

**Editorial**
**Vol -1, No-I, 29Apr 23, 09 pages**

RIL announced super results what did you gain..? Insiders booked profits and enjoyed. Well Alok reported big loss and stock corrected from Rs 30 to a low of Rs 12 and will go below 10 also as even 2024 there is big chance of reporting profits. RIL can afford it can you..?

Then why buy? We had given buy at 16 and exit at Rs 30. Now see RIL has 222 subsidiaries which will rise to 300+ as they are in the process of taking over many unrelated businesses where they are entering a fresh. We should buy stock in anticipation and exit when RIL takes over. Just Dial we had given exit at 1050 and see what happened

I had been telling you about AKAR and now it is Rs 84 from 65 which is just tad away from all time high of Rs 95. Again the operator game there. M D was in JAIPUR last week to attend a marriage and 2 FPI met him and he refused to dilute at this market cap. He clearly mentioned R L steel is their main focus and major profits comes there. They may merge R L Steel if they want to value unlock as they need 2000 crs market cap before dilution. Growth is not an issue as R L steel is supplying all raw material to AKAR and they have sales to all AUTO companies.

Fact is that we should by stock like ARTEFACT which have 50% IBITDA margin which is higher that INFY RIL ITC and very small base of 17 crs revenue and 7 crs equity. We were told that revenue will rise to 45 crs in FY 24 (make your due diligence) and so the profit in same %. This is possible due to small base and that is NUMERO UNO is interested. If LMW with no that great fundamentals can rise to 13000 low of rs 700 in 2020 then why not ARTEFACT Projects. Also please bear in mind without INFRA growth India cannot reach 7 tr \$ economy. Hence this co the details of projects already shared in R I section should be kept on radar. If promoter is willing to sell co I have no doubt in my perception of buying the co at 40 crs. *You need to invest only Rs 16 crs as you need to buy only 40%. Well I can do it. You will realize that you missed the BUS only when it cross ATH. Better think now*

**Change of the week**

	29-Apr-23	Rise /Gain
Sensex	61112	1491 
Nifty	18065	451 

**Net Investments ( ` Cr)**

	FII	DII
24-04-2023	(336.0)	1177.1
25-04-2023	(361.9)	563.6
26-04-2023	1443.5	(227.8)
27-04-2023	3935.8	97.0
28-04-2023	3304.3	264.2
<b>Total</b>	<b>7985</b>	<b>1874</b>

**Turnover ( ` Cr)**

	FII	DII	Combined
<b>29-Apr-23</b>	<b>82,588</b>	<b>57,848</b>	<b>1,40,436</b>

29-Apr-23	Advances	Declines	Ratio
BSE	2179	1314	1.65

Management do come in play when price corrects. Vipul management stepped in to buy 7.7 lac shares at 111 to pump money for funding acquisitions. AKAR too want but they are close to 75% and hence they cannot so possible way is merger. ARTIFACT yes possible because they are diluted to 39% already and they cannot afford for further dilution. One group has already acquired 13% stake and if they raise to 25% and file open offer company goes from their hands.

We picked KRSNAA diagnostic at 370 not at 985,we picked PAYTM at 470 not at 1800 hence every stock has to be picked at right price. I can give examples of hundreds of stocks for that matter. Best is INTEGRA. Now we have zero cost and price is Rs 160 and at 1600 you will say thanks CNI. If you ignore any co with 50% IBITDA howsoever small it is only you will miss that opportunity. Someone else will always jump on.

**REAL ESATE, INFRA, AUTO, METALS, COSMETICS and RAILWAYS** are the five sectors I have been shouting pre Budget. RVNL rose from 28 to 88 no one can match our call. Integra rose from 53 to 160. Now we focus more on power, food and infra. In Infra Only one stock which merit our attention that in small baby called ARTIFECT PROJECTS with strong Balance Sheet though nos are very small which should be considered as biggest positive.

We do not have to anything stupid in RAILWAYS and Cosmetics as TATA and RIL will do the necessary work. We do not have to even bother about metals as this has become India epic center. Auto is every green now. Last remained is INFRA. Now whether you want to buy IRB or ARTIFECT is your choice. I recommended IRB first at Rs 40 and now you all know the price. Wait and see what happen in ARTIFECT in next 2 years.

I have been picking stocks on different criteria. When I picked SANDUR there were losses. When IU picked Vishnu there were losses. When I picked VIP DILIP PIRAMAL told me his co is shit and do not buy. All these stocks are now giving numbers. Therefore if you want to succeed in capital markets please look into valuations matrix rather than nos. It is very ordinary investors buy seeing nos and not HNI. I buy ideas as if am buying companies. When you buy businesses you will succeed not otherwise. E g SUNIL AGRO current market cap 55 crs revenue 200 crs which promoters will sell shares at 55 crs market cap..?

5 Top Gainers			
Stock	28-04-2023	24-04-2023	% Gain
RVNL	107.6	77.5	38.8
GSFC	159	123.4	28.8
INDIA BULL REAL	72.8	56.8	27.9
HIND OIL	164.6	135	21.9
MANGALORE REF	64.2	53.2	20.5

5 Top Losers			
Stock	28-04-2023	24-04-2023	% Loss
BCG	9.27	11.9	22.4
IPCA LAB	709.6	841.3	15.6
CROMPTON	255	295.5	13.6
AAVAS FINAN	1387.7	1578.5	12.0
MEGHMANI FINE	951	1048.3	9.29

Top 5 Picks By CNI 'A' Group	
Company	
Tata motors	
Reliance ind	
Sail	
PFC	
ICICI bank	

Top 5 Picks By CNI 'B' Group	
Company	
ON MOBILE	
BF UTILITY	
DREAM FOLKS	
ARTEFACT	
Patanjali	

then why is he listed ? 25% free float means he require just 12 13 crs to get its shares de listed which is not the purpose of the promoter. Right. Same thing is with GTV current market cap 80 crs revenue from ENGG 120 140 crs means 400 crs should be the fair value of ENGG alone means 1500 per share. Then comes power and food. Please note that we value BSE with comparison of NSE why can't we value GTV in comparison with DUNCAN and KLBURN. Engg business get 5 times higher valuation than normal businesses.

There is list in circulation where we saw holding of RJ VK MA MK and many others and in all this there is common feature that they have bought shares in crores therefore they have right to create wealth. We retail rely and wait for their entry. E g ELECON Engg VK entered. Earlier CERA VK made the price. So in what new crop stocks they are going to enter sooner than later as these are next breed of small caps and mid-caps.

Therefore even today if you can switch from large caps and space some money towards GTV SUNIL and ARTEFACT etc you will be in best investment space. Mankind IPO avoid as we do not find anything left on table for retail. My thoughts given through a quote below.

A gr will remain volatile due to Dow and results. Micro caps safe bets due to lower base. SUNIL GTV and ARTEFACT should be kept under radar.

Read the valuation matrix of GTV and compare with RVNL where CNI had issued buy report at 31. Copy of the report will be shared free on request. RVNL now became Rs 103 and still going cheap. Similarly we will realize the value of GTV only when it cross 700 800. Today seen many brokers issuing upgrade in ELELCON ENGG when they were missing when it was Rs 40 50.

Comparison of stock has to be done on business value. Earnings and profits will follow. My call buy rest is your call. SUNIL greatest FOOD co, GTV ENGG POWER and Food and ARTFECT one of the best INFRA co with 50% IBITDA margin.

Nifty will see massive action once cross 18200.

Food crisis spread in Russia also and they contacted Indian Govt for food supplies. Govt is opening exports channel of all foods to Russia as Govt supplies are meant for local consumption. ITC Dabur GTV ENGG and SUNIL AGRO should benefit from this. How long these small caps will be kept under wrap. It is good that someone is selling and some one accumulating. In 2 days more than 35000 shares changed hands in GTV that is more than 1% of the equity when the flow is not the big.

TATA Motors will be set with following multiple triggers

TATA MOTORS became second largest auto co in India

TAMO largest E V co in India and second in the world

JLR turned around and INITDA will be in green

In 2 years TAMO will be debt free

TATA Technology IPO will add Rs 200 per shares to TAMO valuations

TATA MOTORS trades at 1/10 of global peers because it is listed in INDIA

Apart from CHINA UK now Russia becoming one of the big market of TATA EV's

PV CV and EV will have separate valuations.

SOTP will be more than Rs 3 lac crs in less than 2 years means 100% rise

In short very soon we will see this stock at Rs 750, 900 then magic stock. CMP 480 is cheap considering the massive Q4 nos coming in. With RJ and many others in this stock it will be super story.

Vipul Organics after testing Rs 85 has started rising one way. As per my source a leading PMS guy started accumulating this stock who had entered INTEGRA at 90. Integra became Rs 170 and daily volume is 2 lac shares which market love it.

Vipul Once cross Rs 250 volumes will be 2 lac shares on daily basis.

BSE became Rs 521 after testing 420 and only CNI knows what is there in BSE. We see following triggers in BSE which can make this stock again Rs 3000 +

Zerodha holds 3.5% stake

Another fund heard buying 3.5%

BSE is trading at 9000 crs market cap when NSE is trading in unlisted at 3 lac crs The day NSE IPO get cleared BSE valuations will rise to 30000 40000 crs easily which means 4x from hereon

BSE announced ( media story ) that they are closing derivatives. Stock up 25% why. Because they will alternatively merge Gift City subsidiary in BSE. Gift City does not have taxes. That means NSE volumes of FPI NRI and DII will shift to BSE derivatives.

BSE have robust business model where question of loss does not arise

BSE have raised listing fees year after year and this year too and CNI knows it because CNI is also listed on BSE

BSE has robust penalty model and with 5000 listed co and SOS circulars many companies are unknowingly violating listing guidelines and paying penalty

BSE have own Building

BSE has CDSL subsidiary which is more valued than BSE not reflected in BSE price

Finally IEX announced bonus last year to take equity to 100 crs + whereas BSE is EQ is still Rs 27 crs post 2 for 1 bonus and will be comfortable with Rs 100 crs + Equity

It means BSE can announce 1 for 1 bonus at least 2 times

There are only 16 exchanges in the world but effective and countable are only 12 and India have 2. Means this business falls in top 10 in the world as per this segment and if think like a business house then I see stock to cross 10000 in 10 years as this is entry barrier business.

RDB saw a low of Rs 67 and now 92. Only Cni sensed the opportunity and triggered buy at 72. Same stock will be there at Rs 128 also very soon and that time volumes will be more than 2 lac shares.

*Next is GTV.. the agony of stock market. How do we know this stock will be 1500 2500 + Simple rationale. Buyers are ready to buy at upper cct. We saw trade at Rs 328 yesterday. Then volumes started. Seller want to exit at 290 why desperation..? It means the sellers is none other than the buyer and he wants to control the stock and not allowing to rise at least today fearing that his control will go away. Same thing we saw in INTEGRA at 53 55 levels and same guy gave us exit at 170. Why..? Story did not change at 53 nor at 170. Similarly no change in GTV at 290, 215 and could be no change even at 777. Fact remains SOPT valuations is Power Rs 1000 per share, Rs 400 for ENGG and 200 for food. Rest God is great. Whichever stock CNI has picked have rocketed. We will remind you what I said at Rs 700 or I forget you please remind me. J Reddy is the owner of the group and enough rich to strike big deals. Heard from sources that they are selling Gr power business at massive value which I can't put it here. Even in worst MARCH this stock did not go below 230 means stock is in safe hands.*

Artefact getting consolidated. Some placements seen in this week. If stock cross nonstop then it may go to ASM which operator does not want? May be we will see it crossing rs 65 66 next week after week's consolidation. Operators know the range where stock should be controlled and they move stocks accordingly.

Now coming to Nifty. We are at 17100 to 17800 from Sept 2021 whereas FY 23 has seen 20 % plus growth which is highest in the world. Except IT, all other sectors have given robust nos. See Bajaj gr, See tata, see RIL, Indus, HDFC SBI and more. They all are heavy weight of Indices. Therefore with 20% growth in FY 22 and FY 23 we have rose already 40% from the FY 21 levels though Nifty still stands at FY 21 levels. Means Nifty should be fairly valued at 25000 if we take into account 20% CAGR growth. FY 24 will see 28% growth. Therefore whatever world says I will buy India story with conviction.

Tata Motors at 485. The day is not too far to see 750.

We identify stocks as if we are buying businesses. When we bought RAYMONDS at 140 we knew the THANA land value and now stock is reflecting. WE bought VIP we identified the opportunity of OIL value as OIL was the main raw material for hard luggage. We identified CERA it was clear domestic consumption story. We can share rationale of each and every stock selection though I have written about them in my column to build your confidence from time to time. Your conviction gives your returns not my stock selection.

Now when I see MK I want to show you Trent results and in few years at 1700 someone will be recommending MK and I will have my last laugh. AKAR is placed in AUTO anc. Artefact in Infra, ALPINE Triveni in real estate.

Now watch R R METALS which is neglected for long and ready to blast as their sheet story getting good shape. Everest was our find and we know how this business is shaped.

We therefore always suggest buy stocks like buying businesses then only the fruits of identifying shares of 80 90 % discount will help you create wealth. From hereon Raymond may become 4500 in 5 years but % wise less than 200% whereas in the same period M K could be 1500 1700 or AKAR could be in the same range so better focus on them. Artefact one of the rare co where promoters acquired shares at 111 and sold at 50 on some operator's word. With 500 crs order book and IBITDA of 50% I would love to buy the co if management is willing to sell.

Artefact GTV SUNIL RDB Vipul MK AKAR INSPIRISYS AANCHAL RR Metal coating ALPINE TTML etc good businesses and hence value will be visible in course of time.

## Special feature

Four months of current calendar years have passed and results for FY 23 is before us in many companies. Except IT and pharma all other sectors have done well. RIL was the star performer with 222 subsidiaries. It is better we start with the note with FPI figures, whether needed or not, as most of street is always glued every day with FPI nos.

Oct 2021 to Dec 2021 (Rs 38521 crs)

Jan 2022 to Dec 2022 ( Rs ( 121429 crs) which was after deducting buying of Rs 110938 crs from 21st July 22 means the gross selling was Rs 232367 crs.

Jan 2023 till April 2023 (Rs 19959 crs) which was after deducting buying of Rs 14187 crs from 1st March till April 23 end means the gross selling was Rs 34146 crs.

Thus the summary of selling from Oct 2021 till date is Rs 305034 crs ( 37 bn \$) and buying of Rs 125125 crs ( 15 bn \$) , aggregate selling still remains Rs 179909 crs ( 22 bn \$)

FPI and DII cross matching is seen once again. In March 23 due to ADANI crisis DII AUM fell steeply from Rs 43.13 lac crs to 38.14 lac crs and during this period FPI figures were Rs 8000 crs plus. The point which I am trying to make it out is that there is no sense in seeing daily FPI figures. On occasions we have seen both sellers and markets were up and vice a versa. Therefore to remain successful you need to what market maker is doing. Without forgetting the fact that market makers enjoy DII, FPI and unknown status where only they know which account selling happened and which account buying. Therefore analyzing and acting on the basis of FPI data is useless.

Finally we saw 18000 on screen though in May series on the monthly expiry day. Thus once again from March to April we saw 1200 points rally with Rs 3000 crs FPI buying on last 2 days which is nothing but VWAP buying. Mind it , this was irrespective of the fact that Dow fell 700 points in these 2 days. So coupling and de coupling is in the hands of our market drivers which include Corporate, FPI, DII and few smart ultra HNI. Well this is a foregone conclusion that 1000 points volatility is must in order pocket the calls and put premium and that is the cream which gives more return than the basic capital. With majority of the investors inclined to trade in F and O, this business will keep on flourishing whereas traders will keep becoming poorer.

This is the vicious cycle of the current system in which even the esteemed organization like ICAI is instrumental in helping these market makers directly or indirectly. The quality of 90's Dr of CA cannot be equated with the current breed of Dr's or CA's. Today Dr will start the treatment with antibiotic or steroid whereas 90's will cure the patient with minimum medicine leave antibiotic or steroid aside. Similarly when I started my carrier I'm 90's I never felt meeting any management to find out the company's worth. From the Annual Report I used to find out the costing of company's product and profitability. There was Schedule VI Requirement to give quantitative details of company's products that is opening stock purchases sales and closing stock with quantity and value. Every CA for that matter could find out what the co is doing and how is the business operating margins hardly mattered then. In current scenario the whole starting point is operating margins and analysts which are MBA focus only this irrespective of the fact there is enough scope to manipulate the operating margins. The real break up analyst can come to know only if they have a financial model of the company. Most of the details are shared by the companies without which preparing financial model becomes a difficult exercise.

I had occasion to see few financial models made by some MBA's in some companies which remained only on paper and these companies collapsed to ground. Yet even today, Annual Report is the only documents which cannot lie. If properly scrutinized in synch with cash flow we can read the company to good accuracy. Yes, it is certainly true that in current scenario you require an analyst to understand the company. E g it is not difficult to identify good businesses. Artefact Projects a NAGPUR based company with very negligible base of Rs 17 crs revenue is trading at 40 odd crs market cap. When you analyse the ibitda for last 4 quarters it is seen than it is Rs 8 crs plus that is close to 50% ibitda margin. These numbers are better than even Infosys TCS or any A gr company. Low base can help expand Balance Sheet more particularly when there is Rs 400 to 500 crs order book. In past preferential issue was made at Rs 111 setting a benchmark price. Street cac recognize such stock only when it became 10x that is 400 500 crs market cap. Promoters did sell shares in open market, may be, to fund the projects but may buy back shares at any time as they are diluted to 39%. Why would one buy at 111 and sell at 50 ? Make due diligence before you step in, though I feel, many business houses are keen to have such company under their belt due to massive projects under execution which are shared with you all in

reliable insight section last week. Fact remains stock is very liquid which is plus point for all those who are looking to buy good quantity at throw away valuations.

As per my belief Fed will not raise more than once in 2023 that is maximum a quarter percentage. This will be followed by three cuts in 2023 and at least 5 cuts in 2024 which will bring down rate to 3% or below setting right tone of the street. Even market exhibited this strength with clear accumulation between 33000 34000 in case of Dow and 17000 to 18000 for Nifty. Both the platforms are ready to blast towards new high. I had shared FPI data above and DII inflow which is good enough set markets ablaze and whosoever bought will be rewarded richly.

In March 2023 when street was bleeding only who stood between street and you was none other than CNI who gave you all research support and confidence. You will appreciate now that you are not regretting being CNI Member. Many stocks gave 50 to 100% returns in less than 30 days. In this sense we reiterate "micro caps will only become small caps and small caps will become mid-caps and finally mid-caps to become large caps". Who expected to see Raymond's at 1700 when we gave buy at Rs 140 and chartist now setting targets of Rs 4500 but for us it either exit or hold free shares. Elecon Engg now on radar of every broker for coverage and so Jamana Auto. We should , if keen to create wealth, should buy Akar instead of Jamana 70 crs Vs 4400 crs, Vipul Organics 150 crs Vs 5000 crs Sudarshan, Integra Engg 500 crs Vs Raymond's Rs 11000 crs and so on.

At CNI we do not focus on operating profits and net profits because these parameters work in mid-caps and large caps. In micro caps what works is assets , business model, equity to sales and sales to market cap where you find diamonds like pravaage, vishnu, vip, Cera, OAL, Sandur and many more and in all such cases there were no numbers when we identified these Gems. There are many stocks which are under coverage where numbers are not visible but these are gems and in few years numbers will be visible. Efficiency counts and numbers follow. Akar you cannot pin down the Rs 400 crs revenue in comparison with 2000 crs of Jamana but see the gap in valuations. Kilburn Engg Revenue 120 crs market cap 400 crs vs Gtv Engg revenue 100 crs market cap just 90 crs power and food biz free.

Food crisis deepened with sugar hitting all time high at 28 pounds in UK and Russia becoming importer as against exporter. Though inflation is coming under control the food crisis is worsening and India is the only country blessed with abundant food supplies. Govt have restrictions to provide protection to farmers by buying agri products from them at minimum support price and distribute to people below poverty line but the advantage is really to corporates who in food business. ITC DABUR will benefit for their exposure in percentage in limited but companies like Sunil Agro Food and GTV ( samrudhhi and veena gold brands ) could turned out to be dark horses.

If want to be successful in wealth creation then pick stock as if you are buying businesses. Chances of going wrong will be very less. If you buy with flows, and high valuations chances of losing capital to the extent of 50% is very high. At times you can lose even 100%. Though risk is very high in micro caps returns are equally high and if we take average returns and even of 2 companies fail in the universe of 10 your return on capital will be more than 100% and if you follow CNI model then chances of wealth creation is very high as you develop to knack of holding stocks for 5 years to 10 years without incurring cost.

## Global Indices

Country	Indices	Date	Index	Net Change	Change %
Hong Kong	Hang Seng	29/04	19,894.57	+54.29	+0.27
Singapore	Straits Times	29/04	3,270.51	-11.52	-0.35
United States	NASDAQ	29/04	12,226.59	+84.35	+0.69
United States	DJIA	29/04	34,098.16	+272.00	+0.80
United States	S&P 500	29/04	4,169.48	+34.13	+0.83
Japan	Nikkei 225	29/04	28,856.44	+398.76	+1.40
United Kingdom	FTSE 100	29/04	7,870.57	+38.99	+0.50
Malaysia	KLSE Composite	29/04	1,415.95	-2.10	-0.15
Indonesia	Jakarta Composite	29/04	6,915.72	-29.76	-0.43
Thailand	SET	29/04	1,529.12	-2.11	-0.14
France	CAC 40	29/04	7,491.50	+7.66	+0.10
Germany	DAX	29/04	15,922.38	+121.93	+0.77
Argentina	MerVal	29/04	297,960.00	+1,151.12	+0.39
Brazil	Bovespa	29/04	104,431.63	+1,508.32	+1.47
Mexico	IPC	29/04	55,121.22	+679.06	+1.25
Austria	ATX	29/04	3,258.65	+3.22	+0.10
Belgium	BEL-20	29/04	3,801.81	+22.39	+0.59
Netherlands	AEX General	29/04	758.49	+5.89	+0.78
Spain	Madrid General	29/04	917.08	-7.58	-0.82
Switzerland	Swiss Market	29/04	11,437.14	+75.25	+0.66
Australia	All Ordinaries	29/04	7,501.00	+18.84	+0.25
China	Shanghai Composite	29/04	3,323.28	+37.39	+1.14
Philippines	PSE Composite	29/04	6,625.08	+41.40	+0.63
Sri Lanka	All Share	29/04	8,983.21	-29.19	-0.32
Taiwan	Taiwan Weighted	29/04	15,579.18	+167.69	+1.09
South Korei	KOSPI	29/04	1,735.53	+7.89	+0.46

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