

## Week Gone

- ⇒ In the week ended on Friday, 9 April 2021, the Sensex dropped 438.51 points or 0.88% to settle at 49,591.32. The Nifty 50 index fell 32.5 points or 0.22% to settle at 14,834.85. The BSE Mid-Cap index rose 245.77 or 1.20% to settle at 20,762.17. The BSE Small-Cap index advanced 525.16 points or 2.49% to settle at 21,596.85.
- ⇒ Hero MotoCorp reported a 72% increase in total sales at 5,76,957 units in March 2021 from 3,34,647 units sold in the same month last year.
- ⇒ The sale of Royal Enfield motorcycle soared 84% to 66,058 units in March 2021 from 35,814 units in March 2020.

## Week Ahead

- ⇒ The key thing to watch out for in the near future would be the US bond yields because any rise in yields can take out the FII money from developing countries like India to western markets and could also be risk for emerging markets currencies.
- ⇒ The Dollar Index, which measures the U.S. currency against a basket of six peers, will also be closely watched.

## Technical Overview

Index closed with a loss of 0.22% at 14835. Index opened this week on a flat note and remained volatile throughout the week closing near the opening price and with minor loss. Going ahead index has an immediate resistance around 14950, surpass and sustenance above the same will open the way for 15050-15150. While on the lower side support is placed around 14750-14630-14500.



Source: Falcon, BP Equities Research



## Weekly Wealth

## DOMESTIC INDICES

Index	09-Apr-21	01-Apr-21	Weekly % Chg
Nifty	14,835	14,867	-0.2
Nifty Next 50	35,359	34,690	1.9
Nifty 100	15,004	14,993	0.1
Nifty 500	12,527	12,479	0.4
Nifty Midcap 100	24,506	24,118	1.6
Sensex	49,591	50,030	-0.9
BSE 100 Index	15,051	15,045	0.0
BSE 200 Index	6,387	6,374	0.2
BSE 500 Index	19,944	19,867	0.4
BSE Mid-Cap	20,762	20,516	1.2
BSE Small Cap	21,597	21,072	2.5

## NIFTY TOP GAINERS (WEEKLY)

Scrip	09-Apr-21	01-Apr-21	Weekly % Chg
JSW Steel	621.0	508.8	22.1
Adani Ports	823.6	736.3	11.9
Wipro Ltd	450.1	416.4	8.1
Cipla	883.1	818.3	7.9
Tech Mahindra	1,053.0	992.2	6.1

## NIFTY TOP LOSERS (WEEKLY)

Scrip	09-Apr-21	01-Apr-21	Weekly % Chg
Bajaj Finance	4,872.3	5,272.2	-7.6
IndusInd Bank	923.7	993.3	-7.0
Axis Bank	668.2	713.0	-6.3
SBI	353.0	370.7	-4.8
Power Grid Corp	208.3	218.7	-4.8

## WORLD INDICES

Index	09-Apr-21	01-Apr-21	Weekly % Chg
Nikkei Index	29,768	29,854	-0.3
Hang Seng Index	28,699	28,939	-0.8
Kospi Index	3,132	3,113	0.6
Shanghai SE Composite	3,451	3,484	-1.0
Strait Times Index	3,185	3,182	0.1
Dow Jones	33,504	33,153	1.1
NASDAQ	13,829	13,480	2.6
FTSE	6,925	6,737	2.8

## FOREX

Currency	09-Apr-21	01-Apr-21	Weekly % Chg
US\$ (Rs.)	74.8	73.3	2.1
GBP (Rs.)	102.7	101.4	1.2
Euro (Rs.)	88.8	86.4	2.8
Yen (Rs.) 100 Units	68.0	66.0	3.0

## FII - ACTIVITY

(Rs. Cr.)

Date	Purchases	Sales	Net
09-Apr-20	6,307.9	6,961.4	-653.5
08-Apr-21	8,752.0	8,641.2	110.9
07-Apr-21	7,380.2	7,138.3	366.2
06-Apr-21	4,825.3	7,034.7	-1,200.3
05-Apr-21	4,443.8	2,248.7	-1,199.5
<u>MTD</u>	38,988.1	41,178.7	-2,190.2

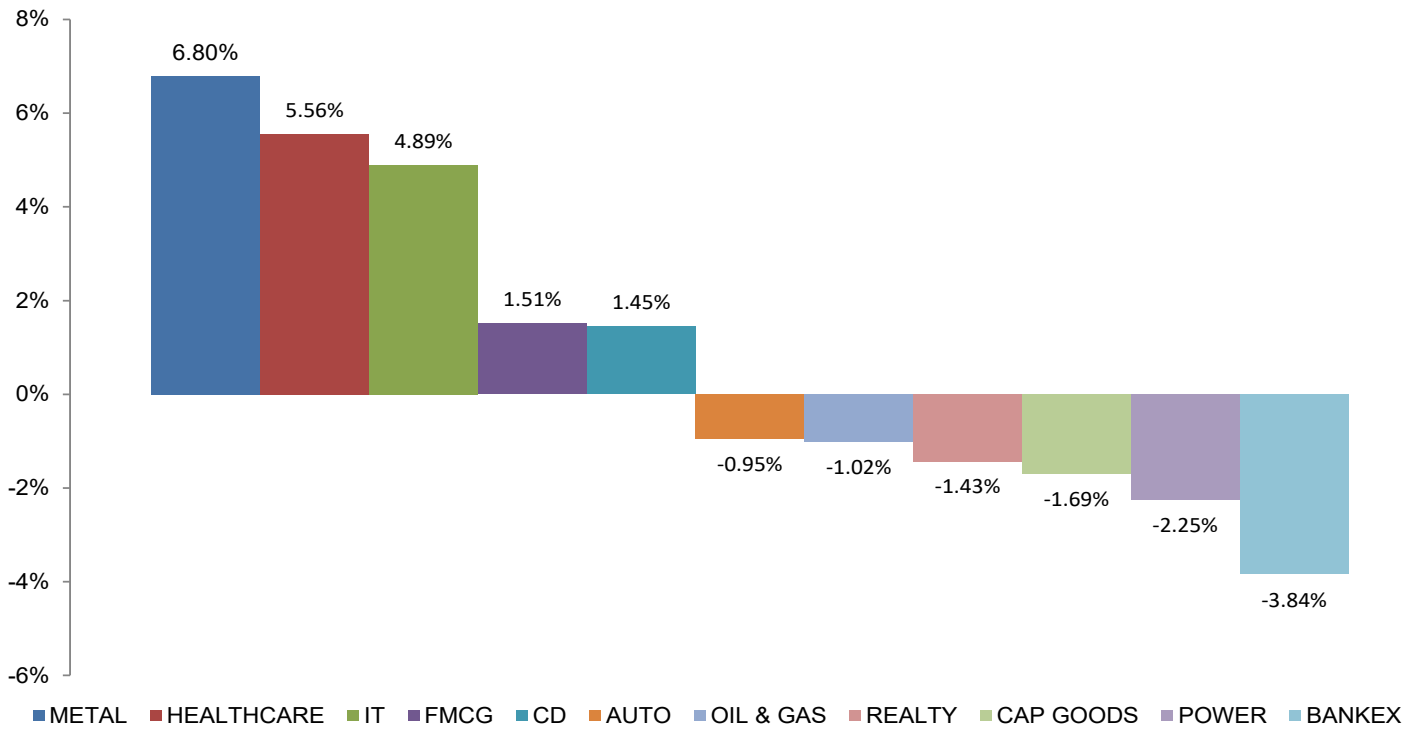
## DII - ACTIVITY

(Rs. Cr.)

Date	Purchases	Sales	Net
09-Apr-20	5,224.9	5,496.1	-271.3
08-Apr-21	4,854.4	4,301.6	552.8
07-Apr-21	4,903.2	4,522.1	381.1
06-Apr-21	4,518.8	4,102.3	416.6
05-Apr-21	5,097.5	5,022.1	75.5
<u>MTD</u>	28,220.7	27,363.0	857.8

# Weekly Wealth

## BSE WEEKLY SECTORAL PERFORMANCE



Source: BSE, BP Equities Research

### TOP OPEN INTEREST GAINERS (WEEKLY)

SCRIP NAME	09-Apr-21	01-Apr-21	Weekly % Chg	09-Apr-21	01-Apr-21	Weekly % Chg
	Share Price (Rs.)			Open Interest		
AMARAJABAT	821.4	867.7	-5.3	4136000	2304000	79.5
LALPATHLAB	3149.7	2722.9	15.7	337250	189000	78.4
MPHASIS	1815.2	1762.95	3.0	804700	473200	70.1
LTI	4405.25	4146.8	6.2	460650	289950	58.9
ALKEM	2853.2	2784.3	2.5	298600	193400	54.4

### TOP OPEN INTEREST LOSERS (WEEKLY)

SCRIP NAME	09-Apr-21	01-Apr-21	Weekly % Chg	09-Apr-21	01-Apr-21	Weekly % Chg
	Share Price (Rs.)			Open Interest		
CUMMINSIND	873.4	893.5	-2.2	1635600	2109600	-22.5
SRTRANSFIN	1472.65	1477.6	-0.3	2990400	3766400	-20.6
TORNTPOWER	424.95	430.15	-1.2	2280000	2625000	-13.1
ACC	1969.4	1926.3	2.2	2861000	3287500	-13.0
ASIANPAINT	2642.5	2563.65	3.1	4911000	5642400	-13.0

#### Company Background

Incorporated in 1893, Amrutanjan Health Care Limited is engaged in manufacturing Ayurvedic Pain Balms and Beverages. The Company specializes in Ayurvedic balm for headaches, cold and cough. The Company's segments include OTC products, Beverages, Chemicals and Others. Few years ago, it has also diversified into sanitary napkins (sold under the brand name Comfy) and into fruit-based beverages viz Fruitnik and Electro+. The Company has three manufacturing facilities in India. Being a major exporter to the African market, it has a presence across 21 countries in overseas market.

#### Investment Rationale

##### Strong player in OTC healthcare market with diversified product portfolio

Amrutanjan is one of India's leading companies in the OTC healthcare market with robust brand visibility. Over the years, the company has been among India's a hundred most relied on brands and ranks No 1 in Modern Trade in Head Category. It has a diversified product portfolio within them 92% of revenue is generated from OTC healthcare products i.e Pain Management, 1% from health and hygiene. Apart from that, Pain management products have a strong brand recall and the acceptance of new products has increased well amongst customers. Therefore, such brand recall and the introduction of new products have helped to increase their sales substantially in the last few years.

##### Widespread distribution network to untap new opportunities

The company continues to focus on building a distribution network with a target of 5000 distributors and sub-distributors. In FY20, it has appointed 974 distributors and sub-distributors and has increased its direct coverage from 3953 to 4510 towns. As per the management, the Amrutanjan brand is currently available in 1.06 million outlets (direct distribution reach of 0.25 million outlets), 11,100 modern trade (MT) stores. The company has tried to balance between wholesale and direct distribution routes to penetrate deeper and effectively. On a geographical basis, the company has just 3% contribution of OTC sales from North and 13% from Western India which creates a huge scope to untap new markets with higher penetration within the existing markets as well.

#### Valuation and outlook

Amrutanjan Healthcare Ltd has over 127 years of experience in over-the-counter (OTC) pain relief products. Currently, the product mix of matured, as well as a new growing business, has the potential to scale up effectively. We believe its strong distribution network and new launches with an aim to explore new geographies will enable to drive overall growth in upcoming years. On the valuation front, we valued the company based on a 28x P/E multiple of FY23E and recommend a **BUY** rating on this stock with a price target of INR 729 (22% upside from CMP) with a 12 months investment horizon.

#### Stock Rating

BUY	HOLD	SELL
> 15%	-5% to 15%	< -5%

#### Sector Outlook

Positive

#### Stock

CMP (INR)	598
Target Price (INR)	729
NSE Symbol	AMRUTANJAN
BSE Code	590006
Bloomberg	ARJN IN
Reuters	AJAN.BO

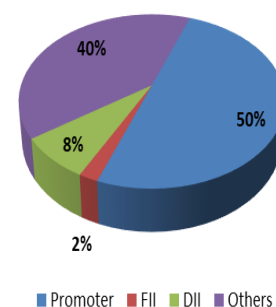
#### Key Data

Nifty	14,835
52WeekH/L(INR)	619/321
O/s Shares (Mn)	29
Market Cap (INR bn)	17
Face Value (INR)	1

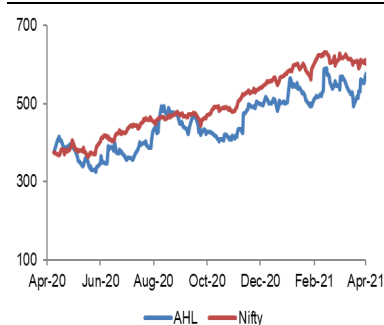
#### Average volume

3 months	1,56,440
6 months	1,33,670
1 year	1,76,230

#### Share Holding Pattern (%)



#### Relative Price Chart



# Weekly Wealth

## Key Financials

YE March (INR Mn)	FY19	FY20	FY21E	FY22E	FY23E
<b>Revenue</b>	<b>2,534</b>	<b>2,615</b>	<b>2,868</b>	<b>3,190</b>	<b>3,678</b>
<i>Revenue Growth (Y-o-Y)</i>	14.1%	3.2%	9.7%	11.2%	15.3%
<b>EBIDTA</b>	<b>309</b>	<b>308</b>	<b>734</b>	<b>842</b>	<b>993</b>
<i>EBIDTA Growth (Y-o-Y)</i>	9.5%	(0.3%)	138.2%	14.7%	17.9%
<b>Net Profit</b>	<b>245</b>	<b>251</b>	<b>599</b>	<b>692</b>	<b>761</b>
<i>Net Profit Growth (Y-o-Y)</i>	22.7%	2.3%	139.0%	15.5%	10.0%
<b>Diluted EPS</b>	<b>8.4</b>	<b>8.6</b>	<b>20.5</b>	<b>23.7</b>	<b>26.0</b>
<i>Diluted EPS Growth (Y-o-Y)</i>	22.7%	2.3%	139.0%	15.5%	10.0%

## Key Ratios

<b>EBIDTA margin (%)</b>	<b>12.2%</b>	<b>11.8%</b>	<b>25.6%</b>	<b>26.4%</b>	<b>27.0%</b>
NPM (%)	9.7%	9.6%	20.9%	21.7%	20.7%
<b>RoE (%)</b>	<b>17.2%</b>	<b>16.0%</b>	<b>28.5%</b>	<b>25.3%</b>	<b>22.2%</b>
RoCE (%)	21.7%	19.7%	34.9%	30.8%	28.9%

## Valuation Ratios

<b>P/E (x)</b>	<b>71.3x</b>	<b>69.7x</b>	<b>29.2x</b>	<b>25.3x</b>	<b>23.0x</b>
EV/EBITDA	53.9x	55.5x	22.3x	19.6x	16.7x
<b>P/BV (x)</b>	<b>12.2x</b>	<b>11.2x</b>	<b>8.3x</b>	<b>6.4x</b>	<b>5.1x</b>
Market Cap. / Sales (x)	6.9x	6.7x	6.1x	5.5x	4.8x

Source: Company, BP Equities Research



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Disclaimer Appendix

**Analyst (s) holding in the Stock : Nil****Analyst (s) Certification:**

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