

RESEARCH REPORT

ARIHANT CAPITAL MARKETS LTD

(511605 & NSE) (125.55) (Face Value Rs.5)

Incorporated in 1992, Arihant Capital Markets Limited, together with its subsidiaries, provides various financial products and services to individuals, corporations, and financial institutions in India and internationally. The company's services include equities, commodities, interest rate futures, and currencies broking services; the distribution of mutual

Particulars	3 Month Ended		
	Q4FY21	Q4FY20	% Var.
Sales	38.40	20.35	89
Operating Profit	15.25	3.92	289
PBT	14.65	2.07	608
PAT	12.75	2.19	482

funds, corporate fixed deposits, bonds, and IPOs; priority client group and financial planning services; and merchant banking and investment banking services. It also offers online and mobile trading, algorithmic trading, depository, and real estate services, as well as provides research, NRI and FPI, stock lending and borrowing, investment and trading Webinars, insurance, and RGESS services. Company provides investing and trading services to over 1.45 lac customers through its 750 investment centers spread over 185 cities in India.

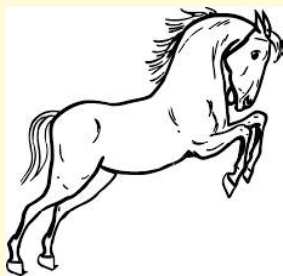
With an equity capital of Rs.10.41 crore and reserves of Rs.172 crore, ACML's share book value works out to Rs.87.5 & stock traded at P/BV of just 1.43x. The promoters hold 74.57% of the equity capital which leaves 25.43% stake with the investing public.

For Q4FY21, ACML reported 482% higher PAT of Rs.12.75 crore on 89% higher income of Rs.38.4 crore and an EPS of Rs.6.12. During FY21, it reported 98% higher PAT of Rs.34.67 crore on 27.52% higher income of Rs.115.66 crore and an EPS of Rs.16.65. It declares 20% dividend for FY21. At CMP, ACML trades at PE ratio of just 7.6x earnings which is cheapest against peers. Company posted highest ever sales, operating profit and net profit during FY21.

Investors can accumulate this stock with a stop loss of Rs.102. It may give very good returns in medium to long term.

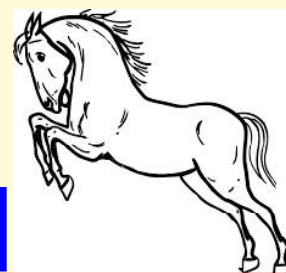
Some successful recommendations of the SMART Research Report made fresh highs during last week...

Recomm. Date	Stocks	Recomm. Rate	High Price After Recomm.	Appreciation (%)
25th January 21	MOREPEN LABS	28.2	72.4	157%
22nd February 21	GALLANTT METAL	46.8	72.95	56%
8th March 21	MOREPEN LABS	29.3	72.4	147%
29th March 21	GEE LTD	38.55	64	66%
5th April 21	CAPRIHANS	84	180	114%
19th April 21	SHIVALIK BIMETAL	83.8	113.4	35%
26th April 21	GEE LTD	38.6	64	66%
3rd May 21	PTL ENTER	36.1	53	47%
14th June 21	LASA SUPERGENERICS	77.8	92.9	19%



SMART BUY OF THE WEEK

Dark Horse



Dark Horse-1

ALLIED DIGITAL SERVICES LTD

(532875 & NSE) (61.05) (Face Value Rs.5)

Allied Digital Services (ADSL), is a publicly traded Global Managed Service Provider and Systems Integrator, with operations in 70 countries, offering entire

Particulars	3 Months Ended		
	Q4FY21	Q4FY20	% Var.
Sales	95.76	90.13	6.25
Operating Profit	10.60	8.20	29.27
Profit	3.90	2.85	36.84

spectrum of infrastructure solutions and services to global clients, with portfolio running across a wide spectrum of modern offerings, including Digital Workspace Services, Digital Enterprise Infrastructure, Transformative Solutions, Cybersecurity Services, Cloud Service and Support.

The Company has an equity of Rs.25.35 crore backed by huge reserves of around Rs.445.27 crore, which leads to a share book value of Rs.92.8. The promoters hold 49.95% while the investing public holds 50.05% stake in the company.

It posted excellent Q4FY21 numbers as net profit grew 36.84% to Rs.3.90 crore from profit of Rs.2.85 crore in Q4FY20 on income of Rs.95.76 crore fetching an EPS of Rs.0.77. For FY21, it reported PAT of Rs.19.24 crore on income of Rs.358.08 crore and an EPS of Rs.3.82.

At the CMP, ADSL trades at a PE ratio of 16x.

During Q1FY22, Allied Digital Services and its subsidiaries have bagged Multi-Year prestigious pure services deals with collective Total Contract Value of Rs. 133 Cr, from leading customers across F&B, Industrial Supplies, Healthcare and Government segments.

Investors can accumulate this stock with a stop loss of Rs.46. It may give very good returns in medium to long term.

Cont...

Dark Horse-2

GANESH BENZOPLAST LTD**(500153) (77.05) (Face Value Re.1)**

Particulars	Quarter Ended		
	Q3FY21	Q3FY20	% Var.
Sales	66.64	60.85	9.52
Operating Profit	20.40	17.25	18.26
PAT	11.16	9.04	23.45

On 20th July 2020, we had recommended this stock as DARK HORSE at Rs.38.45. After our recommendation it zoomed to Rs.81.7 levels and recorded almost 112% appreciation.

Ganesh Benzoplast is the leading independent Liquid Storage Tank (LST) provider, specialized in the storage and handling of liquid chemicals and

oil products and has storage terminals at JNPT (Navi Mumbai), Cochin and Goa. In LST division, the Company has a combined storage capacity of more than 3,00,000 KL, for storage of all types of Liquid Products such as 'A', 'B', and 'C' class liquids. The Company has total 82 storage tanks at JNPT, Goa and Cochin terminals. GBL is also in the business of manufacturing of specialty chemicals, food preservatives and oil additives having two factories at MIDC Tarapur (Maharashtra). Under Chemical Division, the Company is engaged in manufacturing and exporting wide range of food preservatives, lubricant additives, specialty Chemicals. GBL products are used in food & beverage, paints, automobile, pharmaceutical, lubricants industries etc. The Company markets its products through distributors in Africa, North America, North Europe, India, Australia, and the Middle East. Company is the only manufacturer of pure Benzoic Acid & its Derivatives like Sodium Benzoate well known food preservative and Benzoplast a Specialty plasticizer which is a superior plasticizer as compared with other plasticizers. Sodium Benzoate and Benzoic Acid have huge demand in International Markets.

It has an equity base just of Rs.6.24 crore that is supported by reserves of around Rs.164 crore which is 26 times higher than equity. The Promoters hold 43.14% while the investing public holds 56.86% stake in the company.

For Q3FY21, GBL reported 23.45% higher PAT of Rs.11.16 crore on 9.52% higher sales of Rs.66.64 crore and an EPS of Rs.1.79. For 9MFY21, it posted PAT of Rs.34.99 crore on sales of Rs.172.95 crore and an EPS of Rs.6.61.

Currently, the stock trades at a P/E of 9.4x.

Investors can accumulate this stock with a stop loss of Rs.65. It may give very good returns in medium to long term.

Some recommendations of SMART BUY OF WEEK (SMART DARK HORSE) made a new high during last week...

Recomm. Date	Stocks	Recomm. Rate	High Price After Recomm.	Appreciation (%)
5th October 20	MAAN ALU	72	357.35	396%
2nd November 20	PIX TRANSMISSION	143	549	284%
9th November 20	GOLDIAM INTER	156.65	463.15	196%
9th November 20	RAMA PHOS	66.6	227.5	242%
DIWALI 2020	CAPRIHANS	64	180	181%
14th December 20	KHAITAN CHEMICALS	21.85	54	147%
21st December 20	VIVO BIO	47.5	115.1	142%
8th February 21	MOREPEN LAB	29.4	72.4	146%
22nd February 21	MAAN ALU	159	357.35	125%
1st March 21	BCL Industries	98.6	230	133%
3rd May 21	AGAR IND	152	310	104%

Grey market movement

High volatility in premiums of Shyam metal and Dodla Dairy IPO
Premiums crumbled in Sona BLW and Krishna IPO due to lack of fancy
Premium starts in India Pesticides IPO in grey market
Interest rates deals on hold due to huge losses to operators - investors in March

The grey market has turned highly active due to four mainboard IPOs last week and one more IPO in the current week.

* **ShyamMetalics**:- The premiums started around Rs. 145-150 but came down to Rs. 130-133. Interest for minimum application was Rs. 450-500. Subject to rates were Rs. 4500 to Rs. 5000.

* **Sona BLW Precision and Forging**:- Premiums started at Rs. 7-8 and went up to Rs. 8-10 but came down to Rs. 3.50-4.

* **Dodla Dairy**:- premiums are highly volatile. It touched to Rs. 145-150 but now came down to Rs. 78-80. Interest rates are Rs. 250 and subject to rates are Rs. 200-2200. High volatility can be seen on listing.

* **Krishna Institute**:- The premiums shoot up from Rs. 35-40 to Rs. 46-50 but came down at sellers' Rs. 18-20 due to lack of interest from QIB and HNI. Interest rates were Rs. 200 but no deals took place.

* **India Pesticies**:- The premiums started at Rs. 80-85 in afternoon on Friday, which went up to Rs. 80-95.

It should be noted that, during last March, operator and investors had to bear huge losses, so they are hesitating in taking deals. So volume has gone down considerably.

One97 Communications Approves Rs 12,000-crore Fund Raising Plan

One97 Communications, the parent company of Paytm has decided to raise Rs 12,000 crore (\$1.6 billion) by issuing fresh equity in its extraordinary general meeting (EGM) on July 12, according to reports. Paytm had received in-principle approval from its board to go for a \$3 billion initial public offering (IPO), biggest in India. "The company wants to sell Rs 12,000 crore (\$1.61 billion) in new shares plus a potential 1% for over-allotment," according to Bloomberg.

