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Stocks Picks To Watch For THE NEW FISCAL 2024

ZOMATO

ZOMATO LIMITED

CMP: 194.85

Target: 250.00

Incorporated in 2010, Zomato Limited is one of the leading online Food Service platforms. Zomato's technology platform connects customers, restaurant partners and delivery partners, serving their multiple needs. The company has two core business-to-customer (B2C) offerings - (i) Food delivery and (ii) Dining-out, in addition to its business-to-business (B2B) offering (iii) Hyperpure. Another important part of its business is (iv) Zomato Pro, its customer loyalty program which encompasses both food delivery and dining-out.

Fundamental Analysis

Zomato's revenues have exhibited a remarkable growth trajectory from Fiscal 2020 to 2023 and has grown at a CAGR of 41.4% from Rs. 2,118 crores in FY21 to INR 7,761 crores in Fiscal 2023. This growth has been driven by increasing popularity of online food delivery, expansion into new markets, launch of new products and services, strong market position, and customer demand.

While Zomato has experienced substantial revenue growth, its expenses have also seen a notable increase. To expand its operations and maintain a competitive edge, the company has invested in marketing, technology, and logistics. As a result, its expenses have risen over the years. However, efficient cost management strategies have helped Zomato maintain a favourable financial position.

As a result, company has now been turned into a profitable venture and has registered a profit of INR 2 crores in Q-1, 2023, INR 36 crores in the September quarter, and INR 138 Crores in the last quarter. Moreover, Zomato has registered a Revenue growth of 67% and 65% YoY in the second quarter and the third quarter respectively of Fiscal 2023-24.

Zomato is a well-positioned company with a strong brand, a large customer base, and a wide network of restaurants. Though the company operates in a competitive market, it has ample opportunities to leverage its strengths and capitalise on the growing demand for food delivery services. As the company continues to innovate, expand, and enhance its customer offerings, Zomato remains an appealing investment opportunity for those seeking exposure to the food delivery industry.

Details	2021	2022	2023	2024	2025	2026
REVENUE	1,994	4,192	7,079	11,808	15,995	20,325
EBITDA	-467	-1,851	-1,210	140	1,230	2,557
NET INCOME	-813	-1,209	-971	263	1,310	2,522
ROE%	-10.6%	-7.3%	-5.0%	1.4%	6.1%	10.3%
EPS	-	-1.67	-1.20	0.32	1.46	2.88

Technical Analysis

The Stock is trading continuously in a positive trend while breaking its long-term resistance upwards. Buy at CMP with SL at 165 and Target around 250.



IDFC FIRST BANK

CMP: 82.35

Target: 120.00

IDFC First Bank Ltd. is an Indian banking institution that offers various financial services to its customers. The bank was formed with the merger between erstwhile Capital First and erstwhile IDFC Bank. The business of the bank is divided into various segments: Treasury, Corporate/ Wholesale Banking, Retail Banking Business and Other Banking Business.

Fundamental Analysis

IDFC First Bank has also been growing rapidly in recent years. Bank's consolidated revenue grew by 12% CAGR over the past three years from Rs. 17,963 crores in FY20 to Rs. 27,195 crores in FY23. This exponential growth highlights the bank's ability to attract new customers and expand its business operations.

The company's net profit surged to INR 2,485 crores in Fiscal 2023 from INR 133 crores, driven by a 54% YoY growth in Fee & Other Income. The bank's Cost to Income Ratio improved from 95% to 72% in 2023, bolstering profitability.

The Bank's capital adequacy ratio was at 16.82% in Fiscal 2023. IDFC's NIM also escalated to 5.27% in 2023-2024 from 4.52% in FY 2021-22. This upward trajectory indicates the bank's ability to effectively manage its interest-earning assets, resulting in improved profitability. Moreover, asset quality has improved steadily over the past three years. Gross NPA ratio has declined from 4.15% in FY22 to 2.51% in FY23 and its net NPA ratio has declined from 1.86% in FY22 to 0.86% in FY23.

Additionally, company's consolidated financial performance continued to be strong in the 3rd quarter of FY 2023-24, with revenue growing by 33% YoY and net profit growing by 19% YoY. This growth is mainly due to company's continuous progress in Retail lending, improvement in Asset quality and better cost management.

In the current banking landscape, IDFC First Bank positions itself as an emerging player with significant growth potential. The bank's consistent financial performance, demonstrated through increasing operating income, growing net interest income, and expanding profitability, strengthens its market position. Moreover, with a robust Balance Sheet and impressive financial ratios, the bank fills confidence in potential investors.

Details	2021	2022	2023	2024	2025	2026
REVENUE	18,222	20,345	27,195	22,168	27,816	34,452
EBIT	519	175	3,331	4,136	4,603	6,722
NET INCOME	483	132	2,485	3,426	4,805	6,186
ROA%	-	0.1%	1.2%	1.2%	1.3%	1.5%
EPS	0.87	0.21	3.92	4.84	6.13	8.74

Technical Analysis

The Stock maintaining strong holds at the levels of 75 and not breaking its downward resistance. Buy at CMP with SL at 60 and Target around 120.



LEMON TREE HOTELS LIMITED

CMP: 153.70

Target: 200.00

Lemon Tree Hotels Limited (LTH) is India's third largest hotel chain in the mid-priced hotel sector. It operates in the upscale segment and in the mid-priced sector, consisting of the upper-midscale, midscale, and economy segments. It delivers differentiated yet superior service offerings, with a value-for-money proposition. The company is engaged to carry out business of developing, owning, acquiring, operating, managing, renovating, and promoting hotels, motels, resorts, restaurants, etc. under the brand name of Lemon Tree Hotel, Lemon Tree Premier, Red Fox Hotel, Aurika, Keys Select, Keys Prima and Keys Lite.

Fundamental Analysis

The company is a prominent player in the hospitality industry, known for its diverse portfolio of hotels and resorts across India. The financial performance of Lemon Tree Hotels over the last three Financial Years reflects the company's growth trajectory and its ability to navigate the challenges posed by the COVID-19 pandemic. From INR 265 crore in year 2021 to INR 879 in 2023, the company showcased a significant growth in its Revenue, driven by strategic expansion into new markets. Also, company's OPM% doubled and stood at 51% in FY 2023 from 23% in the year 2021 on the account of efficient cost management practices, portraying the company's ability to maintain healthy operating margins.

Details	2021	2022	2023	2024	2025	2026
REVENUE	252	402	875	1,077	1,384	1,571
EBITDA	61	119	448	522	717	844
NET INCOME	-127	-87	115	148	278	377
ROE%	-13.8%	-10.5%	13.4%	13.8%	21.6%	23.2%
EPS	-1.60	-1.10	1.45	1.80	3.40	4.70

• The Profit After Tax further escalated to INR 272.51 crores in 2023 from bearing a loss of INR 87, underscoring the company's retrieved profitability and business expansion. Company's ROE% and ROCE% shows a major improvement and stood at 13.41% and 10.54% respectively in the Fiscal 2023, signifying company's strengthened position and optimum utilization of Capital.

• Furthermore, considering company's last nine months' performance, Lemon Tree Hotels posted a consistent growth. In December quarter company's Revenue increased 24% YoY. Additionally, company's PAT also show a robust growth at 56% QoQ, showcasing company's potential for delivering a healthy financial performance and continuous improvement and growth.

To wrap up, Lemon Tree Hotels' financial performance over the last few years exhibits a commendable growth trajectory, improved profitability, efficient operational management, strategic expansion plans, and a focus on customer-centric services, the company is well-positioned to seize market opportunities and enhance its market share. The company's outlook also remains optimistic, driven by its resilient business model, expansion initiatives, and the favourable industry dynamics. As Lemon Tree Hotels continues to navigate the post-pandemic landscape, it stands poised to leverage its strengths and capitalize on emerging opportunities, thereby delivering sustained value to its shareholders and stakeholders.



Technical Analysis

The stock is trading in an upward channel pattern while creating higher highs. Buy at CMP with SL at 120 and Target around 200.

KPIT

K-PIT TECHNOLOGIES

CMP: 1499.90

Target:1600.00

KPIT is a global technology company with software solutions that will help mobility leapfrog towards autonomous, clean, smart and connected future. With 10000+ Automobelievers across the globe, specializing in embedded software, AI & Digital solutions, KPIT enables customers accelerate implementation of next generation mobility technologies.

Fundamental Analysis

• As we speak, we could say the world has moved towards digitalization and currently we are all living in the era of digitalization. The sector is booming and is expected to be a top notch in future as well which would not be possible without advancement in technology alongside quicker & better solutions to compete in the global world.

• This is where K-pit technologies plays a major role providing efficient methods and reaching a wider audience with AI expertise. Furthermore, K-pit technologies has a very effective business module backed by positive financial growth.

• On the Financial front, K-pit Technologies revenue has been on a continuous rise for the past 4 years where making a record breaking high at 3365 crores. Revenue rose by around 38% with a significant rise in the net profits by around 60%.

Details	2021	2022	2023	2024	2025	2026
REVENUE	2,036	2,432	3,365	4,800	5,715	6,763
EBITDA	307	451	633	968	1,173	1,404
NET INCOME	147	276	387	577	726	887
ROE%	12.1%	20.9%	23.1%	31.1%	31.6%	31.1%
EPS	5.33	10.00	13.90	21.29	26.77	32.64

• The company happens to be extremely profitable with 326% compounded profit growth over 5 years and ROE currently signalling around 30%.

• K-Pit technologies has engineer centres in various continents including Europe, USA, & in-house country. On business front, it has made huge collaborations with top leading companies in the world, invested in various technologies to cater to original equipment manufacturers and aims to add at least 2-3 new clients in FY 25.

• They aim to be a market leader in their segment and recently have made a huge investment in a Swiss based Startup AirConsole and on the Strategic Deal with BMW, soon the gaming technology will be available to individuals in BMW i7 enhancing luxury car experiences.

Overall, it could be said. AI is the future and KPit Technologies contributes to just that. With healthy financials & strong balance sheet the stock is positioned for highly sustained growth in the coming times making it a lucrative investment for its investors.



Technical Analysis

The Stock has maintained strong hold at the levels of 1320. Buy at CMP with SL at 1400 and Target around 1600.

adani

ADANI PORTS AND SPECIAL ECONOMIC ZONE

CMP: 1317.40

Target:1600.00

Adani Ports and Special Economic Zone Limited (APSEZ), India's largest private port and Special Economic Zone was incorporated as Gujarat Adani Port Ltd (GAPL) on 26 May, 1998 to develop a private port at Mundra, on the West Coast of India. The Company is in the business of development, operations and maintenance of port infrastructure and has linked multi product Special Economic Zone (SEZ) and related infrastructure contiguous to Port at Mundra. It operates ports in Mundra, Dahej, Hazira, Dhamra, Ennore and Kattupalli.

Fundamental Analysis

• Adani Ports have said to have around 100% growth in the stock price for FY 24 while recently hitting its 52-week high at price Rs. 1415. This comes in as the company sited to have handled its highest ever monthly volume business for 38 metric tonnes in March 2024.

Details	2021	2022	2023	2024	2025	2026
REVENUE	12,550	15,934	20,852	26,781	30,893	34,795
EBITDA	8,699	8,879	10,947	16,044	18,755	21,317
NET INCOME	4,994	4,728	5,310	8,561	10,603	12,373
ROE%	16.4%	12.4%	11.7%	17.7%	19.0%	19.4%
EPS	24.58	23.13	24.58	39.02	48.67	58.02

• On the work front, majority of the Indian Cargo volumes were routed through APSEZ Ports in FY 24 which is estimated to be around 420 metric tonnes citing a 24% growth in total cargo volumes.

• Adani Ports witnessed staggering growth in Sales revenue for about 22% projected at all time high near to 20,800 crores while compounded growth stands at 21% for the past 3 years. The same is reflected in its net profits with an annual growth around 9%.

• Dec 2023 also saw an increase in FII investment with alongside asserting a healthy ROE of about 14%. Expansion plans are always intact for the following stock. Recently Adani Ports acquired 95% stake in Gopalpur Ports for a valuation of 3000 crores which will increase its presence in the Indian East Coast.

The overall outlook for Adani Ports is very optimistic and indicates a great future for the investors. The company Financials are in place with a huge vision for vigorous growth in future, which will in-turn be impacted in a positive share price duplicating similar returns as before in forthcoming years.



Technical Analysis

Post Breaking its resistance levels, the stock has been trading in an upward positive trend. Buy at CMP with SL at 1210 and Target around 1600.



BHARAT ELECTRONICS LIMITED

CMP: 234.60

Target: 300.00

Bharat Electronics Limited (BEL) is a Navratna PSU under the Ministry of Defence, Government of India. It manufactures state-of-the-art electronic products and systems for the Army, Navy, and the Air Force. The company has also diversified into various areas like homeland security solutions, smart cities, e-governance solutions, space electronics including satellite integration, energy storage products including e-vehicle charging stations, solar, network, cyber security, railways, metro solutions, airport solutions, Electronic Voting Machines, telecom products, passive night vision devices, medical electronics, composites, and software solutions.

Fundamental Analysis

- The company's financial operations in the last few years provide valuable insights into its growth and sustainability in the competitive market. Company's Total Revenue surged to INR 18,015 crores in 2023 from INR 14,234 crores, representing a good compounded annual growth of 11% in the last three fiscals. Company's OPM% remains almost steady and stood at 23%, indicating company's sustained operational efficiency.
- Talking about company's Net Profit, continues to exhibit positive momentum from last three years and grew at a CAGR of 18%. Moreover, company's ROE% and ROCE% remains strong and was at 22% and 26% respectively, reflecting company's effective utilization of its capital and equity.
- As of December 2023, BEL's financial performance remained promising, with the company continuing its growth trajectory. The Operating Profit and PAT increase further by 24% YoY and 40% YoY individually, fueled by the company's strategic initiatives and a favourable industry outlook.

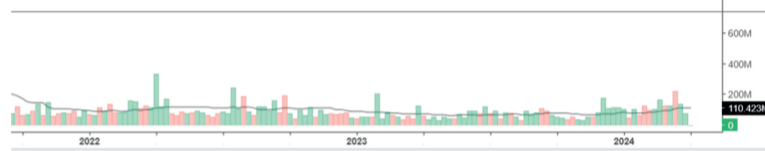
Details	2021	2022	2023	2024	2025	2026
REVENUE	14,109	15,368	17,734	20,248	23,560	26,846
EBITDA	3,211	3,341	4,086	4,709	5,458	6,317
NET INCOME	2,099	2,399	2,984	3,673	4,205	4,859
ROE%	19.0%	19.5%	21.5%	24.9%	25.7%	26.4%
EPS	2.87	3.28	4.08	5.00	5.73	6.64

Looking ahead, BEL is well-positioned to capitalize on the burgeoning opportunities in the defence electronics sector. With the Indian government's focus on indigenization and modernization of defence equipment, BEL stands to benefit from increasing defence expenditures. Furthermore, the company's strong research and development capabilities, coupled with its established track record, provide a competitive edge in securing new contracts and projects. With a favourable industry outlook and promising opportunities in the defence electronics segment, BEL is poised for continued success in the coming years.



Technical Analysis

The Stock is continuously trading in an upward positive trend. Buy at CMP with SL at 190 and Target around 300.



JB CHEMICALS

CMP: 1901.15

Target: 2100.00

J.B. Chemicals and Pharmaceuticals Limited, established in 1976, is one of India's leading pharmaceutical companies. An integrated, publicly listed organization with a focus on supplying affordable, quality products both in India and internationally, JBCPL is trusted by healthcare professionals globally.

Fundamental Analysis

- India has been facing one of the highest air pollution strike rates in the recent times concerning various health issues for many individuals. The company's main aim is to provide high quality products that too come at low costs benefiting both the parties to maintain effective cost structure.
- JB Chemicals has registered around 30% compounded profitable growth over past 5 years and around 6% growth in annual net profits with a staggering figure of around 400 crores with a huge potential to grow in future.
- The share price of the stock has been growing constantly where in the month of February the stock hit its all-time high and has huge potential to further break that due to its healthy fundamentals.
- Sales are at all-time high garnering around 3150 Crores with a visible improvement CDMO business besides impressive operating margins at around 22%. Company maintains low debt with FI's rising their stake in the current financial year.
- The company aims to launch new products with significant development in acute & Probiotic business. invest in manufacturing units scaling up production and further expansion across boundaries.
- On the Business front Company lower margin South African Business and its acquisition of Novartis Opthal brands in India have turned out to be extremely beneficial making them one of the top players in the market.

Details	2021	2022	2023	2024	2025	2026
REVENUE	2,043	2,424	3,149	3,598	4,049	4,548
EBITDA	560	543	696	907	1,053	1,217
NET INCOME	449	386	410	574	709	891
ROE%	24.8%	18.1%	16.5%	20.9%	21.8%	21.2%
EPS	28.98	24.93	26.48	36.92	44.91	54.63

Healthcare is the need of the hour and is extremely important in today's day and age. The demand for the sector is going to further rise in future and with high quality products offered by the company alongside the expansion plans JB Chemicals is on the road to accomplish its much-anticipated growth, higher profitability & stronger financial ratios. Thus, boosting high amount of confidence in investors.



Technical Analysis

Trendline Support. Buy at CMP with SL at 1750 and Target around 2100.



VARUN BEVERAGES LIMITED

CMP: 1515.60

Target: 1650.00

Varun Beverages is the second largest franchisee in the world (outside US) of Carbonated Soft Drinks (CSDs) and Non-Carbonated Beverages (NCBs) sold under trademarks owned by PepsiCo and a key player in the beverage industry. The company produce and distribute a wide range of CSDs, as well as a large selection of NCBs, including packaged drinking water. PepsiCo CSD brands sold by the company include Pepsi, Diet Pepsi, Seven-Up, Mirinda Orange, Mirinda Lemon, Mountain Dew, Seven-Up Nimbooz Masala Soda, Evervess Soda, Duke's Soda and Sting. PepsiCo NCB brands sold by the company include Tropicana (100%, Essentials & Delight), Tropicana Slice, Tropicana Frutz, Seven-Up Nimbooz, Gatorade and Quaker Oat Milk as well as packaged drinking water under the brand Aquafina.

Fundamental Analysis

- Varun Beverages Ltd. has exhibited a strong financial performance over the past three fiscal years. The company has consistently reported an impressive growth at a CAGR of 36% in revenue, showcasing its ability to capture market share and meet consumer demand. Additionally, the OPM% shows a positive trend, increasing steadily from 18.61% in December 2020 to 22.39% in December 2023, indicating the company's ability in maintaining its margins due to effective pricing strategies and operational efficiencies.
- VBL's net profit also showed a healthy CAGR of 84% over last three fiscal years. This growth can be attributed to various factors, such as the introduction of new products, expanding distribution channels, and effective marketing strategies.

- Furthermore, company's ROE also demonstrated a positive trend, increased from 9.33% in calendar year 2020 to 29.64% in Dec. 2023. These improvements indicate the company's ability to generate better returns for its shareholders. Additionally, the company has managed its debt well, with a healthy debt-to-equity ratio of 0.72, which indicates its ability to meet financial obligations without excessive reliance on borrowed funds.

- Talking about the quarterly performance, company has displayed a robust financial performance and the recorded revenue for the December quarter was INR 2,677 crore, up 20.39% YoY. The company's net profit was INR 132 crore, up 77% YoY.

Details	2021	2022	2023	2024	2025	2026
REVENUE	8,823	13,173	16,043	19,949	24,204	28,365
EBITDA	1,655	2,788	3,610	4,491	5,479	6,557
NET INCOME	694	1,497	2,056	2,551	3,220	4,039
ROE%	17.0%	29.3%	29.6%	31.4%	30.1%	30.1%
EPS	5.34	11.53	15.82	19.47	24.72	31.09

Overall, Varun Beverages Ltd. is well-positioned for continued growth and success. The company has a strong product portfolio, a wide distribution network, and a robust marketing strategy, all of which contribute to its competitive advantage. Additionally, the company leverages its strong brand presence and customer loyalty to drive sales and improve profitability, making it a promising option for long-term growth.

Technical Analysis

The Stock has been trading continuously in an upward positive trend. Buy at CMP with SL at 1400 and Target around 1650.



TVS MOTOR COMPANY

CMP: 2072.65

Target: 2200.00

TVS Motor Company is the flagship company of TVS Group. It is the third largest two-wheeler manufacturer in India. The Company manufactures two wheelers, three wheelers, parts and accessories thereof. It has an annual production capacity of 4 million 2 wheelers & 120,000 three wheelers. It is one of the leading two-wheeler and three-wheeler exporters from India, distributing to over 60 countries. It's manufacturing plants are located at Hosur in Tamil Nadu, Mysore in Karnataka and Nalagarh in Himachal Pradesh.

Fundamental Analysis

- Overall Auto Sector has been in the news since the Budget Announcement as we heard optimistic news specifically related to Electric Vehicle. Government plans to expand support and strengthen the EV ecosystem by enhancing manufacturing & charging infrastructure in the country. Henceforth, huge investments are expected in the sector and is expected to grow in the coming times.

- TVS Motor Company has seen visible growth in its Sales of around 30% year on year basis with profits being at an all-time high for around 1300 crores, an increment of around 80% annually and 25% compounded profit growth over 3 years.

Details	2021	2022	2023	2024	2025	2026
REVENUE	16,751	20,791	26,378	31,659	36,952	42,109
EBITDA	1,429	1,962	2,675	3,520	4,390	5,195
NET INCOME	612	894	1,491	2,118	2,743	3,403
ROE%	14.7%	18.5%	24.7%	30.3%	30.2%	29.5%
EPS	12.88	18.81	31.38	44.69	57.69	71.10

- On the business front, TVS Motors announces its entry into the French market where it displayed its variety of models at Salon du dues roues Lyon. TVS Signed a deal with Zurich based firm Emil Frey for the distribution of it 2-wheelers in the European market.

- TVS Motors has various expansion plans. In a recent development the company increased its stake in ION mobility which was done through Singapore Subsidiary. The company grew its stakes to 25% by investing around 5.5 million dollars.

- Factors listed above enable the stock to grow in the foreign markets as well as become a dominant leader in South-East Asia with the premium electric vehicle segment as supported by strong financials for the stock to emerge as highly successful investment.

As mentioned the sector is being backed and supported by the Government with the world moving towards electronic vehicles, which definitely is the future makes the stock a promise able investment considering the overall robust financial structure of the company and with the vision of becoming a global market leader.

Technical Analysis

The Stock has been trading positively in an upward channel pattern. Buy at CMP with SL at 1950 and Target around 2200.



ITC LTD

CMP: 437.25

Target: 520.00

ITC Ltd is one of India's foremost private sector companies. ITC has a diversified presence in Cigarettes, Hotels, Paperboards & Specialty Papers, Packaging, AgriBusiness, Packaged Foods & Confectionery, Information Technology, Branded Apparel, Personal Care, Stationery, Safety Matches and other FMCG products. While ITC is an outstanding market leader in its traditional businesses of Cigarettes, Hotels, Paperboards, Packaging and Agri-Exports, it is rapidly gaining market share even in its nascent businesses of Packaged Foods & Confectionery, Branded Apparel, Personal Care and Stationery.

Fundamental Analysis

- First & Foremost ITC is almost a debt free company which means no interest expense and money can be used for further expansion plans and growth story. It has garnered huge FII Investments which stands around 43% making it a bullish investment amongst foreign investment.

Details	2021	2022	2023	2024	2025	2026
REVENUE	49,273	60,668	70,937	69,751	76,661	85,086
EBITDA	17,003	20,658	25,665	25,729	28,395	31,696
NET INCOME	13,161	15,243	19,192	20,610	22,415	24,776
ROE%	21.8%	24.4%	27.8%	29.5%	30.8%	33.3%
EPS	10.69	12.37	15.44	16.43	17.71	19.71

- On the Financial Front, the stocks stock has portrayed extremely healthy results with an annual sales growth of around 16% recording highest number of sales at around 70,500 crores which is also reflected the net profits with 25% growth annually.

- Shareholders' investment has turned out to be lucrative, which is reflected in profitable ratios. ROE has risen from 25 to 29% whereas ROCE saw an extensive rise from 33% to 39% indicates high quality capital management.

- Company's Operating cash flows are extremely positive and has risen from around 15,700 crores to 18,878 crores in the last financial year. On the work front, ITC is well diversified with various products line such as cigarettes, FMCG, agri & IT. By providing, high quality products they are market leaders in their segment and plans in go very big digitally through Unnati ITC's B2B and Sixth Sense which is a sensing engine, helps them collect data regarding latest trends and customer behavior.

FMCG sector has always been in huge demand and being the market leader gives them the plus advantage. Effective product portfolio, positive outlook, profitability, strong fundamentals will ensure conquering various opportunities in future and expansion plans. Market position is in the favor of the company which could huge ensure huge growth in terms of stock price and favorable returns to the investors.

Technical Analysis

The stock is maintaining strong hold at the levels of around 400. Buy at CMP with SL at 380 and Target around 520.



*All Values are in Crore