

Editorial
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Nifty tested 18000 plus which no one believed except me. Nifty has to test 18800 but it will come down to 17700 once. We will buy there. Enough time there in this settlement to go long in Nifty. Right now avoid.

I will buy Nifty in dips only.

B gr stocks started rally. My best 2 stocks will be M K EXIM and BSE. M K EXIM could be 10x stock. Heard TATA will buy stake check from your sources. IT WILL GO TTML and TEJAS way.

GTV engineering looks good may see 150 levels soon.

Third will be PAYTM. PAYTM hold 8% stake in JAPENESE similar co PAYPAY which is now valued at 20 bn\$ (8% stake with PAYTM). 1.5 bn \$ in cash and Warrant Buffet entered at 1200. For me it is stock to own now. May says Govt will not allow it to make chargeable. I do not think so. GOVT will be happy. Diversion will happen to free services that is BHIM.

Paytm with 33 crs subscribers can make this a great revenue model but when this happen the price will be 2500 3000 and you will be forced to buy then.

Do you remember I had given buy in HDFC Bank at Rs 800 and told you this will be merged with HDFC and it has happened now?

Add AMD GTV SUNIL AGRO MK EXIM INTEGRA TRIVENI GLASS as it is entering in BULL phase now etc SUBEX is replica of CCD. CCD my end target is 250 so will start innings II now. Same way same guys are buying SUBEX. I am convenienced on the patent story. So stock has to cross 3 digit. Vascon changed debt from 17 to 13% and will save massive interest.

ADD TATA POWER TATA MOTORS INDUS IND HDFC BANK BHEL in A gr.

No rate hike will be done.

Change of the week

	09-April-22	Rise /Gain
Sensex	57362	499 ↓
Nifty	17153	133 ↓

Net Investments (` Cr)

	FII	DII
04-04-2022	1450.6	1675.0
05-04-2022	3486.7	105.4
06-04-2022	(1412.9)	622.9
07-04-2022	(4494.7)	1774.7
08-04-2022	(575.0)	(61.5)
Total	(395)	4116.5

Turnover (` Cr)

	FII	DII	Combined
09-Apr-22	86,570	74,027	1,60,597

09-Apr-22	Advances	Declines	Ratio
BSE	2245	1143	1.96

M K EXIM last 2 days volumes are over 5 lac shares and buyers were all insiders. It means stock is heading for super run. I was told that some CORPORATE EXECUTIVES have added in big QTY which means some corporate has interest in the co.

RENUKA SUGAR will be on dream run now.

SUBEX will be on dream run now.

So long as Nifty is above 18000 18800 will come first.

I repeat my view next 3 years is the only time to make big money. Nifty will test 38700.

RDB Rasayan cheapest stock at less than 5 PE if does not appeal us then we should leave equity.

ENJOY.

Let us start the day with PAYTM. PAYTM IPO was at Rs 2150 and I was plumb on negative as the valuations were very expensive. Now at Rs 600 or around let us see what PAYTM gives us so that we can invest big in this co.

First of all I smell some BIG hands in PAYTM crash as this was with clear intent to grab the co. This is a regular feature of market where cases were seen like ORCHD where corporate hands were seen making good businesses naked. Reason is simple. You cannot build such businesses neither have capability to build such businesses. Hence attack and try to destroy like a REAL enemy. No matter if you lose few thousand crs as the same co you will earn 100x of your losses if you succeed in buying out such businesses. No wonder even NCLT route is designed to suit such take overs.

RAJSHEKHAR REDDY if collapse for any reason the he will be selling his co but if he sustain then GOD is willing to help such people. DLF was a classical example of corporate raid. Stock went to Rs 1240 post IPO but destined to crash to Rs 60 or low for such take over action which took massive 15 20 years of DLF to come back on its feet. In the process had to pay massive price also in the form of selling some key projects.

Survival is the key. There are some companies which I do not want to name here which fail to survive and even good businesses were sold for a song. I even know the modus operandi how it works. But can't share here. Fact remains fittest will survive. And well said, in WAR and LOVE everything is possible. This is corporate RAID cum WAR.

5 Top Gainers			
Stock	08-04-2022	04-04-2022	% Gain
SWAN ENERGY	268.1	191.4	40.0
SHREE RENUKA	49.7	36.3	36.8
SURYODAY	127.6	94.3	35.3
ON MOBILE	158	118.9	32.8
RAMCO SYSTEM	362.9	281.2	29.0

5 Top Losers			
Stock	08-04-2022	04-04-2022	% Loss
TEAM LEASE	3911	4255	8.1
FRL	30.1	32.7	7.9
VMART	3556.8	3845.4	7.5
CENTURYPLY	662.5	709.7	6.6
RBL BANK	128.2	137.1	6.5

Top 5 Picks By CNI 'A' Group
Company
RIL
TATA STEEL
TATA COMMUNICATION
IEX
TATA MOTORS

Top 5 Picks By CNI 'B' Group
Company
SHEELA FOAM
ONMOBILE
ZYDUS WELLNESS
MK EXIM
AMD INDUSTRIES

PAYTM has 7.82% stake in A JAPANESE PAYMENT GATE WAY PAYPAY which is valued at 138 bn\$. 7.82 of 138 bn\$ means 10.80 bn \$ which means Rs 82000 crs investment in books. Cash in the books after IPO is Rs 1.5 bn \$ which means another Rs 11000 crs. Eq is tiny and hence if we divide the cash and equivalent of investment of Rs 93000 crs with 65 crs shares equity the value comes to Rs 1430 whereas cmp is Rs 630 which means 126% upside.

On B V side stock is trading at less than 1.5 times whereas we have habit of trading at 15 to 200 times also. So 1.5 times clearly suggest stock is underpriced.

I have not yet made full study hence will write more but for me stock at Rs 640 is clear buy. At Rs 1000 plus we will see what to do.

As reported earlier this co has changed the eco system of INDIA. There is no way that people will leave this co even if it makes Rs 100 as entry charge due to super quality, stability and ease of transactions. Govt will also allow easily as they want to see traffic increases to free APP. 50% colossal reduction can be assumed yet 16 crs means co can raise Rs 1600 crs revenue which means EPS of Rs 25 which if valued at 50 PE gives 1250 price.

Paytm clocks 6x growth in loan disbursements in FY22, says app's monthly users at highest level. They have additional services. Also RBI will clear the payment bank issue within 6 months. If we are ready to buy when this happens then be ready to enter at 1200 1400.

ALIBABA took stake. Now WARRANT BUFFET took stake at 1200. If they understand this businesses why we lose opportunity. Negatives give entry in a stock at good price.

So my targets are Rs 1000 1250 and 1400 to begin with.

No more comments today except PAYTM.

Nifty will watch for 18800. It has to cross 18200 again to create new buying force which will happen after FRIDAY.

I wrote about PAYTM yesterday and coincidence MGT gave guidance that SEPT 23 PAYTM will be in profits. Means as I said before SEPT 23 they will make it chargeable. Great stock to own.

Renuka hit upper circuit on news of WILMAR taking over RENUKA though I feel this is not correct. WILMER and RENUKA merger may come for synergy though I am not sure. We should book 50% profit as it is rising on rumour. In any case 20% cct limit means operation starts.

Following stocks due for major operations AMD (20%) GLOBAL RRMETA M KE XIM and TRIVENI GLASS which all have become 10% now. Within in next 30 60 days they will become 20% and operations will start. Add and hold.

M K EXIM management said to investors that they have brought mining in main object as they have massive land on which many minerals are found. This can change the Balance Sheet of the co and that is why they have raised the equity to Rs 24 crs. Check from your sources or speak to co but stock can really do Rs 400 ex-bonus once cct limit is done 20%.

Triveni Glass all selling absorbed and infra is the BUZZ where people are searching stocks. Please check the shareholding. ONE Fund has acquired close to 3% stake and this is FUND is very close to SINGAPOER based operator. This you can check from the connected entities of that fund and will find the private co connected with the entity is owned by big SHOT known as A P. Initials only as I can't reveal name. But his reputé is too big and he can make this stock 50X also who knows.

VIPUL became ex BONUS. Co announced news EU status which the ONLY Co to achieve this. Co has expanded next generation people as per website. It is learn from the source that co could make a very big acquisition soon. If that happen Co will fund the same either through pref issue or rights issue. If PREF the same will be to promoters only as they have been raising their stake continuously and if rights that will be a throw away price as promoter will try to take shares cheap. I feel Q4 results could be massive. If acquisition happen as I feel then Balance Sheet size could change overnight and seeing current liquidity getting this stock cheap will be very difficult.

AMD some fund has started buying. Keep watch anytime stock can hit 20% upper.

Smart people have added ARTEFACT yesterday. Big game changer stock.

SUBEX major game changer will be above Rs 65. It will become replica of CCD. Stock will do Rs 100 easily.

In A gr after TATA POWER SAIL NMDC BHEL now my focus in on TATA MOTORS.

Why I am so much bullish on TATA MOTORS..?

TATA MOTORS market cap is Rs 1.5 lac crs. Tata Elxsi market cap is Rs 55000 crs. Now consider this. TATA MPOTORS have valued EV at Rs 75000 crs and sold stake to fund. Means TATA MOTORS minus EV is at Rs 75000 crs only. TATA MOTORS hold 73% stake (rest with employees) means almost 100% only in TATA TECHNOLOGY. T T revenue 3800 crs Vs ELXSI rs 1800 crs profit in the same ratio. T T partner of BOEING. T T in my opinion should be valued at Rs 110000 crs. ELXIS will rise to Rs 100000 crs in next 1 year means even TT will become Rs 2 lac crs. Now even we give 50% to TAMO being parent then also it should be Rs 1 lac crs which also means TAMO is available at minus Rs 25000 crs currently. Another subsidiary TATA HITACHI too have massive valuations though exact nos I will not share now not being relevant.

Another angel TAMO is the largest E V co in INDIA and becoming GLOBALLY also. Every 3rd vehicle sold in CHINA is from JLR. Same is the state in EUROPE too. With already present in 6 EV other cannot even come closure to TAMO.

TAMO is all set to split biz in E V, P V and Core LCV HCM. So there could be 3 biz.

POSCO failed to get approval for 20 years and had to join ADANI with 5 bn \$ investment plan. MUSK trying to enter INDIA and will fail for sure. MUSK has no choice than to approach TAMO in INDIA. When TAMO happen will be Rs 2000 to 3000 easily. My end target is Rs 5000 plus.

Very soon I will write on TATA COMMUNICATIONS also. I feel this is Rs 3000 stock. Will advise to add more once cross Rs 1350 the biggest resistance. Counter is massive short. Lot of punters have sold calls in this co hence all potential to become Rs 1400 in this settlement only. Wait and watch. Avoid trading in F and O and options.

I wrote on PAYTM you accepted. I wrote on TATA MOTORS you accepted. Even before I write you acted on TATA COMMUNICATIONS.

We closed our call on AMD and hence you may decide whether you want to exit or hold. Some profit booking is always must.

DISH TV was first recommended by CNI team at Rs 5. Now it is rs 18.5 and stock will go to Rs 60 70 80 as we are haring the hands are changing soon. DISH is ZEE gr co and with ZEE exits is back on its tow. Chandra can sell Zee media and Zee learn and DISH TV to manage Zee. Bharati is strong contender for DISH ANTENA's hence DISH could be the valuable assets.

Now let see HOSPITAL chain valuations. UNITED HELTH GR of USA which at par with APOLLO Hospital is close to valued at 480 bn\$. Apollo is 9 bn \$ whereas ARTEMISMED though small in size but fast expanding is just valued at less than 90 mn \$. Yes the size of UNITED and APOLLO is not comparable but for sure the GURGAON based co which is part of APOLO TYRE GR cannot be valued at 90 mn \$ as far as my knowledge is concerned. We will share bed wise comparison in course of time but to my mind this is stock which should become 10x to catch the peers. With promoters integrity and well acceptance in the market 90 mn \$ is pea nuts.

VIPUL ORGANICS has found takes ex-bonus. CUM and Ex price is same which means you got 25% returns. We have visited the plant yesterday. It seems TARAPUR facility is doing extremely well. This is the ONLY co in INDIA which makes pigments in paste form. Even SUDARSHAN does not do in paste. Advantage 10% cost saving as there is no wastage. Also labor cost is also saved. Past is direct application. We understand the export domestic sales ratio has come to 60 : 40 as co has expanded its reach in domestic market faster. Domestic price are higher than exports clients being likes of ASIAN paints. Best part is SUDARSHAN is buyer from VIPUL some pigments which means VIPUL is more superior to SUDARSHAN as far as technology is concerned. They are about the get the AMBARNATH expansion approval post

which capacity will rise to 350 mn tons per month as against 180 mn tons. They are planning to take it past 1000 tons a month. SUDARSHAN is at 1000 tons. 35% of SUDARSHAN whereas market cap just .4% SUDARSHAN.

TRIVENI GLASS if the value is not attractive the fund would not have bought 3.4% stake in the co. The very fact that FUND bought means they have done their homework. Add as much as you can before it comes in normal gr which should happen as early as 30 days max now. Once it is on normal gr I feel all those who were deprived to but this stock will join the band wagon. As of today only 3% investors can buy as 97% brokers di not entertain buy orders in this script. Though it is injustice to all nothing can be done as this is a system.

Special feature

Nifty closed near 17900, but not before making a top of 18170, which itself is an achievement as most of the street players were on record that 18000 is now history. It was only me holding fort right even at 15673 and thereafter with a positive bias for 18800, 19500 and 21000. My assessment came right as Nifty crossed 18000. The sharp move from 17800 till 18170 was nothing but short covering which of course did not sustain, and market corrected till 17680. This was much required if read correctly since the market needed fresh short trap and it happened. Most people were with negative bias for 17200 and that's it. Market had to take a U-turn. The weekly settlement was the right trigger to bring it below 17700. Come Friday and we saw a high of 17944 which closed near 17900. We should now see opening above 18000 on Monday, which again will set a right tone and will not allow easy short covering. Major short covering will come above 18170 being the recent high and this should lead us to new high in APRIL itself.

Well, leave aside Nifty, I am seeing real broad-based rally across the board. Large caps showed real power and intent. TATA POWER moved from Rs 230 to Rs 295 like rocket which was followed by BHEL, ITC, SBI and TATA COMMUNICATIONS. The last stock seems excessive short as call sellers are found on the wrong end this time. Bank Nifty also showed its character and is all set to cross the magic figure of 40000. ITC stole the limelight to close above the break level of Rs 265. Now, no one can stop the much-joked stock from crossing Rs 320. As reported earlier in notes, ITC is a candidate of 4 digit, and this is right prescription at the right time. Therefore, after stunning calls in BHEL and TATA POWER, I feel TATA COMMUNICATIONS and TATA MOTORS will be the stocks to watch. One more stock I have zeroed on for buying at every DIP is PAYTM.

I have always stayed away from IPOs for various reasons, one of them being valuation. I do not understand any company which is valued at PE of 20, when investors are not even ready to buy at stocks with PE of 6 available in the secondary market. I had written in the past and have no hesitation in writing again that the IPO market is controlled by a very small segment of HNIs, FPIs, DIIs and BIG merchant bankers where shares are allotted to anchor investors at a discount and then the stage is set. If public over subscribe, then the share will crash by 50% post listing and if public do not subscribe, then it will become 5-10x. Who will gain and who will lose, you can understand? Two classical examples; PAYTM where large public participation was seen, and the stock crashed whereas NYKAA held even at 1600 PE as public stayed away seeing the high PE. Now see the history as reported by ET which is as under...

In the past 10 years,

- 543 new stocks got listed
- 62.2% stopped trading
- 3% fell by more than 80%
- 6 stocks turned into penny stocks (below Rs 10)
- 4% dropped by 50-80%
- 15% are trading below issue price
- 6% rose by 10-50%
- 5% were 50-100% up
- 6% were 100-300% up AND
- 15 stocks increased by more than 300%

From this analysis, it is seen that only ~17% IPOs are success stories giving 10% to 300% returns whereas ~62% stocks have stopped trading itself. These 17% are those stocks where public did not subscribe at all. In other words, we see 100% losses to public in IPO which is a sad story in INDIA.

Now consider those 62% companies which have collapsed, they have raised an average of Rs 500 to 700 crs, as IPO size is now minimum Rs 500 to 700 crs, yet no employment is generated. The limit for SME IPO is maximum Rs 25 crs. Who will fill the big vacuum from Rs 25 crs to Rs 250 to 300 crs, the small and medium enterprises looking for growth capital...? I feel this is the SEGMENT which requires attention, where it has a capability of creating massive employment through pyramid system. Those who raise Rs 700-1000 crs do not bother about the judicious deployment and finally fail which is reflected in the data, that 62% of the IPOs stopped trading. A promoter with Rs 50,100 or 200 crs fund raising is more careful in proper deployment and creates employment. Most of the defaults have come from bigger companies where NPA kept on ballooning. The system needs a massive change in this regard which will not only reduce NPA but also create 10 times higher employment. From another angle, it is seen that a company raising Rs 1000 crs creates employment for 500 people whereas a company raising Rs 100 crs also creates employment for 500 people not 5000.

Anyways, about PAYTM, I was negative from its IPO time, but turned positive from Rs 540 on valuations. PAYTM management says that they will be EBITDA positive by September 2023. Well, I do not know what the value post Sept 2023 should be, but for sure even today I feel it is worth Rs 1400. It holds 7.82% stake in PAYPAY, a JAPANESE payment gateway with market cap of 138 bn \$. Thus, PATYM has approx. 10.8 bn \$ investment, which is 2.2 times higher than its current market cap of Rs 37000 crs. (Check exact figures from google). Apart from this, they hold 1.5 bn \$ cash in books and trade at around 2 times its book value. Many surprises are lined in this stock, and I feel chances of failing are minimal whereas they will bounce back once they generate cash from any of the sources.

Similarly, I am extremely bullish on TATA MOTORS for valuations. The EV biz is now valued which you all know. Very soon we may see PV and CV getting separate valuations. The best part is that one has to understand, how much you value TATA TECHNOLOGY at, where TATA MOTORS hold 73% stake. Tata TECHNOLOGY is double the size of TATA ELXSI in terms of revenues and profits. They also have association with Boeing. With CHIP manufacturing plans in INDIA, these companies may have major benefit. All said and done, my spread sheet suggests that TATA MOTORS is available at free. Also, TATA's had subscribed warrants at Rs 440 so we are equally good as the promoters in the current market price.

Last week I wrote why *M K EXIM* gave 2 shares for 1 share as bonus. Couple of issues to highlight. See BSE's announcement of 29th Dec 2021 which seems gone unnoticed. The company had launched its *4th product "K18 BIOMIMETIC HAIRSCIENCE"*. Thus, they are focusing on classy brands which are creating value. If we just look at MARICO, which is mainly into OIL, it is valued at Rs 67000 crs. M K EXIM has potential to become a really big company, as they have plans to launch few more products in the times to come. *There was also a surprise when the company changed its main object to include mining*. When researched, it is seen that they have good land bank with abundant minerals in it (please check it from the management or your sources). Though the company does not want to be labeled as a mining company, *it can add good cash flow to the existing business* and once you have cash stream, expansion of business becomes easy. Thus for me M K EXIM is stock of future which is a definite multi bagger.

Lastly as mentioned in my previous note, most of the small cap companies are filling the gap and coming back to its 52-week high. Few have even crossed the mark. So, this is the segment which can give returns over 100%. Hence, I will suggest getting in touch with TEAM CNI to know such stocks which can benefit you based on our research.

With my target of 18800 in the coming weeks, I rest here and will try to see how the market behaves post the RBI event, which got over yesterday.

Global Indices

Country	Indices	Date	Index	Net Change	Change %
Hong Kong	Hang Seng	09/04	21,872.01	+63.03	+0.29
Singapore	Straits Times	09/04	3,383.28	-20.95	-0.62
United States	NASDAQ	09/04	13,711.00	-186.30	-1.34
United States	DJIA	09/04	34,721.12	+137.55	+0.40
United States	S&P 500	09/04	4,488.28	-11.93	-0.27
Japan	Nikkei 225	09/04	26,985.80	+97.23	+0.36
United Kingdom	FTSE 100	09/04	7,669.56	+117.75	+1.56
Malaysia	KLSE Composite	09/04	1,607.29	+6.50	+0.41
Indonesia	Jakarta Composite	09/04	7,210.84	+83.47	+1.17
Thailand	SET	09/04	1,686.00	+3.59	+0.21
France	CAC 40	09/04	6,548.22	+86.54	+1.34
Germany	DAX	09/04	14,283.67	+205.52	+1.46
Argentina	MerVal	09/04	92,091.48	+533.31	+0.58
Brazil	Bovespa	09/04	118,322.26	-539.86	-0.45
Mexico	IPC	09/04	54,687.25	-593.34	-1.07
Austria	ATX	09/04	3,231.18	+77.19	+2.45
Belgium	BEL-20	09/04	4,221.39	+58.24	+1.40
Netherlands	AEX General	09/04	724.75	+8.22	+1.15
Spain	Madrid General	09/04	856.57	+13.98	+1.66
Switzerland	Swiss Market	09/04	12,507.69	+135.23	+1.09
Australia	All Ordinaries	09/04	7,772.00	+37.22	+0.48
China	Shanghai Composite	09/04	3,251.85	+15.16	+0.47
Philippines	PSE Composite	09/04	7,018.02	+91.99	+1.33
Sri Lanka	All Share	09/04	8,135.25	-114.45	-1.39
Taiwan	Taiwan Weighted	09/04	17,284.54	+105.91	+0.62
South Korei	KOSPI	09/04	2,700.39	+4.53	+0.17

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