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WEEKLY WRAP-UP

MAY 28, 2021

"The stock market is a device to transfer money from the impatient to the patient."

- Warren Buffett

Highlights of the Week

DOMESTIC:

- Minda Industries board approves acquisition of 27.55% stake in CSE Dakshina
- Zydus launches Ujvira (Trastuzumab Emtansine), a breakthrough in Breast Cancer treatment
- AGEL unit transfers 74% stake of MSEL to Adani Tradecom
- Roche's Antibody Cocktail (Casirivimab and Imdevimab) is now available in India, Cipla to market it pan-India
- Covax seeks faster WHO approval for Covaxin
- Vivimed Labs make first shipment of Famotidine tablets to Canada
- Adani Green arm transfers 74% stake held in Mundra Solar Energy to Adani Enterprises
- Nestle India to setup five oxygen plants near its factory locations amid ongoing Covid-19 spread
- PNB Housing executes trademark agreement with PNB, board to discuss fundraising plan on May 31
- BPCL says no intention to sell stake in Petronet, IGL
- CIL's coal allocation to power sector under e-auction drops 28% in April
- HPCL shuts 70,000 bpd fire-hit crude unit at Vizag refinery
- NHAI to offer 32 projects in next round of toll-operate-transfer bids
- Tech Mahindra bags five-year digital contract from UK-based Pret A Manger
- HDFC to raise up to Rs7,000cr by issuing bonds on private placement basis
- TCS acquires GE's stake in TCS Saudi Arabia

ECONOMY:

- FY21 data: FDI equity inflows rise 19% to USD60bn
- Icra pegs Q4 GDP growth at 2%; projects 7.3% contraction in FY21
- RBI to ensure 'comfortable level' of liquidity in system this fiscal

INDUSTRY:

- Discoms' outstanding dues to gencos fall 3% to Rs78,379cr in March
- 185 city gas distribution projects may get extension
- Government releases Rs1,605cr central grant to north eastern states under Jal Jeevan Mission

COVERAGE NEWS:

Cipla Ltd: Roche and Cipla have announced that the first batch of the antibody cocktail (Casirivimab and Imdevimab) is now available in India, while the second would be made available by mid June. The drug would be available through leading hospitals and Covid treatment centres.

GMM Pfaudler Ltd: GMM Pfaudler has announced that it has commenced manufacturing operations at its facility at Vatva near Ahmedabad; the company had acquired the assets owned by HDO Technologies Limited through an e-auction in March 2021.

Alembic Pharmaceuticals Ltd: The company has received license to manufacture Liposomal Amphotericin B Injection 50mg/vial (Lyophilized) from Drugs Controller General of India and Food & Drug Control Authority, Gujarat.

The Week That Went By:

As Index was approaching its record levels, some hesitation was seen and Index oscillated in a narrow range. However, sectoral rotation was seen throughout the week where banking, IT, and Media counters outperformed whereas Metal stocks tumbled after a strong rally. On the last day of the week, Index started the day on a strong note and ended the week at record levels.

Nifty50=15435.65 BSE Sensex30=51422.88 Nifty Midcap 100=25695.10 Nifty Smallcap100=9254.15

Result Synopsis

Company	Result This Week
Gulshan Polyols Ltd **CMP: Rs168** **Target: Rs200**	The net revenue for the quarter under review grew by 68.4% to Rs2273mn as compared to Rs1350mn in the same quarter last year. The EBITDA margins for the quarter under review stood at 18.87% as compared to 10.36% in the same quarter last year. The net profit came in at Rs215mn as against Rs28mn in the comparative quarter. EPS for the quarter under review stood at Rs4.59 as compared to Rs0.59 in the corresponding period last year. For the full year, the company has reported a growth in turnover by 23.4% with revenues earned at Rs7660 for FY21 as compared to Rs6208 in FY20; while recording a net profit of Rs625mn in FY21 as compared to Rs206. For the full year, EBITDA margins came in at 17.07% as compared to Rs11.09% in FY20. The Board of Directors of the company have recommended a final dividend Rs0.40 per equity share on face value of Rs1 per share for FY2020-2021 which is subject to the approval by the shareholders of the company. **Outlook and Recommendations:** The company has reported very strong numbers for the quarter and full year under review. As mentioned in our earlier notes as well, the company has started reporting improved financial performance which is majorly attributable to operational discipline, interest cost reduction, cost optimization programs, leveraging technology and majorly the up-ticking distillery plant. The turnaround in the distillery segment has been the main driver of the stellar growth/performance of the company as the company continues to supply ethanol to public sector companies. In addition to this, the grain processing segment too witnessed an uptick owing to improved demand. Furthermore, the company is looking at expansion to set up 300KLPD grain -based ethanol manufacturing facility at its existing site at Chhindwara, Madhya Pradesh. Gulshan Polyols is also exploring new locations to take advantage of the ethanol blending petroleum programs of GOI. Gulshan Poly has also received an in-principle approval of Government of India-DFPD for grant of interest subvention for maximum permissible loan amount of Rs1700mn. The company's strong growth has been favoured by resumption of supply chain and logistics, cost & cash management, along with careful price increases. The company is virtually debt free. Management appears to be quite enthusiastic and optimistic in relation to the operations related to Grain and Distillery segments for Q1FY22. Also knowing that the ethanol business is still an unexplored business by many players with barriers to entry and dependent on the government directives, where many OMCs will be major buyers. The only concern which the company will face is related to the supply chain procurement of raw materials and selling the produce from the factory at competitive prices. **The stock has breached our recent target price of Rs125 and while upgrading the same to Rs200, we also recommend our long-term clients to book profits to the tune of 10-15%.**
Hitech Corporation Ltd **CMP: Rs178** **Target: Rs225**	The net sales for the quarter grew by 26.3% to Rs1379mn as compared to Rs1091mn in the same quarter last year. The EBITDA margins for the quarter under review stood at 14.8% as compared to 12.3% in the corresponding quarter last year. The company reported a net profit of Rs124mn as against Rs3mn in the same quarter last year. The EPS stands at Rs7.22 as compared to Rs0.17 in the same period last year. During the quarter and year ended 31st March, 2021, the company sold land and building at Dadra and Sarigam. The said plants were vacant and the operations had been shifted to other plants in earlier years. The profit on sale of property amounting to Rs56.43mn has been recognized as an exceptional item. The Board has recommended a dividend of Rs1 per share on equity shares of FV of Rs10 each subject to shareholders. approval **Outlook and Recommendations:** After a complete washout in Q1FY21, the company has tried to maintain its performance over the ensuing quarters. This is well depicted by the cost efficiency measures being adopted by the company and decent operational margins. However, the management has indicated that with the recent surge and reintroduction of lockdowns in certain states, they don't foresee any significant impact on the workings of the company. Moreover, the industries that the company caters to, have seen some good momentum in recent times. **We maintain our Buy call with a cautious view for a revised target price of Rs225 over a 12 months horizon.**
Acrysil Ltd **CMP: Rs485** **Target: Rs483**	The net sales for the quarter came in at Rs1,006mn as against Rs644mn, growth of 56.4%. The Ebitda margins for the quarter under review stood at 20.2% as compared to 15.0% in the same quarter last year. The net profit came in at Rs134mn, growth of 247.2% as compared to Rs39mn in the comparative quarter. The EPS for the quarter is Rs4.89. The Board of Directors have recommended a final dividend of Rs1.2/share for FY21 in addition to the interim dividend of Rs0.8/share declared in Feb 2021. **Outlook and Recommendations:** Inspite of it being a pandemic year, the company has very well migrated from the notion of being in the discretionary space to actually being a requisite as homes are now the new workplace. Acrysil has enjoyed the increased demand in the international markets. Operational efficiency has been the key throughout the working quarters for the company. Acrysil is back to 100% utilization indicating an uptrend in demand from customers. It has been on track with its expansions and capex plans (expanded manufacturing capability to 6,00,000 units which should further increase to 7,00,000 units by June, 2021), and has plans to expand even further to meet the unmet demand. It has also entered into different agreements and tie-ups which gives visibility to future growth. There has been improvement in the dividend as well when compared to the previous year. Lockdowns have indeed worked well for the company and hence with the situation normalizing the company can further ramp up on its growth plans and expansions. **We had initiated our call at Rs115 with multiple target revisions with the last one also achieved at Rs400. We would recommend to book 20% profits and HOLD for a target of Rs483.**
Shanthi Gears Ltd **CMP: Rs155** **Target: Rs200**	The net sales for the quarter grew by 72.7% to Rs718.7mn as compared to Rs416.1mn in the same quarter last year. The EBITDA margins for the quarter under review stood at 16.4% as compared to 1.85% in the corresponding quarter last year. The company reported a net profit of Rs94.2mn as against Rs12.9mn in the same quarter last year. The EPS stands at Rs1.23 as compared to Rs0.17 in the same period last year. For the full year, the company has reported a degrowth in turnover by 11% with revenues earned at Rs2155 for FY21 as compared to Rs2423 in FY20; while recording a net profit of Rs202mn in FY21 as compared to Rs252. For the full year, EBITDA margins came in at 12.36% as compared to Rs14.26% in FY20. **Outlook and Recommendations:** The company has bounced back very well post the effects of the pandemic and the operations of the company have picked up very well. However, in a recent press release on 10th May 2021, the company informed about a lock down imposed by Tamil Nadu Government till 24th May 2021 (resumption depends on the improvement of the situation). SGL continues to focus on making the operations leaner and fetching higher operational efficiencies. For the full year under review, due to lower PBT, ROCE declined to 15% as compared to 19% in the FY20, while the free cash flow (FCF) generated by the company stood at Rs210mn and FCF to PAT is 105%. During the year the Company had booked orders for Rs3,050mn and registered 20% growth over previous year. The pending order book as on 31st March 2021 was Rs2,250mn against Rs1,550mn in the previous year which provides visibility for the next 6-9 months at least. We continue to bet on the brand recall of SGL coupled with strong fundamentals of the company. As and when manufacturing activities come back on track and the industry begins to revive again, Managements strategy to focus on four key parameters i.e. revenue growth, profitability, ROCE, free cash flow will begin to deliver. **The stock has already breached our recent target price of Rs150 and we cautiously upgrade the same to Rs200.**

Result Synopsis

Company	Result This Week
Transpek Industry Ltd **CMP: Rs1464** **Target: Rs2000**	The net revenue for the quarter under review degrew by 40.4% to Rs965mn as compared to Rs1618mn in the same quarter last year. The EBITDA margins for the quarter under review stood at 18.2% as compared to 24.5% in the same quarter last year. The net profit came in at Rs110mn as against Rs242mn in the comparative quarter. EPS for the quarter under review stood at Rs19.6 as compared to Rs43.3 in the corresponding period last year. For the full year, the company has reported a degrowth in turnover by 40.0% with revenues earned at Rs3394 for FY21 as compared to Rs5656 in FY20; while recording a net profit of Rs233mn in FY21 as compared to Rs729mn. The Board of Directors of the company have recommended dividend of Rs7.5 per equity share on the face value of Rs10 per share which is subject to approval by the shareholders at the upcoming AGM of the company. **Outlook and Recommendations:** The company has reported tepid numbers for the quarter under review when compared on a y-o-y basis, however a slight improvement has been seen when compared sequentially. Overseas markets, including the US, South Korea, and Europe, contribute ~80% to the revenue for the company. The performance of the company has clearly been impacted by the pandemic which appears to be easing gradually. Although the capex plan which had been chalked out earlier is deferred for the time being and the company must have been looking at conserving cash, the implementation of the capex plan is waited for uptick in the revenues, better operational efficiency and better profitability going forward. The company continues to focus on reducing the interest burden. Transpek has risks associated with product and customer concentration, but the same is partially mitigated by a long-term take-or-pay supply agreement. Stable working capital cycle with absence of any large capex, established presence in the industry and strong relations with customers ensures that comfortable liquidity for the company. **The consolidation phase for Transpek may continue for another quarter or so, and thus we reduce the target price to Rs2000 from earlier target price of Rs2,700.**
Thermax Ltd **CMP: Rs1453** **Target: Rs1450**	The quarter witnessed improved profitability owing to higher topline, cost reduction measures and better margins in the Energy segment. The consolidated net sales for the quarter grew by 19% at Rs15,745mn as compared to Rs13,230mn in the same quarter last year. On the segmental performance, the Energy segment revenue grew by 12% to Rs11.8bn, y-o-y while Environment segment revenue grew by 52% to Rs3.0bn and chemical segment revenue came in at Rs1.2bn, growth of 24% y-o-y. The EBITDA margins for the quarter under review stood at 8.9% as compared to 4.8% in the corresponding period last year. The company reported a net profit of Rs1,074mn as against Rs390mn in the comparative quarter. The EPS for the quarter stood at Rs9.5 as compared to Rs3.5 in the corresponding period last year. The Board recommended dividend of Rs7 per share for FY21. **Outlook and Recommendations:** The company reported strong set of numbers for the quarter under reference and ended the year on a decent note inspite of the pandemic lockdowns and disruptions. The quarter witnessed growth led by improved profitability owing to higher topline, cost reduction measures and better margins in the Energy segment. The order book for the year has been across different sectors indicating a broad based recovery. The management was pretty vocal that from the sales perspective a lot would depend on the ability to deliver with limitations led by Covid which could impact future gains. Also with the second wave, the worry on demand is warranted as there is drop in demand from the distributors side. On the flip there are discussions happening with regard to larger projects which should come in a quarter or two. The company is pretty clear on its execution capabilities and also aware of the hindrances that could crop up with regard to demand going forward and thereby is taking apt measures. Overall, we feel that as things start getting back on track, there would be better growth visibility dawning from the industries that the company caters to. **Considering the cautious tone, we would recommend a HOLD on the stock, maintain our target and see how the demand shapes up post the second wave which would provide better clarity on execution in times to come**
Container Corporation of India Ltd **CMP: Rs669** **Target: Rs750**	The net revenue for the quarter under review grew by 23.5% to Rs19566mn as compared to Rs15843mn in the same quarter last year. The EBITDA margins for the quarter under review stood at 10% as compared to 30% in the same quarter last year; which is basically due to three one-time payments made by the company. The net profit came in at Rs185mn as against Rs3134mn in the comparative quarter. EPS for the quarter under review stood at Rs0.41 as compared to Rs5.2 in the corresponding period last year. For the full year, the company has reported a degrowth in turnover by 1.7% with revenues earned at Rs64270 for FY21 as compared to Rs65394 in FY20; while recording a net profit of Rs4693mn in FY21 as compared to Rs3668 in FY20. **Outlook and Recommendations:** Things appear to be moving in the right direction as per the commentary of the Management. There is more clarity on LLF payments which also nullifies the ambiguity. By paying off the one-off items, the company is trying its best to clean up the balance sheet and appears to be good while at the same time undertaking appropriate steps for the divestment plans. The company has cash of approximately ~Rs25000mn, is planning a capex of ~Rs5000mn and will take a short-term loan for the payments to be made to the railways. As and when DFC and or parts of DFC will be commissioned, the same will lead to increased volumes and will be beneficial for the industry as a whole and Concor. **The stock has already breached our initial target price of Rs650 and we upgrade the same to Rs750.**
La Opala RG Limited **CMP: Rs266** **Target: Rs325**	The net revenue for the quarter under review grew by 25.9% to Rs804mn as compared to Rs638mn in the same quarter last year. The EBITDA margins for the quarter under review stood at 34.14% as compared to 30.01% in the same quarter last year. The net profit came in at Rs200mn as against Rs137mn in the comparative quarter. EPS for the quarter under review stood at Rs1.80 as compared to Rs1.23 in the corresponding period last year. For the full year, the company has reported a degrowth in turnover by 21.8% (badly hit by the pandemic) with revenues earned at Rs2113 for FY21 as compared to Rs2700 in FY20; while recording a net profit of Rs496mn in FY21 as compared to Rs843. EPS for the full year stood at Rs4.47 as compared toRs7.59 in FY20. The Board of Directors of the company has recommended a dividend of Rs1.50 per equity share of face value of Rs2 each for FY2020-21, which is subject to the approval by the shareholders at the upcoming AGM. **Outlook and Recommendations:** The company has performed for the quarter under review; while the margins seem to be coming back on track, the cost of raw materials and other inputs seem to the dampener. For the full year, the company was badly hit by the first wave of the pandemic, wherein the company had reported loss and operations were closed during that period of nationwide lock down. However, the company has absorbed the negative impact and has revived very quickly while performing much better than our anticipation. The capex plans which are currently delayed (seen in the CWIP) will lead the company to the next phase of growth as and when executed. LORGL has emerged as a dominant player (in its domain) by proactively transforming itself, becoming future ready by investing in additional capacities, investing in technology to stay ahead of the curve, making the right investments, and running the virtually debt operations with a major cash surplus in the books. Over the years the company and its Management has shown commitment towards deliberate emphasis on the niche opalware market in India. **The stock idea has already breached our first target price of Rs270 and we very cautiously increase the same to Rs325.**

Result Synopsis

Company	Result This Week
Integra Engineering India Ltd **CMP: Rs33** **Target: Rs40**	Net revenue for the quarter under review grew by 21.5% to Rs185mn as compared to Rs153mn in the same quarter last year. The EBITDA margins for the quarter under review stood at 12.8% as compared to 11.6% in the corresponding quarter last year. The company reported net profit of Rs16mn as compared to Rs10mn in the comparative quarter of the previous year. EPS for the quarter under review came in at Rs0.47. **Outlook and Recommendations:** Considering the disruptions caused due to the pandemic led lockdowns, the company has reported good set of numbers for the quarter as well for FY21. Railways and Power being the key sectors for the company; did have a tough time with shutdowns across the country. There was some revival creeping in with the unlocking of the economy, but didn't sustain too far due to the second wave of Covid. The management has been keeping a close watch on the impacts of the pandemic on the business and continues with its cost management techniques to cushion the same evident through the operating margins. With a strong parentage, range of products and apt sectors to cater; the company is well placed. How the second wave pans out for execution, demand and growth to get back to normal will be a wait and watch situation. Also allocations for Heavy industries would be a macro rationale to track. We remain positive on the strategic growth pillars that the company stands for namely grow existing business while adding more products, enhance infrastructure and increase efficiency, create a strong team and ensure safety. **However with a cautious outlook we maintain a HOLD on the stock for a target of Rs40.**
FDC Ltd **CMP: Rs334** **Target: Rs456**	The net sales for the quarter reported a drop of 5.9% at Rs3,116mn as compared to Rs3,311mn in the same quarter last year. The EBITDA margin for the quarter under review stood at 12.0% as compared to 8.1% in Q4FY20. The net profit came in at Rs420mn as against Rs585mn in the same quarter last year; drop of 28.3%. The EPS stands at Rs2.49. **Outlook and Recommendations:** It was a soft quarter on the operational front led by lower sales and increase in raw material costs. However, the year was closed on a decent note where the company managed to report Ebitda margin of 24.5% as against 21.3% in FY20. At the onset of the pandemic, the behavioral shift towards healthy eating habits and nutritional beverages is expected to stay in the near future thus leading to an increased demand in the functional foods category going forward. However, it is a wait and watch situation to see how things unfold for the company to clock in desired normalcy. **We continue to maintain our Buy call for the target of Rs456 over a 12 months horizon.**
Bharat Bijlee Ltd **CMP: Rs1300** **Target: Rs1300**	The net revenue for the quarter under review grew by 11.5% to Rs2,901mn as compared to Rs2,601mn in the same quarter last year. The EBITDA margins for the quarter under review stood at 4.91% as compared to 7.79% in the same quarter last year, impacted by the raw material cost as well as higher other expenses. The net profit came in at Rs131mn as against Rs142mn in the comparative quarter. EPS for the quarter under review stood at Rs23.09 as compared to Rs25.07 in the corresponding period last year. For the full year, the turnover de-grew by 21.3% at Rs7,311mn for FY21 as compared to Rs9,287mn in FY20; while recording a net profit of Rs261mn in FY21 as compared to Rs456mn in FY20. The Board has recommended a final dividend of Rs5 per equity share of Rs10 each, for FY21. On the segmental front, the Power and Industrial division reported a growth of 3.5% and 19.2% respectively on a y-o-y basis **Outlook and Recommendations:** When seen from the perspective of pandemic led disruptions and lockdowns, the company has closed the year on a decent note. During the quarter, lower operating margins led to lower profits while for the year, lower revenues trickled to the PAT level. Heavy industries have been impacted by the second wave after there was revival seen which didn't last too long though. There has been a slowdown witnessed in demand as well as overall execution across different catering industries of the company. Although the business focus of BBL with regard to gearless elevators, smart technology products remains intact, one would have to see how revival pans out with manufacturing and capex related activities getting back to normalcy. **We remain positive on the business capabilities of the company but with a cautious view recommend a HOLD on the stock with a target of Rs1300.**
Axtel Industries Limited **CMP: Rs300** **Target: Rs375**	The net sales for the quarter came in at Rs376mn as compared to Rs234mn in the same quarter last year, growth of 60.3%. The EBITDA margins stood at 9.2% as compared to 10.4% in the same quarter last year. The net profit for the period dropped by 4.2% to Rs22mn as against Rs23mn in the comparative quarter. The EPS for the quarter stood at Rs1.36. For the full year, the net sales grew by 53.9% to Rs1,534mn as compared to Rs997mn in FY20. The EBITDA margins improved to 18.9% as against 14.4%. The net profit grew by 95.5% to Rs213mn. The Board of Directors has recommended dividend at Rs3 (30%) per equity share in addition to interim dividend of Rs3 per equity share declared in November, 2020, as final dividend for the year end 31st March,2021.Accordingly total dividend for the year ended 31st March, 2021 is Rs6 per equity share. **Outlook and Recommendations:** The December quarter was actually a comeback quarter for the company with the hopes of getting back on track, but with the second wave it seemed a bit delayed. Although the company clocked decent topline growth, the operating margins were impacted due to drop in gross margins as well increase in other expenses. However, for the full year the performance was as per expectations with good growth in revenues, expansion in margins and doubling of PAT. There has been a slowdown seen in capex plans and expansions across industries impacted by the lockdown as well as dip in demand. This does build some uncertainty across therevival expected although the capabilities of the company remain intact. **We would recommend a HOLD on the stock for a target of Rs375.**
S H Kelkar and Co Ltd **CMP: Rs162** **Target: Rs200**	The performance during the quarter was driven by normalization in demand as well as enquiries across both domestic and international markets. The quarter under review witnessed an improved client engagement and new wins across the domestic FMCG space. The net sales for the quarter came in at Rs3970mn as compared to Rs2712mn in the same quarter last year, growth of 46.4%. The EBITDA margins stood at 16.9% as compared to 11.7% in the same quarter last year. The net profit (after the share of equity accounted investee) came in at Rs402mn as against Rs127mn in the comparative quarter. For the full year, the company reported a growth of 18.6% at its topline; at Rs13,220mn as against Rs11,142mn in FY20; whereas the PAT (after the share of equity accounted investee) came in at Rs1440mn in FY21 as against Rs359mn in FY20. On the other hand, the company has reported an Ebitda margin at 17.8% for FY21. On segmental front, Fragrance and Flavours grew by 51.4% and 11.2% respectively (y-o-y basis). The EPS for the quarter stood at Rs2.91. The Board has recommended a dividend of Rs0.75 per share (in addition to interim dividend of Rs1 per share in Nov, 2020). For full year FY21, the overall dividend is Rs1.75 per share. **Outlook and Recommendations:** The company has reported good results for the quarter under reference. Post the consolidation of CFF operations since last quarter, the company has been able to reflect the same in the business operations. Even though the management was quite candid in terms of a modulated demand environment going forward, the focus would continue to be on maintaining a steady business, decent revenue growth in a span of next 2-3 years, while retaining its stand as regard to operational efficiency. With the recent acquisition of Nova and the European markets improving ahead of the curve, SHK anticipates good growth in times to come. The company has plans in place for gradual debt reduction, prudent inventory management systems in place. **Post the call initiation at Rs51, the stock has breached our 3rd target of Rs140 and we would recommend the long term clients to book 10-15% of profits and further upgrade the target to Rs200.**

Result Synopsis

Company	Result This Week
Punjab Chemicals and Crop Protection Ltd **CMP: Rs1129** **Target: Rs1500**	The net revenue for the quarter under review grew by 96.7% to Rs2098mn as compared to Rs1066mn in the same quarter last year. The EBITDA margins for the quarter under review stood at 11.26% as compared to 8.57% in the same quarter last year. The other expenses recoded for the quarter under review has gone up by nearly Rs886mn on y-o-y basis which is the reason for margins appearing optically lower when compared on q-o-q basis. The net profit came in at Rs133mn as against Rs48mn in the comparative quarter. EPS for the quarter under review stood at Rs10.86 as compared to Rs3.9 in the corresponding period last year. For the full year, the company has reported a growth in turnover by 23.5% with revenues earned at Rs6764 for FY21 as compared to Rs5475 in FY20; while recording a net profit of Rs505mn in FY21 as compared to Rs158mn. EPS for the year ending March 2021came in at Rs41.22 as compared to Rs12.87 in FY20. The Board has recommended a dividend of Rs2 per share for FY21 subject to shareholders approval. **<u>Outlook and Recommendations:</u>** The company continues to perform far better than our anticipation which is propelled by various deleveraging initiatives, reduction in overheads as well as interest burden leading to improved profitability and margins. The overall debt has reduced by Rs131.4mn in FY21 due to restructuring of debt initiatives implemented. Despite an increase in the basic raw material or input prices (during the quarter under review), the increased contribution of high margin products has helped the company report healthy growth. As mentioned in our earlier notes as well, PCCPL seems to have benefited from the global agrochemical players to which the company already caters to; as the international players grow so will PCCPL grow along with them. The company seems to be focussing on herbicides and fungicides which is a major growth area and seeing traction on the global level. PCCPL has shown an absolute turnaround during the year under review, which is evident from a major uptick in the margins. While having a robust order book from the international clients which provides visibility for near future, some of the other major triggers which are helping the company grow include, improved sentiments due to good rainfall prediction, long-term growth trajectory of the agrochemicals sector, robust performance of the CRAMS segment; cost rationalisation initiatives, focused product development efforts via R&D and introduction of new products in the CRAMs space. There are a number of opportunities in the CRAMs space as many players in the industry are increasingly shifting focus towards exploring supply chains movement from China to India. The growth trajectory of PCCPL is expected to be nurtured in the upcoming quarters as well. **Post our recommendation, the stock has nearly breached our second target price of Rs1250 and the continuous good performance of the company and thus we revise our target price to Rs1500.**
Amrutanjan Health Care Ltd **CMP: Rs700** **Target: Rs900**	The net revenue for the quarter under review grew by 58.5% to Rs940mn as compared to Rs593mn in the same quarter last year. The EBITDA margins for the quarter under review stood at 13.18% as compared to 15.32% in the same quarter last year The net profit came in at Rs102mn as against Rs79mn in the comparative quarter. EPS for the quarter under review stood at Rs3.5 as compared to Rs2.7 in the corresponding period last year. For the full year, the company has reported a growth in turnover by 27.3% with revenues earned at Rs3328mn for FY21 as compared to Rs2615mn in FY20; while recording a net profit of Rs612mn in FY21 as compared to Rs251mn in FY20. **<u>Outlook and Recommendations:</u>** The company has a very strong brand equity and brand value, which is confirmed by the pickup in the wholesale channel despite the restrictions for field force during the lockdown. In addition to this, increase in purchase volume by the distributors has contributed to the growth. As mentioned in our earlier notes as well, the company has been benefited by the lower RM prices especially menthol price, which is also a major component of the largest segment i.e. head and pain management division. Management mentions continuous growth in the core products i.e. the balms segment and the brand Comfy. Consumers continue to prefer balms over tablets and some consumers are using balms for steam inhalation which adds to the growth of the balm segment. Management continues to invest in the health drink division i.e. electro+ with vitamin-C. Ad spends and other spends have increased for the beverage division for the year under review. While being a debt free company, Amrutanjan has a cash reserve of Rs1910mn (as on 31st March 2021) as compared to Rs1050mn (as on 31st March 2020). The company continues to focus on executing some key growth parameters like distribution expansion, growing the e-commerce vertical, strengthening the beverage business while keeping a tight control on costs, continuous investment in the brand and building secular trends while focusing on the women's hygiene category while paying immense attention on maintaining the gross margins. **The stock has breached our second target price of Rs600 and the upswing in the products offered by the company with good focus on the strategy provide a vision of further growth to come and thus we upgrade the same to Rs900.**

Coverage Universe Valuations

Company	Reco	Reco at (Rs)	CMP (Rs)	Tgt price (Rs)	Upside	1M Var	3M Var	12M Var
Supreme Petrochem Ltd	BUY	77	748	900	20%	7.9%	80.3%	393.4%
Shanthi Gears Ltd	BUY	107	155	200	29%	13.5%	15.6%	87.4%
Hind Rectifiers Ltd	BUY	69	145	200	38%	18.1%	4.6%	22.6%
KCP Ltd	BUY	71	108	105	-	11.9%	32.8%	174.6%
The Hitech Gears Ltd	BUY	298	233	200	-	47.2%	32.5%	210.1%
Bharat Bijlee Ltd	BUY	787	1300	1300	-	13.4%	14.2%	97.0%
Triveni Turbines Ltd	BUY	92	101	110	9%	-0.5%	-10.4%	62.0%
GMM Pfaudler Ltd	BUY	332	5074	4500	-	19.1%	18.2%	39.8%
Alicon Castalloy Ltd	BUY	288	551	750	36%	16.3%	25.5%	159.7%
Gufic Biosciences Ltd	BUY	50	184	150	-	39.0%	55.6%	246.2%
Excel Industries Ltd	BUY	380	1056	1200	14%	23.3%	22.1%	73.5%
Vesuvius India Ltd	BUY	1165	1011	1165	15%	-0.8%	-2.7%	14.8%
Munjal Showa Ltd	BUY	191	148	191	29%	9.1%	-6.7%	80.6%
Bharat Rasayan Ltd	BUY	2747	12914	12500	-	0.5%	25.0%	88.5%
Grauer and Weil (India) Ltd	BUY	45	52	55	5%	24.6%	24.6%	57.9%
Texmaco Rail & Engineering Ltd	BUY	91	31	50	63%	19.7%	0.2%	36.4%
Nagarjuna Agrichem Ltd	BUY	29	57	70	23%	50.1%	38.3%	112.7%
ITD Cementation India Ltd	BUY	158	81	100	24%	9.4%	-1.8%	132.3%
Westlife Development Ltd	BUY	266	481	525	9%	9.4%	-6.4%	68.4%
Dynamatic Technologies Ltd	BUY	2160	1296	1000	-	21.8%	39.4%	159.2%
Hitech Corporation Ltd	BUY	175	178	225	26%	26.2%	30.8%	165.7%
NRB Bearings Ltd	BUY	138	117	138	18%	11.5%	0.2%	73.6%
Timken India Ltd	BUY	883	1334	1500	12%	-2.5%	5.9%	71.1%
Vardhman Special Steels Ltd	BUY	151	194	250	29%	4.4%	15.5%	342.0%
Zen Technologies Ltd	BUY	115	73	100	37%	-4.0%	-14.3%	95.1%
KSB Ltd	BUY	820	1010	980	-	14.9%	38.5%	115.1%
Thermax Ltd	BUY	1019	1454	1450	-	-2.8%	4.1%	100.2%
Transpek Industry Ltd	BUY	1547	1464	2000	37%	7.5%	5.3%	-15.0%
BASF India Ltd	BUY	1954	2367	3000	27%	15.9%	24.9%	116.9%
Artson Engineering Ltd	BUY	64	51	55	8%	8.1%	49.6%	119.1%
Remsons Industries Ltd	BUY	104	181	200	10%	6.8%	25.3%	260.6%
Snowman Logistics Ltd	BUY	33	53	80	50%	3.8%	1.3%	102.1%
Alembic Pharmaceuticals Ltd	BUY	605	944	1256	33%	-4.5%	2.2%	9.6%
SKF India Ltd	BUY	1942	2350	2620	11%	4.6%	5.7%	62.4%
HFCL Ltd	BUY	25	45	45	-	61.7%	55.3%	389.7%
Sudarshan Chemical Industries Ltd	BUY	372	653	675	3%	0.7%	14.5%	65.2%
Huhtamaki India Ltd	BUY	254	276	320	16%	-1.9%	0.3%	39.5%
Mishra Dhatu Nigam Ltd	BUY	123	191	240	25%	3.7%	-1.9%	-3.4%
Kirloskar Pneumatic Co. Ltd	BUY	134	375	375	-	45.0%	74.0%	279.1%
Integra Engineering India Ltd	BUY	37	33	40	20%	2.6%	20.8%	63.7%
ICICI Bank Ltd	BUY	535	643	725	13%	3.6%	5.8%	96.8%
Srikalahasthi Pipes Ltd	BUY	205	189	250	33%	3.6%	10.8%	38.1%
Acrysil Ltd	BUY	115	485	483	-	46.8%	50.0%	636.3%
Paushak Ltd	BUY	2210	6995	10000	43%	-4.0%	-4.6%	269.5%
FDC Ltd	BUY	240	334	456	36%	8.2%	19.4%	35.3%
Cipla Ltd	BUY	612	935	1055	13%	2.6%	18.4%	48.6%
S H Kelkar and Company Ltd	BUY	51	162	200	24%	13.3%	37.5%	215.8%
Revathi Equipment Ltd	BUY	291	566	650	15%	4.8%	8.8%	83.1%
Ajanta Pharma Ltd	BUY	1478	1964	2250	15%	7.5%	12.2%	32.3%
Container Corporation of India Ltd	BUY	448	669	750	12%	18.8%	18.9%	90.3%
Chambal Fertilisers & Chemicals Ltd	BUY	148	284	350	23%	26.7%	10.2%	115.1%
Punjab Chemicals and Crop Protection Ltd	BUY	602	1129	1500	33%	22.1%	17.0%	167.0%
La Opala RG Ltd	BUY	209	266	325	22%	16.7%	20.5%	68.3%
Axtel Industries Ltd	BUY	232	300	375	25%	1.2%	-6.8%	194.6%
Sterlite Technologies Ltd	BUY	151	249	300	20%	2.4%	15.6%	160.1%
Salzer Electronics Ltd	BUY	101	137	155	13%	11.8%	13.4%	116.4%
Amrutanjan Health Care Ltd	BUY	435	700	900	29%	10.2%	28.2%	107.7%
Century Enka Ltd	BUY	217	328	350	7%	26.9%	28.4%	155.6%
Ultramarine & Pigments Ltd	BUY	241	331	400	21%	-11.2%	5.2%	107.9%
J.B. Chemicals & Pharmaceuticals Ltd	BUY	1033	1431	1400	-	7.5%	24.8%	121.7%
Sumitomo Chemical India Ltd	BUY	275	314	350	12%	2.1%	5.2%	27.8%
Oriental Aromatics Ltd	BUY	864	809	1200	48%	-11.7%	34.4%	469.7%
Vimta Labs Ltd	BUY	240	229	325	42%	-12.8%	38.7%	229.7%
Aurobindo Pharma Ltd	BUY	1018	1023	1250	22%	6.3%	17.1%	43.1%
Gland Pharma Ltd	BUY	2882	3218	3305	3%	20.8%	36.5%	-
IHP Ltd	BUY	171	217	225	4%	25.6%	15.1%	51.2%
Engineers India Ltd	BUY	105	84	150	78%	14.5%	-2.3%	33.9%
Gulshan Polyols Ltd	BUY	78	168	200	19%	6.6%	78.5%	541.5%
Nesco Ltd	BUY	479	564	640	13%	10.4%	-5.8%	26.4%
Castrol India Ltd	BUY	223	135	200	48%	6.6%	-0.7%	18.4%
Hikal Ltd	BUY	95	414	350	-	57.3%	158.3%	261.4%
Morganite Crucible (India) Ltd	BUY	524	840	1250	49%	105.4%	97.4%	22.7%
Laurus Labs Ltd	BUY	120	522	520	-	10.0%	617.7%	470.5%
Alkyl Amines Chemicals Ltd	BUY	156	3792	4000	5%	-50.0%	271.5%	820.4%

**Castrol, Vesuvius– Dec Ending*

NIFTY (WEEKLY)

BANK NIFTY (WEEKLY)

MARKET OUTLOOK

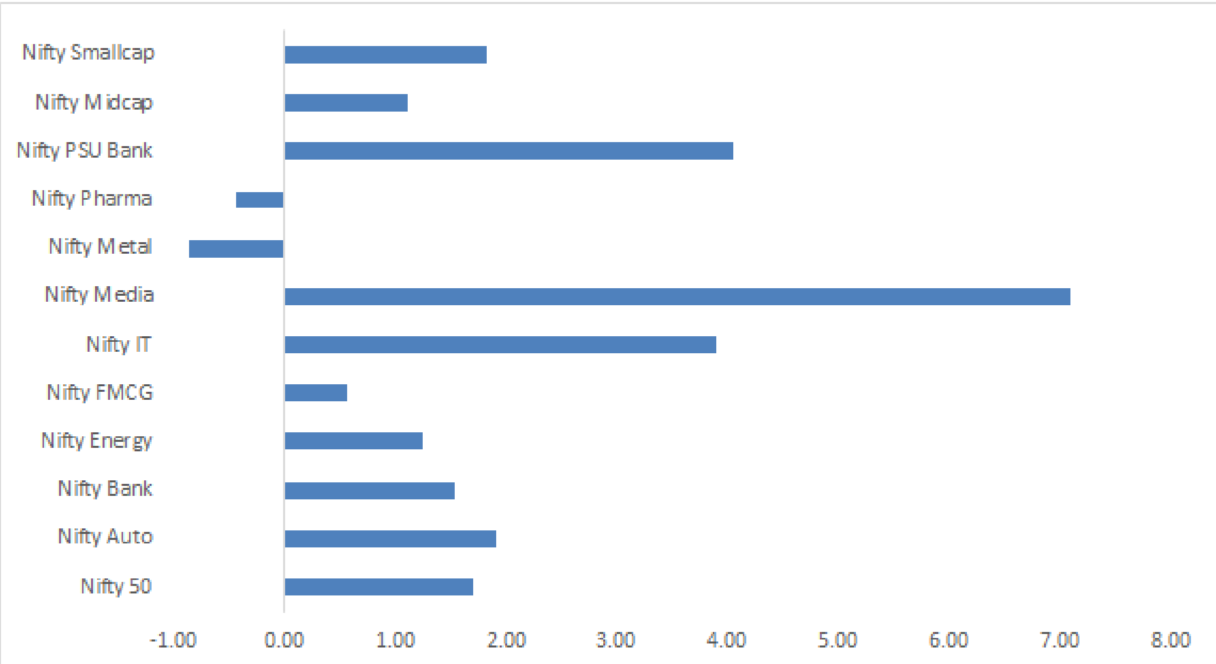
After a flag pattern, **Nifty50** has given a breakout from another continuation pattern i.e., Rounding Bottom and the target of the pattern comes around 16,530. Momentum in **Auto sector** is likely to continue, stocks like **Bajaj Auto, Hero Motocorp M&M** are likely to outperform. **Energy sector** has given record level breakout; activity of the upcoming week will confirm breakout; heavyweight **Reliance** is expected to lead the sector rally. Range breakout was spotted in **IT & Media Sector**.

NIFTY 50 COMPONENTS (WEEKLY PERFORMANCE)

Adani Ports	1.04	HDFC Life	-0.29	ONGC	0.00
Asian Paints	3.70	Hero Motocorp	3.53	PowerGrid	-0.99
Axis Bank	1.55	Hindalco	-0.22	Reliance	4.74
Bajaj Auto	1.89	HUL	-1.42	SBI Life	1.03
Bajaj Finserv	-0.32	ICICI Bank	0.44	SBIN	4.46
Bajaj Finance	4.22	Indusind Bank	0.55	Shree Cement	-0.06
Bharti Airtel	-1.19	INFY	3.81	Sun Pharma	-2.54
BPCL	2.43	IOC	5.17	Tata Consumer	0.48
Britannia	-0.36	ITC	1.84	Tata Motors	2.37
Cipla	0.86	Jsw Steel	-0.98	Tata Steel	-0.72
Coal India	0.00	Kotak Bank	2.31	TCS	2.14
Divis Labs	1.10	LT	4.01	Tech Mahindra	4.59
DR Reddy's Labs	-0.44	M&M	3.55	TITAN	2.62
Eicher Motors	4.40	Maruti	2.26	Ultratech	-0.59
Grasim	6.93	Nestle India	0.57	UPL	4.08
HCL Tech	1.29	NTPC	-3.11	Wipro	4.98
HDFC	0.81				
HDFC Bank	0.43				

*** Gain/ Loss in %**

SECTORAL PERFORMANCE



SECTORAL GAINER

With gains of over 7%, **Media sector** outperformed Frontline Index. DishTV (+25.20%) and Zeel (+10.68%) were the top performer. Tv Today was an exception and ended the week with the loss of 6.01%. As shown in the chart, sector has given a range breakout, MACD has given a positive crossover.

SECTORAL LOSER

After a dream run, some cool-off was seen in **Metal sector**. A mixed trend was seen in the sector where many of the components have ended the week with gains while remaining in the loss. Retracement of the rally is likely to extend further.

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Registered Office Address:
Progressive Share Brokers Pvt. Ltd,
122-124, Laxmi Plaza, Laxmi Indl Estate,
New Link Rd, Andheri West,
Mumbai-400053;
www.progressiveshares.com
Contact No.:022-40777500.

Compliance Officer:
Mr. Shyam Agrawal,
Email Id: compliance@progressiveshares.com,
Contact No.:022-40777500.