



SIHL's
Hidden diamonds

Future Stars

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* represents loss making companies however the rationale for investments in those companies are more on fundamental reasons and we are expecting companies to turnaround in future

S.R.Industries



“The Underdog set to rule in the future”

BSE code: **513515**

Mkt Price as on May 17,2010 is Rs 9.49

Expected Returns in 24 months – 150%

Strong Support at Rs 6-7

Overview

- S R Industries is a player in the textile Industry manufacturing terry towels.
- The company is diversifying into manufacturing of footwear and setup the state of the art plant for manufacturer of footwear in Himachal Pradesh with an installed capacity of 4.8 Million pairs per annum.
- **The Leading international brand Puma has agreed to lift the entire production from the plant.**
- **Assumption of the average price per shoe pair to be Rs. 400, the company is assured to earn additional revenues amounting to 192crores which are much higher compared to revenues of 33 crores for FY09.**

Recommendation

- S R Industries is listed on the Bombay Stock Exchange with current market price of 9.49 and the current market capitalization is around 10 crores.
- The company has posted losses of 34 lacs in the quarter ended Dec 2009 and almost flat results for the nine months ended Dec 2010, However considering the Estimated future turnover of more than 150 crores for FY12 the company is highly undervalued as per the current valuations and has a huge upside potential.

Indage Restaurants and Leisure



“Stock Set to Prove its Worth”

BSE code: **532264**

Mkt Price as on May 17,2010 is Rs 13.55

Expected Returns in 15 months – 200%

Strong Support at Rs 9-10



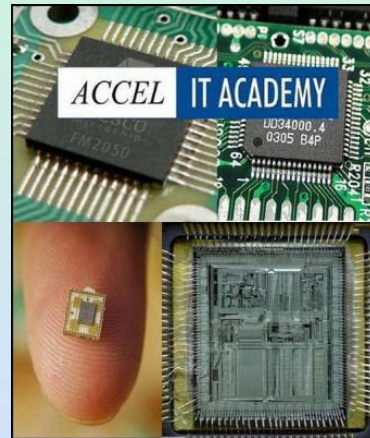
Overview

- Indage Restaurants and Leisure Ltd is a hospitality company that Operates **40+ hospitalities that include spas , resorts , hotels and restaurants** throughout the country under various verticals namely - Fine Dine, Casual Dine, Pizza Delivery and Night Clubs.
- The company has some well-received and highly commercially successful ventures in restaurants, bistros and lounges like **Athena, Zaha, Prive, Tetsuma, IVY, Nando`s, Garcias Pizzas**.
- The Eatery & Lounge Business is growing at a rapid pace due to the increasing income levels and spending in the urban areas.
- The group company “Indage Vintners” is in process of CDR which we believe is positive for group for better operation and focusing on businesses of the company.
- Some of the famed value investors like Shivanand Mankekar had invested the company at higher levels and still holding the stock despite recent controversies surrounded with the company.

Recommendation

- The current market capitalization of the company is 50 crores with the current market price of 13.55 Rs. However We believe stock has potential to grow multiple fold in couple of years time.
- The company has made losses for the past year, however the losses are decreasing on Q-Q basis and in view of the operations of the company, we expect the company to perform better.
- With the kind of operations the company is undergoing and the growth of the Restaurant and fine dining segment the stock is undervalued at its current valuations.
- The company is in expansion mode with its Pizza delivery brand “GARCIA”. We expect brand to cater good growth in near future.
- We believe company owned large real estate valuation as company own one spa and resort in Nasik apart from a premier hotel in Kolhapur.
- We feel this stock has potential to reach new heights.

Accel Transmatic



“Animating the future”

BSE code: **517494**

Mkt Price as on May 17,2010 is Rs 14.87

Expected Returns in 24 months – 180%

Strong Support at Rs 10-12

Overview

- The company currently operates through business divisions namely, Systems and Services, Ushus Technologies , Accel Animation Studios and Accel IT Academy.
- The products are in the Automation, Value Enhancement or CRM areas, ATM Kiosks, Integration of Debit/ Credit Card use in Kiosks etc. for major banks such as SBI and ICICI.
- The company was also involved in automated ticketing machine project with Indian Railways earlier.
- Accel Animation has announced that it has entered into an agreement with **'Monster Distributes' an international television series financing and distribution Company based in Ireland, for the worldwide distribution of 'Ek Tha Jungle'**, the 3D animated 26 episodes television series. The international agreement with Monster is valid for a period of three years and includes Television, home video rights for the series in 3D/CGI, HD format.
- It has also granted rights of 'Ek Tha Jungle' to **Disney Channel** (M/s. Buena Vista International Inc.) for pay Television Exhibition.



Recommendation

- The current market capitalization of Accel is 16 crores at the market price of 14.87.
- The company has made losses in the first 2 quarters of 2009-10 but has staged a bounce back in the December quarter by posting a profit of 1.37 crores.
- Owing to the recent announcements by the company regarding its animation series, The revenues are expected to surge for the coming fiscal.
- The company has posted losses due to slowdown in IT & Animation businesses, however things are improving from December 09 Quarterly results and we expect this trend to continue.
- The market cap of the company does not justify the actual value of the company, as a result we expect the stock price to rise significantly.
- We believe there is a huge upside potential for this Stock.

Innocorp



“ The Hidden Gem”

BSE code: **531929**

Mkt Price as on May 17,2010 is Rs 7.82.

Expected Returns in 24 months – 100%

Strong Support at Rs 6-7

Overview

- Innocorp Ltd is a BSE listed company with diversified businesses in Plastics, Power Infrastructure, Instrumentation Cables and International Commodity Trade.
- **Innocorp is the only manufacturer of Tupperware, outside their own facilities in South East Asia.**
- The client base of the company Includes various prestigious customers:- **Tupperware, Nilkamal Plastics, Supreme, polyset, APSEB, MSEB, ENERCON, HESCOM.**
- On the frontiers, Innocorp is in very active dialogue with various **gulf based investors to establish a power cable manufacturing plant at UAE.**
- Innocorp is also in the process of entering the field of Real Estate and construction, which is zooming northward. The company is entering into MOUs with various NRIs' and corporate from the Gulf in this regard.

Recommendation

- The current market capitalization of Innocorp Ltd is around 6 crores Rs at the current market price of 7.82 Rs.
- The company has made losses in the current year however it has covered its losses substantially and is set to turn profitable in future.
- Owing to the size of its operations and the businesses in which it operates, the current market valuations are not justified and we expect a significant upside for the stock.
- The company has been in a consolidation zone and going through restructuring. We expect stock may do wonders in longer period of time.

Prajay Engineers Syndicate



“ Infrastructure Pearl”

BSE code: **531476**

Mkt Price as on May 17,2010 is Rs 28.80.

Expected Returns in 24 months – 150%

Strong Support at Rs 25-26

Overview

- Prajay Engineers Syndicate LTD is an infrastructure firm engaged in the development and construction of residential and commercial properties.
- In its 20 years experience, Prajay has delivered over 75 projects and developed **over 5 million square feet**.
- The company **aims to invest around Rs 5,000-6,000 million** in the coming years to develop the hospitality segment, **create 1,000-room capacity by 2011 in the 5-star, 4-star and 3-star business class categories** and focus on the residential segment, which currently accounts for 84 percent of the total area under development.
- The company will raise fresh funds of up to \$150 million through Global Depository Receipts (GDRs) or Foreign Currency Convertible Bonds (FCCBs) or Qualified Institutional Placement (QIP) route.

Recommendation

- The current market capitalization of Prajay is less than 140 crores at the current market price of 28.8 (dilution).
- The company owned a club and a boutique hotel in Hyderabad and also in process of setting up three more hotels in near future.
- The stock has been dumped and performed badly in last two years as financials were down from 344 crores to 80 crores (FY08) due to slowdown in real estate, higher interest rates, poor financial performance in last two years by the company and Telangana issue. The stock has come off from the highs of 480 and on the current valuation looks pretty undervalued at current levels.
- The company has turnaround into black in Q4 with the steep rise of 723 percent in sales.
- We believe that stock is likely to do well in FY11.

XL Telecom & Energy



“Saving Fuel for the future”

BSE code: **532788**

Mkt Price as on May 17,2010 is Rs 35.95

Expected Returns in 24 months – 100%

Strong Support at Rs 30-32

Overview

- XL Telecom & Energy has its businesses spread across telecom, energy, and network engineering. The company is partnered by Corning Inc and Kyocera Inc of USA.
- The company has esteemed clients like Telecom companies: **Bharat Sanchar Nigam Limited, Government of India, Mahanagar Telephone Nigam Limited, Indian Railways, Departments of Defense,** Telecommunications many others private sector companies.
- Recently the company has **bagged an export order worth Rs 19.70 crore** for export supply of solar panels to the European market, and the customer is a large EPC company in Europe with at least 100 MW of potential projects under the implementation. This is a trial order and on successful completion the company hopes to get the **next level of contract closure to the extent of another Rs 75 crore to Rs 100 crore in next few months.**
- XL Telecom has entered into a joint venture with Spain-based SDEM TEGA. The JV is to explore India solar power projects. The company expects market for such projects is seen at USD 2 billion over the next 2-3 years.

Recommendation

- The current market capitalization of XL is 73.8crores at the current market price of Rs.35.95.
- The company is in renewable energy segment and it has solar photo voltaic division.
- The company also in manufacturing of ethanol from molasses which we believe that hold huge upside from current levels.
- The company has posted a loss of 295 crores on account of losses of 237 crores in June but has reduced losses thereof.
- The company is in process of raising capital/debt up to 100 crores for its future expansions and debt payments.
- The company has recently entered into a joint venture with a Spanish company for solar photo voltaic projects.
- The joint venture with Spanish company is likely to explore opportunities in the market worth 10000 crores (approximately).

Bafna Pharmaceuticals



“ A Sweet Pill at the Stock Market”

BSE code: **532989**

Mkt Price as on May 17,2010 is Rs 39.90.

Expected Returns in 24 months – 150%

Strong Support at Rs 30-32

Overview

- Bafna Pharmaceuticals, is a Chennai-based Company engaged in the business of manufacturing of pharmaceuticals formulations of Betalactum and Non–Betalactum products. The company has over 65 products registered in Sri Lanka, Ukarine, Lao and Ghana.
- **The company has recently inaugurated its Research and Development (Formulation) (FR&D) facility**, a pilot plant in Chennai to facilitate the development of pharmaceutical formulations.
- Through this facility, Bafna will file dossiers for the ever growing US, UK and the European markets and ever emerging Rest of World markets. This facility will offer a one-stop solution right from development, formulation to dossier making to the commercial production.
- **In the Recent past the company has received approval of Clarithromycin 200 mg & 500 mg, Simvastatin 20mg, Clonidine hcl 0.25 mg from MHRA UK which propelled its growth in UK market**

Recommendation

- The current market capitalization of Bafna is 63crores at the current market price of 39.9.
- The P/E ratio for Bafna is close to13 vs. an industry P/E of 23 and the future for the company looks promising owing to its research facilities and business model.
- The company had received various MHRA approvals for various drugs in recent times and the company is likely to get few more in near term. The company has planning to enter in US market which we believe is positive for the company.
- The stock has risen in the past on arrival of favorable news, more of which are expected and the stock has a promising future with upside potential.
- The company has posted strong numbers for nine month ending Dec 09. We expect this trend to continue for next few years.

Bang Overseas



“ Set to create a Bang in the Market”

BSE code: **513515**

Mkt Price as on May 17,2010 is Rs47.50

Expected Returns in 12 months – 75%

Strong Support at Rs 40-42

Overview

- Bang Overseas Ltd is one of the leading manufacturers and exporters of men's wear. They cater to the demand of leading international and domestic brands and also supply high end products under **brand name "Thomas Scott"**.
- **The company has various prestigious clients such as the Shoppers Stop, Vettario Fratini, Austin Reed, Provogue, ITC etc.**
- The Company has obtained the approval of setting up of a unit of manufacturing of garment in the Visakhapatnam Special Economic Zone (VSEZ). Civil construction will soon be commenced on the land and the Projected capacity of the unit is 180000 pcs per annum.
- For FY10 the company is set to post revenues of 150 crores posting 9% Y-O-Y growth.
- In order to enhance its reach to consumers, The Company is entering into women's formal wear brand with the launch of "MISS SCOT" brand.

Recommendation

- The current market capitalization of Bang is 64 crores at the current market price of 47.5.
- Net Sales of the company has grown in last two financial years where most of the textile companies shown declining trend.
- Bang overseas bottom line is impacted by rise in recently cotton prices. We expect prices to stabilize at current levels.
- Considering the Turnover of the firm and expansion plans and also the overall surge in demand of the sector , We feel that the stock highly undervalued at current prices and has a strong upside potential.

Sunil Agro Foods



“Stock full of nutrients”

BSE code: **530953**

MKT Price as on May 17,2010 is Rs 19.50.

Expected Returns in 12 months – 125%

Strong Support at Rs 15-16

Overview

- Flagship company belonging to B.Shantilal Group having a turnover of around Rs.100.00 crore.
- Sunil Agro is a well established and has been in existence for the last 17 years. The Company is marketing their product under the brand name 'Sunil'.
- The Company is an profit making Company in the manufacture of Wheat products namely **Maida** , **Sooji** (Semolina), **Atta** and **Bran**(cattle fed products) as well as Whole Wheat Atta extracted out of wheat.
- The marketing network spread all over south with sound tie-up in marketing firms.

Key Highlights

- Total market capitalization of Rs 6.04 Crore INR.
- The group has **400 tonnes per day** capacity to grind wheat into wheat products and utilization is around 70% of the existing capacity.
- Large clientele base such as **Britannia Industries Ltd**, **MTR Foods Limited**, **ITC Foods Limited**, **TTK Health Care Limited**, **Nilgiris**, **Goodbread**, **SPV Foods** etc.
- The sister concern companies are M/s. **Belgaum Roller Flour Mills (P) Ltd** and **Brindavan Roller Flour Mills (P) Ltd** and has capacity of 60000 tpa caters to Mysore, Bangalore and some parts of Kerala.
- The company has recently got a **big order on International level** and it has been sanctioned by a leading bank in India.

Recommendations

- We recommend that this Company has a good Market presence, Sound financials and big clientele base.
- Moreover a leading bank in India has sanctioned a loan of Rs 15 Crore INR for there big order at international level which will definitely give higher returns at current price.

Skypak Service Specialist Ltd



“ Delivering the future”

BSE code: **513515**

Mkt Price as on May 17,2010 is Rs 9.60

Expected Returns in 24 months – 150%

Strong Support at Rs 7-8

Overview

- In 1982 SKYPAK laid the foundation of courier Industry in India.
- Over **300 Offices** reaches 1 billion people in every nook & corner of the country.
- Skypak's strategic partnership with Skycom Express LLC, provides an **international presence like no other domestic company.**
- Pioneered Private Drop-box Network for Bills payment collection nationally.
- First independent company with **Reverse Pick-up specialization** having nation-wide reach.

Key Highlights

- SKYPAK is ideally poised to act as catalyst to link INDIA with foreign countries.
- Total Market capitalization of SKYPAK is less than 3 crores INR.
- The sales of the companies have shown dismal performance.
- Over 300 Offices, it provides a very good infrastructure and logistic feasibility for the new entrant.
- Large based Clientele such as **Custodians** , **Insurance companies**, **Telecomm Operator** etc which provides a very good value proposition for the company.

Recommendation

- Skypak has posted losses for the previous quarters due to slowdown strike by employees, however due to the current operation base and good clientele we have a positive outlook for the future.
- We feel that this stock is undervalued as the company has a chance to be overtaken by **Bigger players** of the Industry and the stock is currently trading at huge discount to its potential.

Indus Fila



“Making a style statement”

BSE code: **532821**

Mkt Price as on May 17,2010 is Rs 25.9

Expected Returns in 18 months – 100%

Strong Support at Rs 22-24



Overview

- Indus Fila part of Bangalore-based Indus Mandhana Enterprises, was incorporated in the year 1999.
- They share a close rapport with a number of marquee international and domestic brands - **Izod, Arrow, Chaps, Armani Exchange and Levi Strauss.**
- The products include dyed yarn, grey fabrics and readymade garments. The apparel manufacturing of Men's Shirt and Ladies Tops is mainly for Exports.
- The company has positioned itself as a **multi-product, multi-fibre and multi-market player** ensuring that its target market is a diverse mix of the domestic fabrics market, garment export and international market.

Key Financials

- The company is operating with 156 weaving looms producing approximately 20.80 million meters of fabric per annum and 2.7 million garments per annum. And apart from retail presence the company share a close rapport with a number of marquee international and domestic brands like **Izod, Arrow, Chaps, Armani Exchange and Levi Straus.**
- **Indus Fila has framed Rs 1,662.4 million expansion plan to expand its business.** As the Global recovery, textile demand is likely to surge again and companies like Indus fila are likely to be benefited most.
- The company is also planning to enter into different types of fabrics like linen and garments and also **sportswear and swimwear** as the current trends show great potential for such products.
- Total Market capitalization is Rs 50 crores INR.

Recommendation

- The company has posted losses for the year FY 2010, however the new plans of the company point towards promising future
- The company is currently in BIFR and going through debt restructuring, Post BIFR company is likely to have an overhauled balance sheet which will smoothen its operations.
- Revival in Textile Industries, Global recovery, Political Unrest in Thailand likely to be major driving force for the company.
- We recommend this stock because of **strong customer base, Diverse product portfolio** and company is in process of getting out from BIFR which will help company manage its debt more effectively and improve its financial position.

Sakthi Sugars



“CHEENI JUMP !!!”

BSE code: **507315**

MKT Price as on May 17,2010 is Rs 51.55

Expected Returns in 12 months – 80%

Strong Support at Rs 48-50

Overview

- The company belongs to the Sakthi group of Tamilnadu and has large sugar crushing, processing business.
- The company has also an auto component business. Apart from that it has an ethanol business and power cogeneration facilities.
- The company has 13500 TPD of sugar crushing facilities.
- The company has a plant for Ethanol production also.

Key Highlights

- Total Market Cap is Rs 189.74 Crore INR.
- Net Profit for the quarter ended March 2010 zoomed to 148.65% from Rs. 176.22 millions to Rs. 438.17 millions.
- The interesting part in in the whole investment idea is that the company had issued FCCB's and now they are converted at 190 to 208 price band so the company will get huge funds which will be added to reserves.

Recommendation

- We recommend this stock because of diversified business model will help the company to face the vagaries of Sugar Cycle.
- The company may demerge its auto component business which is likely to unlock huge value for its shareholders.
- The company is strategically located in southern belt which is much less volatile and sensitive to various issues pertaining to canes, political interference.

Northgate Technologies


bharatstudent.com
Young Soul of India
Connecting Young Indians Worldwide
युवाओं को दुनिया भर में जोड़ना



“Heading northwards from nowhere”

BSE code: **590057**

MKT Price as on May 17,2010 – Rs 18.70

Expected Returns in 24 months – 150%

Strong Support at Rs 15-17

Overview

- Northgate Technologies Limited is the first India based Emerging Global Internet giant Company.
- The Company is operating in one of the fastest growing industries in the world - **Internet Advertising** .
- Service offered are Internet Advertising **Tracking Tool, Instant Messaging, Short messaging, Net Telephony, Global Content Delivery, Video Streaming, Social Networking, File Sharing and Downloading, Gaming** and many more.
- **Bharatstudent.com, Axill.com, Ziddu.com** are some of the famous websites of Northgate Technologies.
- Today, 3 out of the 6 web properties created by it are in Top 1000 websites on Internet Universe.
- The company has posted losses for last two years due to various one time, however company.

Key Highlights

- The company is having a long list of partners such as **Microsoft ,CPX interactive, Google, Yahoo, eBay, Netflix, HP, Vodafone, PerfSoft, Amazon.Com ,GevaliaVerizon.**
- It has secured its board's nod for the proposal to raise fresh funds of up to Rs 25 crore.
- SMIL is a step down wholly-owned subsidiary of Northgate Technologies which has developed a world class University Information System and integrated it with fully functional ICT services with various functionalities, at par with international standards.
- Under the present circumstances to sustain and grow there operations they have placed some of **major web properties for sale however The Company started new business segment of providing Algorithmic trading,** Global Electric Communication Network, Director Market Access and Order Management System Networks Services for Securities Trading. Northgate will expand its expertise of managing High Capacity, highly scalable server farms capable of processing massive real time and historical data. Northgate has entered into strategic alliance with Stampede Holding Pvt. Ltd (SHPL) to provide such services. SHPL is a Global Derivative Market Maker with its own proprietary algorithms on equity derivates, structured products, fixed income market and ECN Market.

Recommendation

- The company has improved a lot by minimizing its losses to 1.42 crores for the nine months ending Dec 2009 from losses worth 253 crores in FY 2009.
- At current price we feel that the company has a good opportunity growth for future as they are restructuring the entire process and company is in process of identifying new growth drivers in segments like Algorithmic trading.

B.A.G. Films & Media



“Unleashing the media power within”

BSE code: **532507**

MKT Price as on May 17,2010 is Rs 15.30.

Expected Returns in 12 months – 80%

Strong Support at Rs 13-14

Overview

- BAG Films & Media, incorporated in 1993, provides a wide range of services in area of media and entertainment.
- BAG is engaged in developing television software, film production, animation and FM Radio.
- The company owns three subsidiaries namely BAG Infotainment, BAG Newslite Network and BAG Glamour.
- It also runs International School of Media and Entertainment Studies (ISOMES) an institute that conducts courses on various aspects of media such as journalism, acting, TV Direction and Production and Television Editing.

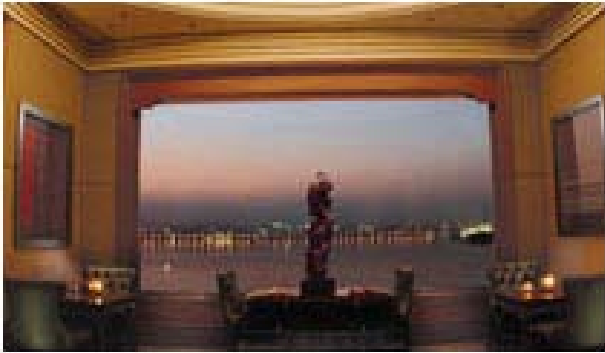
Key Highlights

- The company provides television software in area of news, chat shows, current affairs, entertainment, soaps, audience based shows, film based shows, infotainment, etc.
- The company has been content provider to channels like Star Group (Star News, Star Plus, Star One), Sony Entertainment Television, Sahara Network and DD News.
- The company has formed joint venture with SIEUNDESIGN Co. a Korean company which has presence in production, distribution and licensing of animation films and TV series.
- B.A.G. Films and Media Ltd has decided to open the issue of Global Depository Receipts (GDRs). It has allotted 3,700,000 GDRs at a price of US\$ 4.71 per GDR.
- The company has also entered the broadcasting segment by launching two channels namely “News24” a general news and current affairs channel and “E24” India’s first Bollywood news channel.

Recommendation

- The total Market CAP of BAG Films & Media is Rs 240 crores INR.
- The company has posted losses for the first two quarters of the year but has bounced back by posting a profit of 1.5 crore for the quarter ending Dec 2009.
- Due to Diverse Portfolio and Emerging sector, the Stock will have upswing and media sector is one of the booming sector.
- The stock is grossly undervalued from its peer companies and we expected this valuation gap will be filled soon.

Viceroy Hotels



“The GEM from HYDERABAD”

BSE code: **523796**

MKT Price as on May 17,2010 is Rs 41.70

Expected Returns in 12 months – 80%

Strong Support at Rs 13-14



Overview

- The company develops **hotels, restaurants & new F & B** concepts for more than two decades.
- Viceroy Hotels has brought **Marriott Hyderabad**, the first international brand hotel in the city.
- More recently it has established Waterfront & Eat Street as new dining and entertainment hubs.
- The business area of the company spreads to
 - 1) Hotels
 - 2) Restaurants
 - 3) F & B – Retail.

Key Highlights

- Various Luxury Hotels such as **Marriott Hyderabad, Marriott Hyderabad, Renaissance Bangalore, Renaissance Vizag** are under there group.
- Various Restaurants such as **Minerva, Blue Fox, Waterfront, Eat Street (Food Court)** under there group.
- The Market Cap is Rs 176 Crs. INR.
- Signed an Agreement with JP Morgan India Property Mauritius company for Rs 74 Cr INR for 49% Equity stake in Bangalore hotels subsidiary company.

Recommendation

- In last 2 to 3 Quarters the company was relatively slow and numbers are disappointing due to Riots and Telangana Issue but as things are stabilizing we feel that the company will pick up growth and will be a dark horse at current levels.
- The heartening factor from Q4 FY10 results is company posted 6.3% growth in sales. We expect company to show better growth in FY11.

Pyramid Saimira Theatre Ltd



“Demerger Unlocks Hidden Value”

BSE code: **532791**

Market Price as on May 17,2010 is Rs 13.24

Expected Return in 24 months:-150 %.

Strong Support at Rs.:-12-14.

Overview

- Pyramid Saimira Theatre Limited is a theatre chain company. The Company's businesses include exhibition (theatre), film and television content production, distribution, hospitality, food & beverage, animation and gaming and cine advertising. It operates in three segments: Production, Exhibition and Distribution.
- The Company's subsidiaries include Pyramid Saimira Entertainment Limited, Singapore Pyramid Saimira Entertainment America Inc., United States, Pyramid Saimira Production International Limited, India, Dimples Cine Advertising Private Limited, India, Aurna Technologies Limited, United Kingdom, Aurna Technologies Private Limited, India and Pyramid Saimira Production Services Limited, India. It also has a joint venture in Malaysia, Pyramid Saimira Theatre Chain Malaysia.
- The company made severe losses in last two years due to failure of many big budget movies like "Halla Bol" and Rajni Kant starter "Kuselan". The company also closed its loss making screens recently.

Recommendation

- Company has turnover of 7,78.37 cr. for FY08-09.
- Company is doing **reconstructing exercise** to pay off its liabilities. Shareholders of the Company would get 1 share of STL for every 7 Share of PSTL; 1 share of SFL for every 17 shares of PSTL ; 1 share of PSHL for every 2 shares held in PSTL. Also 1 share of PSPIL for every 4 shares held in PSTL and 1 share of DCAL for every 16 shares held in PSTL. By virtue of demerger all these five companies would be listed in BSE & NSE.
- The company has posted huge losses in last two years and promoters of the company were barred by SEBI for raising money from capital markets any more. however the current valuation discounts all negatives. This particular stock has beta of 1.54 as against industry beta of 0.73 the stock commend huge risk huge returns .

Recommendation

- Pyramid Saimira Group announced its strategic partnership with RDB Group for the group's Production Company Venture PSPIL. RDB Group is a major infrastructure player in Eastern and Western India. With this strategic alliance and with combined expertise, PSPIL plans to produce 28 films and 1785 hours of TV content for the fiscal year 2010 - 2011.
- This is undervalued stock has huge upside potential .

IT People (India)



“Exchange initiatives –huge opportunity for the Company”

BSE code: **532342**

Market Price as on May 17,2010 is Rs 14.40.

Expected Return in 18 months:-80-100%

Strong Support at Rs.:- 12-14

Overview

- IT People (India) Limited is an India-based company. The Company is engaged in providing software services worldwide. It provides software products and solutions to capital and commodities markets, and information technology (IT) consulting services and solutions to companies worldwide.
- The Company's software products include products, solutions and services division for the financial and capital markets addressing stock and commodities exchanges, intermediary brokerage houses, merchant banking operations and financial services in India and overseas.
- The Company's IT consulting services division focuses on technologies and also provides services of facilities management and managed services. Its customers include JM Financial, Karvy, Motorola, Oracle, Sharekhan and Anagram.

Recommendation

- Company has turnover of 978.8 lakh. for FY08-09.
- **Proposed to set up a national-level commodity exchange:-**Mumbai-based information technology firm IT People (India) has proposed to set up a national-level commodity exchange, IBSX India and UCX India in association with Indian Farmers Fertilizer Cooperative Ltd (Iffco) and public sector Rashtriya Chemicals and Fertilizers Ltd (RCF). which would be the next big thing if the exchange is being set up.
- Quarterly Trends IT people has shown Highest Operating margin and Net operating margins as compared with its peer group Redington India Nimbus Foods and Intense Tech.

Recommendation

- The Sales for the quarter ended December 2009 of Rs. 23.02 millions risen by 25.86% from Rs. 18.29 millions. The Total Profit for the quarter ended December 2009 of Rs. 17 millions grew from Rs.-25.08 millions .OPM of the company witnessed a marginal growth to 87.14% from 13.56% in the same quarter last year.
- The stock has huge upside potential given the relationships with large associations like IFFCO, Bombay bullion Association, RCF and IFCI ventures.

Refex Refrigerants



“Catering India ‘s growing solar Industry.”

BSE code: **532884**

Market Price as on May 17,2010 is Rs 24.

Expected Return in 24 months:-100-130%

Strong Support at Rs.:- 20-22

Overview

- Refex Refrigerants Limited (Refex) is an India-based company. The Company is engaged in the business of refilling non ozone depleting refrigerant gases, known as Hydrofluoro Carbon (MFCs), which are used in automobile air-conditioners, room air-conditioners and refrigerating equipments. Global Refrigerants (S) Pte. Ltd. is the Company's wholly owned subsidiary, engaged in the distribution of Refrigerant products.
- Refex Energy had recently partnered with IBC Solar from Germany for solar system integration projects in India. IBC Solar is one of the largest solar PV system integrators in the world and Refex's partnership with IBC Solar will help them to cater to the growing Indian solar industry. This partnership specializes in design, engineering, supply and implementation of solar PV systems in India

Recommendation

- Company has turnover of 89.45 cr. for the year 2008-09. however its numbers are disappointing in last two years due to slowdown. However we expect company to bounce back smartly from current levels.
- Refex Refrigerants Ltd's subsidiary Refex Energy, has announced that it has signed a MOU for establishing 50 MW solar PV power plant with the Govt. of Gujarat represented by Energy and Petrochemicals Department with total investment of Rs 1,000 crores.
- Company exhibited highest quarterly operating margin as compared to Bombay oxygen, BOC and National Oxygen. The Total Profit for the quarter ended December 2009 of Rs. 1.22 millions grew from Rs.-45.67 millions. Operating profit Margin for the quarter ended December 2009 improved to 18.28% as compared to -60.61% of corresponding quarter ended December.
- The stock has fallen substantially due to dismal performance. Proposed IPO of Refex Energy, MoU with Govt. of Gujarat provides huge upside potential for the stock.

Vertex Spinning Limited



**“Executing Growth Project layout of Rs. 4000
crores at Nardhana.”**

BSE code: **531544**

Market Price as on May 17,2010 is Rs 4.8

Expected Return in 24 months:-250%

Strong Support at Rs.:- 3 -3.5

Overview

- Vertex Spinning Limited is an India-based company. The Company is engaged in the manufacture of acrylic mink blanket. The Company has a project at Pithampur, Madhya Pradesh, with a capacity to produce 6000 meters of acrylic yarn. Its products include blankets and baby blankets.
- The total revenue stands at Rs. 250.10 millions for the March 2010 quarter. The mentioned figure indicates an increase of about 519.83% as against Rs. 40.35 millions during the year-ago period. The Total Profit for the quarter ended March 2010 of Rs. 0.17 millions grew from Rs.-31.39 millions Operating profit Margin for the quarter ended March 2010 improved to 11.20% as compared to -12.45% of corresponding quarter ended March 2009 .

Recommendation

- Company has turnover of Rs. 9320 lacs. for the year 2008-09.
- Vertex Spinning Ltd has been executing of the Company's Textile Park and Industrial Township with a project layout of Rs. 4000 crores at Nardhana.
- National Highway 3 is also passing adjacent to its Textile Park and heavy traffic through this High Way also started, which become as an ICON of this area. The Company will generate high volume of Revenue during the year 2011-12.
- Stock has shown huge volumes with rise in price.
- This is undervalued stock has huge upside potential.

Alps Industries



Alps Industries Limited

“CDR Scheme would have positive impact on books of account”

BSE code: **530715**

Market Price as on May 17,2010 is Rs 10.85

Expected Return in 24 months:- 250%

Strong Support at Rs.:- 8-9

Overview

- Alps Industries Limited is an India-based company. The Company manufactures and sells home furnishings, fashion accessories and yarns in India.
- It also offers a range of architectural products under the brand name Vista and fashion accessories under brand name Le-Pashmina. Its home furnishings and fashion accessories include made-ups, such as duvet sets, bed covers and sheets, quilts, pillows, cushion covers, curtains and table linens.
- The Company also offers various types of yarns, including cotton yarn, synthetic and blended yarns. It operates in three segments: Home Furnishing & Fashion Accessories, Yarn, and Architectural Products.
- Its subsidiaries include Alps USA Inc., Alps Energy Pvt. Ltd., Alps Uttarakhand Energy Pvt. Ltd and Snowflakes Meditech Pvt. Ltd.

Recommendation

- Company has turnover of 9,90.17 cr. for the year 2008 – 09 and company has posted losses in last FY ending Jun09.
- Company operates 10 manufacturing units which are located in Uttar Pradesh, Uttarakhand and Pondicherry Company offer range of products.
- Alps Industries has posted losses in recent times due to recessionary effect, slow down in textile, increasing competition from bigger players and huge debt burden however Company has registered under Corporate Debt Restructuring Cell (CDR) to restructure the borrowings from various banks with SBI as lead banker would show positive impact on books of accounts.
- At current price, Alps Industries offer limited downside and has huge upside potential.

Glory Polyfilms



“Driven by the higher demand from the user industries.”

BSE code: 532857

Mkt Price as on May 17,2010 is Rs 17.5

Expected Return in 24 months:-125%

Strong Support at Rs.:-15 -17

Overview

- Glory Polyfilms Limited is an India-based company. It manufactures extruded multi layer barrier film, flexible laminates printed/unprinted. The Company is also engaged in rotogravure and flexogravure printing of flexible laminated packaging material.
- The Company makes laminated structures for food and non-food applications.
- **The clients of the company include, Amul, Ruchi, Britannnia, Hindustan Unilever, Sarda Agro, Essel Propack, Sterling Agro Industries, Dhara Vegetable Oil and Foods Company etc.**

Recommendation

- Glory has exhibited turnover of 765.36mn for FY2008-09. We are expecting company to bounce back smartly in current financial post dismal FY10.
- **Glory** mainly caters to the food industry and the FMCG sectors as well as some industrial sectors.
- Glory Poly has shown sales growth in FY 10 which will likely to be followed by boost in bottom line from FY11 onwards.
- **The demand for polyester film in packaging segment has shown robust** and healthy growth and it is expected that a part of the additional supplies will be absorbed in the domestic market in the near future.
- Recently stock has shown huge Volumes.

MIC Electronics Limited



“New order electrifies MIC Electronics.”

BSE code: **532850**

Market Price as on May 17,2010 is Rs 37.70

Expected Return in 24 months:- 160-200%

Strong Support at Rs.:-30-33



Overview

- MIC Electronics Limited (MIC) is an India-based company. The Company is engaged in the design, development and manufacturing of light emitting diode (LED) video displays, electronic and telecommunication equipment and development of telecom software.
- The Company segments include media, and informatics and communications. The company sold 6865 LED display modules and 7141 units of LED lighting products during fiscal year ended September 30, 2009 (fiscal 2009).
- Its subsidiaries include InfoSTEP Inc, United States, MIC Technologies (Australia) Pty. Ltd. Australia; MIC Electronics Inc., United States, and Maave Electronics Pvt. Ltd.

Recommendation

- Company has turnover of Rs.2,48.71 crore for FY2008-09.
- The Consolidated net profit surged 33.1% to Rs 17.02 crore in Q3 March 2010 over Q3 March 2009.
- MIC Electronics Ltd bagged a **3 year long contract** to supply video screen with Parramatta Eels National Ruby Club through their alliance with Sequity Pty.
- MIC electronics recently introduces three new products that would introduce soon in India. These products have been designed around semiconductor devices form Texas Instruments (TI) including OMAP, MSP 430 and 16 channel LED Driver.
- MIC in joint venture with Hyperion Green Energy India has secured the Rajahmundry Energy saving project for municipal street lighting.

Recommendation

- The company is looking opportunities in other segments like sports, billboards and information display.
- **The company which is executing some works for railways currently is expecting the biggest ever LED contracts shortly from Indian Railways. The company has already done a pilot project with Railways in this matter.**
- The company launches solar LEDs for rural areas which are yet to be connected to the power grids. These LEDs are cost effective and high performance oriented.
- There are very few players in this segment currently and company enjoys monopoly status at present.
- This is undervalued stock has huge upside potential.

Gujarat Ambuja Exports



“Set to display its strength in the market”

BSE code: **524226**

Market Price as on May 17,2010 is Rs 22.05

Expected Return in 15 months:- 150%

Strong Support at Rs.:- 16-18

Overview

- Gujarat Ambuja Exports is principally involved in agro-processing and trading and has focused on exports, competing in the global market.
- The product line includes Edible Oil – Refined Soya Bean Oil, Refined Palm Oil, Refined RBD Palmoline and Refined Cotton Seed, Starch and Derivatives, Defatted Soya Flour etc
- The company has the backing of the strong Ambuja Group
- The net profit has increased to 49.29 crores for FY 10 from 23.48 crores last year which is an **Y-O-Y growth of 109%**
- The revenue for the March 2010 quarter is pegged at Rs. 362.7 crores, about 16.58% up against Rs. 311.2 crores recorded during the year-ago period. The Total Profit for the quarter ended March 2010 of Rs. 20.2 crores grew from loss of Rs 5.3 crores. Operating profit Margin for the quarter ended March 2010 rose to **371.45%** as compared to 19.27% of corresponding quarter ended March 2009.

Recommendation

- The current market capitalization of the company is around 305 crores and the market price of the company is around 22 Rs.
- The company hold large real estate properties in various cities where it is operating . Any value unlocking will lead to huge upside for the company.
- **The turnover of the company is around 1400 crores** and the scale of operations are expanding. The current market price of the stock is not justified and the stock has strong upside potential.
- The company has paid major portion of its debt in FY09 .
- At cmp of 22, The company is currently trading at lower end of its valuation at a p/e ratio of 6 and forward p/e of 4.8 on expected eps of Rs 5.1 per share

Lime Chemicals



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“Will react positively in the market”



BSE code: **507759**

Market Price as on May 17,2010 is Rs 5.96

Expected Return in 24 months:- 250%

Strong Support at Rs 4

Overview

- The company manufactures the product calcium carbonate on indigenously built technology that has varied applications in diverse industries like tooth paste, PVC, cosmetics, pharmaceuticals, rubber formulations, paints, printing ink, cables. Etc.
- The company has esteemed clientele such as Asian Paints, Anchor Group, Colgate Palmolive Group, Dabur India Ltd, Glaxo Smithkline Beecham Ltd, Henkel, Lever Group, Lupin Labs, Reckitt & Benkiser Ranbaxy etc.
- The company is second largest producer of calcium carbonate in India
- The company has taken huge debt and in process of replaced it with low cost debt which will reduce its interest cost substantially.

Recommendation

- The company is in process of raising capital in form of Debt and Equity which will help the company to effectively manage its working capital requirements.
- The current market capitalization of the company is only about 2 crores and the stock price is near 6 Rs which is hugely undervalued.
- The company has posted losses in the last year but is expected to do well in the future.
- The company maintains strong relationship with the MNC's like Colgate Palmolive Group, Lever Group etc which helps in maintaining continued business from them in longer period of time.
- The company is in process of raising capital to various financial investors by issuing shares at a premium from the market price.
- The only listed competitor in the space is Gulshan polyols limited.



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Thank You