

19th March 2025

Smart



Basket



FirstStep Bluechip Basket



- This basket caters to investors who seek a balance between stable long-term growth and the safety of investing in leading blue-chip stocks.
- We have curated a basket of four fundamentally strong companies which are industry leaders, having a competitive edge and a healthy balance sheet.
- The constituent companies are diversified across leading sectors like banking, consumption, telecom, capital goods and defence.

Duration : 1-2 Years

Script	CMP as on 19th March 2025	% Weightage
Bharti Airtel	1637	25
ICICI	1313	25
ITC	403	25
BEL	290	25

Weightage Rationale: We have assigned equal weightage to all the stocks in the basket as we expect equal growth opportunity in each of them.

***Investment in securities market are subject to market risks, read all the related documents carefully before investing.**



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- **Bharti Airtel's** strong free cash flow (FCF) generation, driven by tariff hikes in the India wireless segment, has significantly strengthened its financial position. With capex intensity moderating and the full impact of tariff increases flowing through, the company is expected to generate INR 1.3 trillion in FCF over FY25-27. Having largely repaid high-cost debt, Bharti now has leverage under control, making capital allocation the key monitorable factor that will likely drive stock performance in the medium term.
- **ICICI Bank** is expanding its digital ecosystem and managing rising unsecured loan delinquencies. It maintains a stable deposit base, with a CASA ratio of 39%, ensuring liquidity strength. We estimate ~17% loan CAGR over FY24-27E. With steady RoA/RoE projections of 2.2%/16.8% for FY27 along with stable NIMs and investment in technology, ICICI Bank remains a top pick for its resilient performance and growth potential.
- **ITC's** core business of cigarettes has shown steady performance. With stable taxes on cigarettes, we anticipate sustainable growth in this business. In the FMCG space, ITC enjoys industry-leading growth over peers due to its strong category presence (large unorganized mix, under-penetrated etc).
- **Bharat Electronics** is well-positioned to benefit from defense electronics opportunities, with key orders expected from QRSAM, MRSAM, next-generation corvettes, and P75/P75I. We forecast a 19% CAGR in revenue over FY24-27, driven by increased market share and indigenized offerings.

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