

Shares of the face value of Rs. 2 are quoted around Rs. 1620 and are worth accumulating at every decline. Investors in this scrip are bound to reap heavy appreciation in the near future.

## India Glycols

Face value	: 10
CMP	: 164.00
52-week high/low	: 227/112



India Glycol, a Bharatia group, company operates in three main business segments viz. industrial chemicals (glycols, speciality chemicals etc.), ethyl alcohol and herbal products. This is the only company in the world to produce ethylene oxide from molasses which is a by-product of sugar industry. Interestingly, the company is the largest manufacturer of bio-MEG in the world and that too from agricultural feedstock like molasses and ethanol; its competitors in the world use inputs derived from crude oil. As a result the company has a distinct edge over its close competitors. At the same time, the company will not have any problem in the availability of molasses as the company has a subsidiary company - Shakumbhari which is engaged in the manufacture of sugar.

What is more, future prospects are still more promising. First, it has started doing well on the export front on account of very good demand for its ENA (extra neu-

tral alcohol) in Africa, Middle East and Sri Lanka. Secondly, the company is exploring avenues for expansion, modernization and diversification. It has already set up a 100% export oriented unit (EOU) which will not only give a further boost to exports but will also bring tax benefits.

Shares of the company (FV Rs. 10) are placed around Rs. 164 against its book value of over Rs. 185. We feel the prospects for the company in the new year are quite promising.

## Mahindra and Mahindra Financial Services

Face value	: 10
CMP	: 1125.00
52-week high/low	: 1173/591



Mahindra and Mahindra Financial Services, a company belonging to the Mahindra and Mahindra group, provides a wide range of financial products and services to urban as well as rural areas and has, during the last two decades of its existence, emerged as the market leader in rural and semi-urban markets. It has one of the largest networks of branches amongst non-banking finance companies operating in rural and semi-urban areas. It has achieved an important milestone of cumulatively financing over two million customers

## Sensex set to hit new all-time high

**Lalit Kumar**



**The** market in the year 2012 made an humble beginning but picked up slowly. Though it was said that the market multiple would be 13 or 13½, but most of the analysts had upgraded it and that is the reason we are seeing the market multiple rising to 14½ times. The entire year has been a tumultuous year for the investors in a positive sense. There was a huge rollover in the months of November and December, giving a fresh impetus to the market. It looks like the market is going to take off for a new high in the year 2013. Moreover, all negative factors affecting the sentiment have settled during the year 2012, which helped the market to move in the right direction.

The current surge in stock valuations is definitely supported by the fundamentals. Most of the companies have shown good results which have helped them to increase their valuations, overcoming problems caused by debt crises, low demand, high costs, high inflation, scarcity of funds, indifferent governance etc.

Personally, I believe the Sensex should be 15½ times the earning. I also hope that by the end of the year it should be 23,000 and more.

Volatility is inherent in the stock market, but if the investors remain invested in the companies in FMCG, metals and infrastructure then they are definitely going to get a good return from these investments. Moreover, mutual funds have shown good re-

turns this year and small investors would be well advised to invest in mutual funds.

In my opinion, the five good companies which can give best returns are Mukand Engineering, ONGC, GIC Housing Finance, Jain Irrigation & Mahindra & Mahindra.

**(Mr. Lalit Kumar Dangi is the chairman of Libord Group.)**