leveraging its existing 5G infrastructure, upgrading its transport network, driving data monetization through attractive plans, and exploring enterprise use cases for 5G, like smart inventory and anomaly detection.
- Bharti Airtel continues to demonstrate strong execution, disciplined capital allocation, and a clear strategic focus on convergence, digital transformation, and operational efficiency.

HDFC Bank Ltd (CMP: 1975, Target 2195, SL 1875)

- HDFC Bank is India's largest private sector bank by assets and the world's tenth-largest bank by market capitalization as of May 2024. The company is India's one of 3 systemically important banks with a 15% market share in the banking sector's advances and a 37% market share in the private sector banks' advances as of FY24.
- HDFC Bank is emerging from a period of strategic balance sheet adjustment post-merger, with its growth engines now being re-accelerated. Management is transparent about near-term NIM headwinds and CASA challenges but remains confident in the bank's ability to regain momentum, citing strong market share gains, robust asset quality, and a significant runway for cross-sell and customer engagement.
- Management is confident of accelerating loan growth to system levels in FY26 and exceeding system in FY27, with a "clear-cut, grounds-up strategy."

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Grasim Industries Ltd. (CMP: 2785, Target 3095, SL 2645)

- Grasim Industries Limited is the flagship company of the Aditya Birla group; it ranks amongst India's largest private sector companies. Grasim has evolved from a textile company to a diversified conglomerate with presence in textiles, chemicals, building materials, and more. Under the Aditya Birla Group, revenue has scaled from \$2bn to \$66bn in 28 years.
- Birla Opus has executed an unprecedented scale-up, disrupting the paints industry and establishing itself as a formidable #3 in record time. Management is highly optimistic on medium/long-term prospects across all businesses, with strong macro and sectoral tailwinds.
- Disciplined capex, strong cash flows from core businesses, and a clear focus on premiumization and consumer-centricity in new businesses. B2B e-commerce and Paints are positioned as new growth engines, with clear milestones for scale and profitability.

Hindustan Aeronautics Ltd. (CMP: 4530, Target 5030, SL 4305)

- Hindustan Aeronautics is engaged in the business of Manufacture of Aircraft and Helicopters and Repair, Maintenance of Aircraft and Helicopters. The company plays a strategic role in India's defence program as it is the core equipment supplier to the Indian Defence Services, including the Indian Air Force, Indian Navy, Indian Army, and Indian Coast Guard.
- HAL has a substantial and consistently growing order book, providing strong revenue visibility for the coming years. This is further reinforced by a strong pipeline of anticipated orders for various platforms and upgrades, indicating continued demand and future growth prospects.
- HAL is actively focusing on boosting its export sales, particularly targeting markets in Southeast Asia, the Middle East, and Africa. The company's efforts to obtain global manufacturing certifications and its increasing focus on international markets signify its ambition to expand its global footprint and diversify its revenue streams.

* 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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