



# DIWALI TOP PICKS 2024

**BY CNI RESEARCH LTD**

# INVESTMENT THEME

- India investment theme is well appreciated by all major global investors as Dow PE is at 31, S & P PE at 28 and Nifty PE is at 20.7.
- Highest growth and lowest valuation creates special space for Indian stocks.
- We believe wealth creation opportunities lie in bottom-up stocks.
- We are therefore trying to identify bottom-up stocks from some most favored sectors.
- In this report, we will highlight sectors and stocks that align with the Diwali sentiment of prosperity and growth.

# IDENTIFYING SECTORS

CNI Research has a sectoral theme this Diwali as we understand that the market is re-rating. Some sectors are new sectors which will be front runners in 2024-25.

Sectors that we recommend as good investment bets for this upcoming season



Packaging

As it is getting re-rated post semi-conductor base



Textiles

Government planning 16x expansion



Off-shore Support Vessels (OSV)

Non-competitive business



Chemicals

Turning the tide with Japan and US market share



Food play outs

Production linked incentive (PLI) scheme to help



FMCG Cosmetics

Capitalization of increasing demand



Railways

Unlocking metro potential and Vande Bharat opportunities

# STOCK RECOMMENDATIONS AS PER SECTORS

## PACKAGING

- Emmbi Industries
- Hindustan Tin Works
- National Plastic Technologies
- RDB Rasayans
- Shetron

## TEXTILES

- Lahoti Overseas (Textiles & power)
- Mafatlal Industries (Also in Defence and FMCG)
- Riba Textiles (Beach towels for exports)

## OFFSHORE SUPPORT VESSELS (OSV)

- Global Offshore Services (5x expansion)

## CHEMICALS

- Vipul Organics (Rights issue at 54)

## FOOD PLAY OUTS

- GTV Engineering (NTPC & NHPC approvals paved way for more orders + railways)
- Sunil Agro Foods (under-utilization of capacity)
- Tirupati Starch Chemicals (expansion & diversification in hydrogen)

## FMCG COSMETICS

- MK Exim (India) (beating peers with 90% discount)

## RAILWAYS

- Integra Engineering India (potential to unlock value in metro & Vande Bharat)

# A GROUP STOCK RECOMMENDATIONS

- Bharat Heavy Electricals (Engineering, power, Defence, coal gasification – only PSU in multiple segments)
- Reliance Industries (Bonus & possible demerger of Jio and Reliance Retail)
- Steel Authority of India (Largest steel capacity & lowest valuation and valuation of mines not reflected)
- Tata Motors (Has one of the best auto companies, JLR, but one of the lowest valuations)
- Tata Power Company (Power expansion and demerger of renewables)

# B GROUP STOCK RECOMMENDATIONS

- Atul Auto (Major player in e-rickshaws)
- Bombay Burmah Trading Corporation (Holding company of Britannia Industries with tea plantations)
- Forbes & Company (300 acre land including 48 acre swadeshi mills, Afcon IPO and Defence)
- Investment & Precision Castings (Second player in titanium casting after PTC and US Defence)
- KPT Industries (Kirloskar group in e-auto and engineering)
- Nile (Monopoly in lithium battery chemical)

These stocks do not require supportive information. They will give at least 50% upside till next Diwali.

# STOCK DATA & KEY FINANCIAL METRICS

No.	Stock	Equity	Revenue	EPS	PE ratio	Book Value	Price to BV	ROE	ROCE	Mcap	Mcap to sales	Sales to equity
<b>Packaging</b>												
1	Emmbi Industries	17.69	442.54	5.62	24.08	96.20	1.41	6.03%	8.43%	239.43	0.54	25.02
2	Hindustan Tin Works	10.40	419.35	16.28	12.16	197.00	1.01	8.65%	11.10%	205.92	0.49	40.32
3	National Plastic Technologies	6.08	269.22	13.85	27.44	70.90	5.36	21.50%	18.00%	231.04	0.86	44.28
4	RDB Rasayans	17.72	103.20	13.68	13.66	105.00	1.78	12.90%	17.10%	331.10	3.21	5.82
5	Shetron	9.00	239.88	7.26	21.93	62.70	2.54	12.20%	15.00%	143.28	0.60	26.65
<b>Textiles</b>												
6	Lahoti Overseas	5.85	487.54	4.06	9.98	64.90	0.62	6.59%	10.00%	118.38	0.24	83.40
7	Mafatlal Industries	14.30	2078.41	13.92	11.49	114.00	1.40	8.20%	6.76%	1144.00	0.55	145.34
8	Riba Textiles	9.65	246.89	8.20	9.03	92.60	0.80	9.28%	10.20%	71.42	0.29	25.58
<b>OSV</b>												
9	Global Offshore Services	24.73	29.96	-	-	33.30	3.10	-	-	255.16	8.52	1.21
<b>Chemicals</b>												
10	Vipul Organics	13.01	150.08	2.60	103.85	44.10	6.12	5.40%	7.54%	351	2.34	11.54
<b>Food Play Outs</b>												
11	GTV Engineering	3.12	120.62	17.31	29.32	116.00	4.38	13.50%	12.70%	158	1.31	38.66
12	Sunil Agro Foods	3.00	228.58	2.92	49.32	56.60	2.54	5.33%	8.44%	43	0.19	76.19
13	Tirupati Starch Chemicals	9.59	306.12	2.38	69.39	55.80	2.96	4.16%	7.67%	158	0.52	31.92
<b>FMCG Cosmetics</b>												
14	MK Exim (India)	40.37	92.38	3.79	23.57	20.90	4.27	20.10%	26.60%	361	3.90	2.29
<b>Railways</b>												
15	Integra Engineering India	3.44	146.82	4.23	56.03	22.40	10.58	20.90%	24.30%	815	5.55	42.68
<b>A group companies</b>												
16	Bharat Heavy Electricals	696.41	23892.78	0.75	298.20	70.20	3.19	1.13%	3.37%	77876	3.26	34.31
17	Reliance Industries	6766.00	547942.00	62.14	43.09	1211.00	2.21	9.25%	9.61%	1811732	3.31	80.98
18	Steel Authority Of India	4130.53	105374.59	6.62	17.85	138.00	0.86	6.44%	8.10%	48802	0.46	25.51
19	Tata Motors	766.50	73303.08	20.61	42.56	255.00	3.44	49.40%	20.10%	336206	4.59	95.63
20	Tata Power Company	319.56	20093.36	6.97	62.76	101.00	4.33	11.30%	11.10%	139792	6.96	62.88
<b>B group companies</b>												
21	Atul Auto	13.88	480.40	5.09	118.06	151.00	3.98	1.68%	4.20%	1668	3.47	34.61
22	Bombay Burmah Trading Corporation	13.96	261.32	264.30	10.19	669.80	4.02	46.60%	30.00%	18795	71.92	18.72
23	Forbes & Company	12.90	123.45	15.77	45.02	109.00	6.51	-	3.89%	916	7.42	9.57
24	Investment & Precision Castings	5.00	170.96	15.61	53.90	171.00	4.92	9.50%	12.40%	421	2.46	34.19
25	KPT Industries	1.70	151.63	35.47	33.21	163.00	7.23	24.30%	24.40%	401	2.64	89.19





As Diwali symbolizes the triumph of light over darkness and new beginnings, this festive period also offers investors a chance to illuminate their portfolios with high-potential stocks. Each of the stocks we've selected shows strong growth potential, making them solid picks during this auspicious period. With the right selection, Diwali can be the perfect time to embark on a new chapter of wealth creation.

Wishing you and your family a very Happy Diwali  
and a prosperous new year!

Thank you!

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