

# Vinati Organics

Refer to important disclosures at the end of this report

## Gearing up for next level growth; maintain Buy

- VO has announced a scheme of amalgamation of Veeral Additives (VAPL) into VO, subject to NCLT approval. VAPL is in the business of manufacturing antioxidants for polymers. Following the deal, VO will be the largest and only integrated manufacturer for certain antioxidants in India, with an additional revenue potential of Rs3bn (Rs5bn including Butylated Phenols).
- VO EBITDA came in 12% below estimates on adverse product mix and higher employee and other costs. PAT beat estimates by 12%, led by low ETR (tax adjustments of Rs110mn). Reported revenues were in line with our estimates.
- Despite stable gross margins, EBITDA margins fell ~250bps yoy due to higher employee costs (up 7% yoy on new plant commission) and other expenses. Recently commissioned Butylated Phenol (BP) plant led to higher depreciation, up 16% yoy/flat qoq.
- Strong revenue outlook in IBB, recovery in ATBS and VAPL amalgamation synergies remain key triggers for the stock. We cut our FY22 estimates by 7.5%, factoring in delayed pickup in BP, delayed commencement of new capex and increase in the number of shares post amalgamation. Maintain Buy/EW in EAP, with a TP of Rs1,330 (28x FY23E EPS).

**IBB, IB Derivatives and BP register growth; ATBS traction weak:** Revenues declined 6.3% yoy to Rs2.23bn, hit by continued weak demand for ATBS (~38% of sales vs. ~56% CPLY) amid sluggish activity in the global oil industry and soft crude prices. With high export exposure for ATBS and strong recovery in crude oil, we expect FY22 growth should be >20%. IBB registered some improvement on a year basis, led by healthy demand from its key customer, BASF. IB derivatives and BP portfolio gained traction and delivered decent growth, albeit with lower margins. Total revenue contribution from ATBS and IBB stood at ~63% in Q3 vs. ~76% CPLY. On the other hand, high margin customized products proportion was a mere 6% vs. 17% CPLY, resulting in EBITDA margin contraction of 250bps yoy to 32.3%, despite steady gross margins (~55%). Higher employee costs and other expenses further weighed on margins.

**VAPL acquisition paves way for a monopolistic narrative in certain products:** The three antioxidants manufactured by VAPL (Veenox 1010, 1076, 168), primarily cater to the polymers segment by enhancing the wear & tear capacity of the product. VAPL has combined AO capacity of 24kmtpa, with an additional 16kmtpa for captive consumption. Since the critical raw materials required for manufacturing these AO include 2, 4 DTBP & 2, 6 DTBP (BP derivatives), which shall be sourced from VO directly, which would create an efficient backward integration for this chain. Demand for such AO would be driven by increased consumption of plastics such as LDPE, LLDPE, and PP. The plant is expected to commence operations by Sept-Oct'21, with incremental contribution of ~Rs3bn at peak utilization (in 3-4 years) expected. HPL Additives is the only domestic competitor for these products.

**Valuation and outlook:** Strong revenue outlook in IBB, recovery in ATBS and VAPL amalgamation synergies remain key triggers for the stock. We reduce our FY22 estimates by 7.5%, factoring in delayed pickup in BP, delayed commencement of new capex and increase in the number of shares post amalgamation. Maintain Buy with a TP of Rs1,330 (28x FY23E EPS) and EW in EAP. Key risks: Slower-than-expected recovery in ATBS and a delay in ramping up in VAPL.

Please see our sector model portfolio (Emkay Alpha Portfolio): [Speciality Chemicals \(page 9\)](#)

### Financial Snapshot (Standalone)

(Rs mn)	FY19	FY20	FY21E	FY22E	FY23E
Revenue	11,279	10,289	9,587	13,448	18,451
EBITDA	4,234	4,139	3,627	4,859	6,667
EBITDA Margin (%)	37.5	40.2	37.8	36.1	36.1
APAT	2,825	3,338	2,722	3,612	4,928
EPS (Rs)	27.5	32.5	26.5	34.9	47.6
EPS (% chg)	96.7	18.4	(18.5)	31.4	36.4
ROE (%)	30.6	28.6	19.7	22.2	24.9
P/E (x)	44.0	37.2	45.6	34.7	25.4
EV/EBITDA (x)	29.4	29.9	34.1	25.7	18.6
P/BV (x)	11.8	9.7	8.4	7.1	5.7

Source: Company, Emkay Research

<b>CMP</b>	<b>Target Price</b>
Rs 1,209 as of (February 3, 2021)	Rs 1,330 (■) 12 months
<b>Rating</b>	<b>Upside</b>
BUY (■)	10.0%

### Change in Estimates

EPS Chg FY21E/FY22E (%)	(2.9)/ (7.5)
Target Price change (%)	NA
Target Period (Months)	12
Previous Reco	BUY

### Emkay vs Consensus

	EPS Estimates	
	FY21E	FY22E
Emkay	26.5	34.9
Consensus	27.5	36.5
Mean Consensus TP (12M)	Rs 1,256	

### Stock Details

Bloomberg Code	VO IN
Face Value (Rs)	1
Shares outstanding (mn)	103
52 Week H/L	1,419 / 651
M Cap (Rs bn/USD bn)	124 / 1.70
Daily Avg Volume (nos.)	138,708
Daily Avg Turnover (US\$ mn)	2.3

### Shareholding Pattern Dec '20

Promoters	74.1%
FIIIs	3.7%
DIIIs	6.7%
Public and Others	15.6%

### Price Performance

(%)	1M	3M	6M	12M
<b>Absolute</b>	(1)	4	22	24
<b>Rel. to Nifty</b>	(6)	(17)	(10)	(2)

### Relative price chart



Source: Bloomberg

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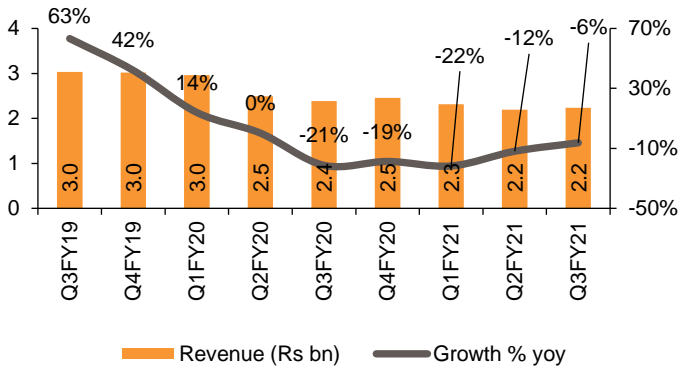
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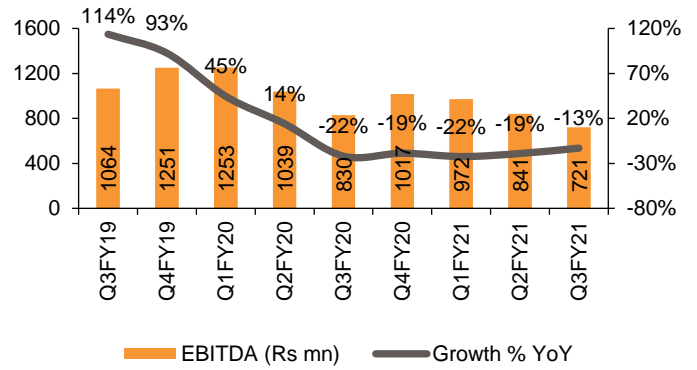
## Story in Charts

**Exhibit 1: Revenue de-growth due to weaker-than-expected traction in ATBS and BP line**



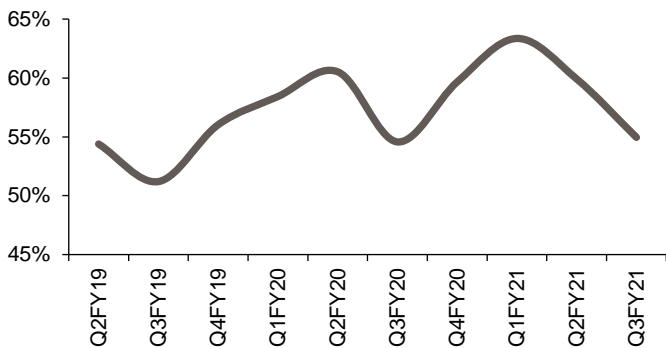
Source: Company, Emkay Research

**Exhibit 2: EBITDA declines on low gross margins and increase in employee costs**



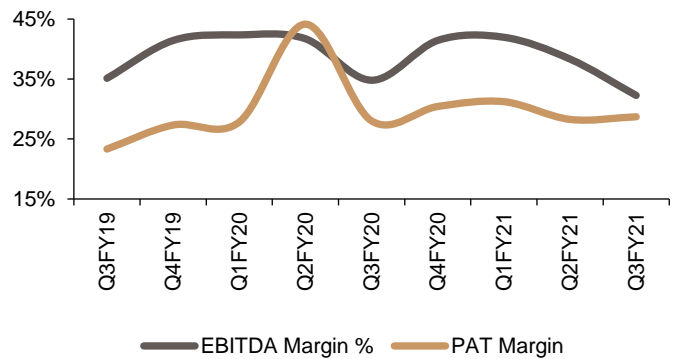
Source: Company, Emkay Research

**Exhibit 3: Gross margin stable on yoy basis**



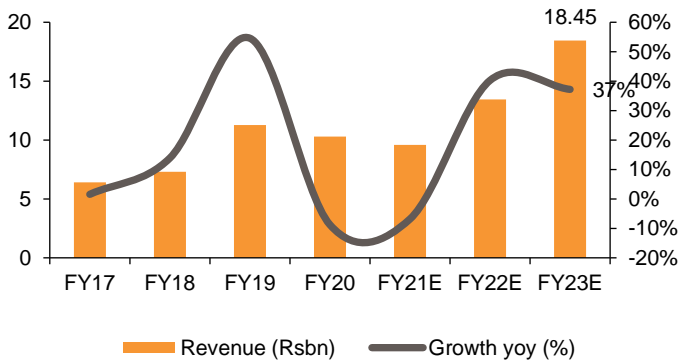
Source: Company, Emkay Research

**Exhibit 4: Margins shrink sequentially**



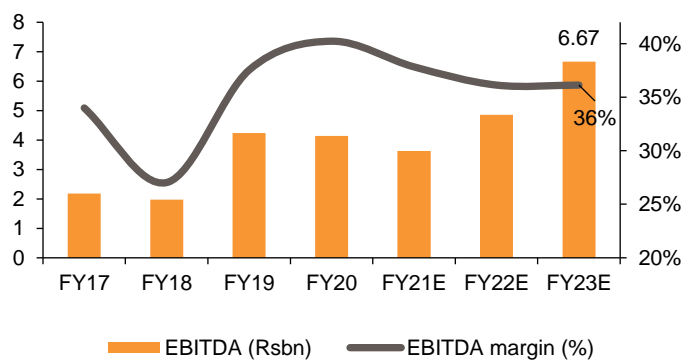
Source: Company, Emkay Research

**Exhibit 5: We expect revenue to reach ~Rs18.45bn in FY23, led by multiple expansion plans and undertakings...**



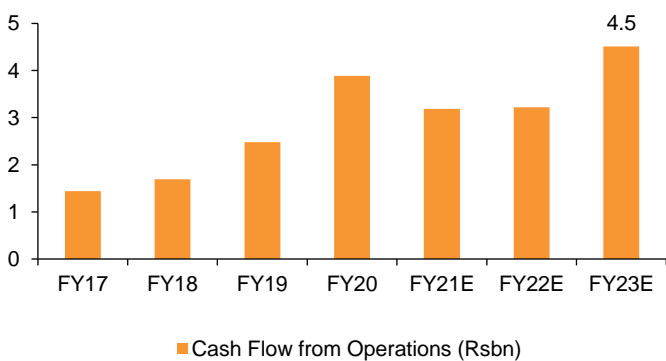
Source: Company, Emkay Research

**Exhibit 6: ...and margins to remain firm at ~36% on balanced contribution of high value products**



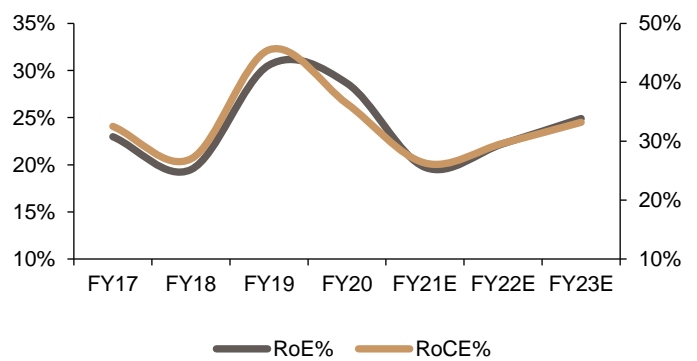
Source: Company, Emkay Research

**Exhibit 7: We expect CFO to reach Rs4.5bn, led by strong revenue visibility and reduced pace of expenditure in FY23E**



Source: Company, Emkay Research

**Exhibit 8: Return ratios to normalize at 24-32%**



Source: Company, Emkay Research

### VAPL acquisition paves way for monopoly of sorts in value chain, in line with Vinati Organic's philosophy towards new market opportunities

After the proposed amalgamation, Veeral Additives, formerly known as Alpha Kooltherm Pvt. Ltd., plans to start production of specialty chemicals used as stabilizers in plastic components in order to increase the durability of the product. VAPL's strategic partnership with Caldic B.V. for distribution of the AO would further enhance and strengthen their product reach in international markets, mainly in Europe.

The exchange ratio stands at 16 equity shares of Rs1 each of Vinati Organics to be issued for every 707 equity shares of Rs10 each held in Veeral Additives.

#### Exhibit 9: Change in shareholding pattern of VO

Promoter	Pre-Amalgamation	Post-Amalgamation
No of shares	7,61,21,192	7,71,39,588
% of holding	74.06%	74.32%
<b>Public</b>		
No of shares	2,66,60,858	2,66,60,858
% of holding	25.94%	25.68%

Source: Company, Emkay Research

Some of the proposed amalgamation's underlying objectives include greater synergies between businesses, integrated value chain for the butylated phenol line of derivatives among others. Raw materials such as 2,6 DTBP and 2,4 DTBP will be supplied by VO (part of new Butylated Phenols portfolio), creating an efficient network of backward integration.

The antioxidants planned to be launched are predominantly catering to the polymers segments, with an estimated global market demand of ~300kmtpa, including domestic demand of approx. 10kmtpa. These antioxidants hold a miniscule 0.1% weight in the entire polymer quantity and are added to increase the durability of the polymer. A high-quality antioxidant protects the package during its processing phase and lifetime.

The market growth rate is estimated to be 2-3%, mainly driven by polymer production capacities in Asia & Middle East. HPL Additives, as per our read, is the only competitor in the market for these antioxidants. Some of the larger international players in this space are BASF, Songwon, SI Group, Addivant, and Jiyi with a combined capacity of 290kmtpa (as per our estimates).

Large players operating in the polymer space in India include Reliance Industries, IOCL, ONGC, and Haldia Petrochem.

#### Exhibit 10: Capacity and market size

Particulars	('000 tpa)
<b>Demand</b>	
Global	240
Domestic	10
Import substitution size	6.5
<b>Planned Capacity</b>	
Antioxidants	24
Veenox 1010	8
Veenox 1076	8
Veenox 168	8
Captive consumption product	16
<b>Total</b>	<b>40</b>

Source: Company, Emkay Research

**Exhibit 11: Actual vs. Estimates (Q3FY21)**

(in Rs Mn)	Actual	Estimates		% Variation		Comment
		Emkay	Consensus	Emkay	Consensus	
Sales	2235	2175	2220	2.7	0.7	In line with estimates.
EBITDA	721	816	814	-11.6	-11.4	Below estimates due to lower than anticipated contribution from ATBS and higher contribution from IBB. Additionally, employee costs and other expenses were high.
EBITDA margin %	32.3	38	36.67	-524bps	-439bps	
APAT	642	573	552	12.0	16.2	Ahead of estimates on much lower ETR.

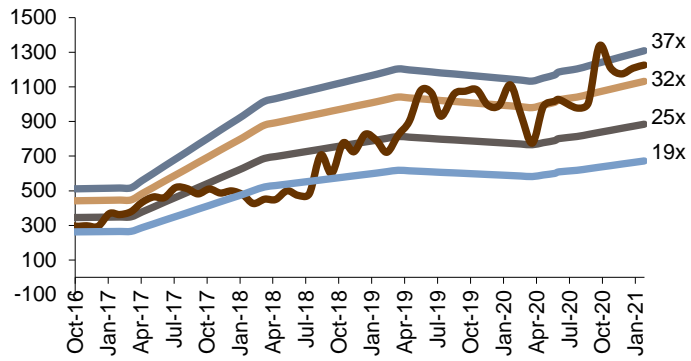
Source: Company, Emkay Research

**Exhibit 12: Quarterly performance**

Rs Mn	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21	YoY (%)	QoQ (%)	9MFY21	9MFY20	YoY %
<b>Revenue</b>	<b>2385</b>	<b>2453</b>	<b>2316</b>	<b>2194</b>	<b>2235</b>	<b>(6.3)</b>	<b>1.8</b>	<b>6745</b>	<b>7835</b>	<b>-13.9</b>
<b>Operating Expenditure</b>	<b>1083</b>	<b>990</b>	<b>849</b>	<b>880</b>	<b>1007</b>	<b>(7.1)</b>	<b>14.4</b>	<b>2735</b>	<b>3297</b>	<b>-17.1</b>
Gross Profit	1301	1464	1467	1315	1228	(5.6)	(6.6)	4010	4538	-11.6
as % of sales	54.6	59.7	63.4	59.9	55.0			59.5	57.9	
SG&A expenses	471	447	495	474	507	7.5	7.0	1476	1415	4.3
as % of sales	19.8	18.2	21.4	21.6	22.7			21.9	18.1	
<b>EBITDA</b>	<b>830</b>	<b>1017</b>	<b>972</b>	<b>841</b>	<b>721</b>	<b>(13.1)</b>	<b>(14.3)</b>	<b>2534</b>	<b>3123</b>	<b>-18.8</b>
Depreciation	93	97	106	108	108	16.0	0.1	322	235	37.2
<b>EBIT</b>	<b>737</b>	<b>920</b>	<b>866</b>	<b>734</b>	<b>613</b>	<b>(16.8)</b>	<b>(16.4)</b>	<b>2213</b>	<b>2888</b>	<b>-23.4</b>
Other Income	154	162	86	14	93	(39.8)	562.4	193	288	-33.0
Interest Expenses	3	3	0	0	0	(96.1)	(79.4)	1	8	(87.9)
<b>PBT</b>	<b>889</b>	<b>1079</b>	<b>951</b>	<b>747</b>	<b>706</b>	<b>(20.5)</b>	<b>(5.5)</b>	<b>2404</b>	<b>3167</b>	<b>(24.1)</b>
Total Tax	220	333	228	127	65	(70.7)	(49.1)	419	576	(27.2)
<b>Adjusted PAT</b>	<b>668</b>	<b>746</b>	<b>723</b>	<b>620</b>	<b>642</b>	<b>(4.0)</b>	<b>3.4</b>	<b>1985</b>	<b>2592</b>	<b>(23.4)</b>
<b>Reported EPS</b>	<b>6.51</b>	<b>7.27</b>	<b>7.05</b>	<b>6.05</b>	<b>6.25</b>	<b>(4.0)</b>	<b>3.4</b>	<b>19.3</b>	<b>25.2</b>	<b>-23.3</b>
<b>Margins (%)</b>						<b>(bps)</b>	<b>(bps)</b>			<b>(bps)</b>
Gross Margin	54.6	59.7	63.4	59.9	55.0	39	-496	59.5	57.9	154
EBITDA	34.8	41.4	42.0	38.3	32.3	-253	-606	37.6	39.9	-228
EBIT	30.9	37.5	37.4	33.4	27.5	-346	-598	32.8	36.9	-406
EBT	37.3	44.0	41.1	34.0	31.6	-566	-245	35.6	40.4	-478
PAT	28.0	30.4	31.2	28.3	28.7	69	44	29.4	33.1	-365
Effective Tax Rate	24.8	30.8	24.0	17.0	9.1	-1,565	-783	17.4	18.2	-74

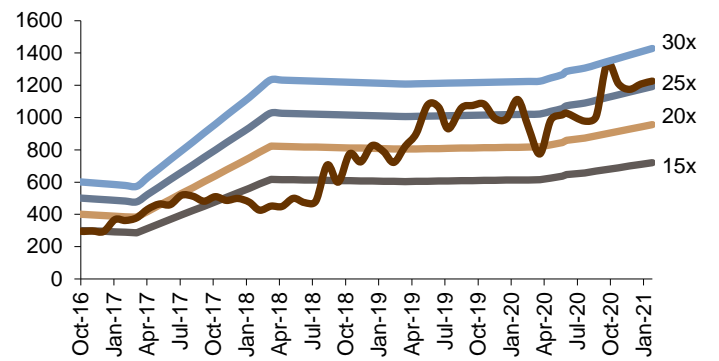
Source: Company, Emkay Research

Exhibit 13: PE (x) Band



Source: Company, Emkay Research

Exhibit 14: EV/EBITDA (x) Band



Source: Company, Emkay Research

Exhibit 15: Revision in estimates

Rs mn	FY21E			FY22E			FY23E		
	Old	New	% Change	Old	New	% Change	Old	New	% Change
Revenues	9755	9587	-1.7	14366	13448	-6.4	18335	18451	0.6
EBITDA	3730	3627	-2.8	5205	4859	-6.6	6643	6667	0.4
EBITDA margins %	38.2	37.8	-40bps	36.2	36.1	-10bps	36.2	36.1	-10bps
Net profits	3799	2722	-28.4	3871	3612	-6.7	4888	4928	0.8
EPS (Rs)	27.3	26.5	-2.8	37.7	34.9	-7.5	47.6	47.6	-0.1

Source: Company, Emkay Research

Exhibit 16: Peer comparison

Company Name	Price (Rs)	Mkt Cap (Rs bn)	Reco	TP (Rs)	PE				PB (x)				EV/EBITDA			
					FY20	FY21e	FY22e	FY23e	FY20	FY21e	FY22e	FY23e	FY20	FY21e	FY22e	FY23e
Advanced Enzyme Tech	327	37	Buy	368	28.3	25.4	20.6	17.8	4.4	3.7	3.2	2.7	17.8	15.9	12.5	10.5
Apcotex Industries	182	9	Hold	171	56.9	29.8	26.9	15.9	3.8	3.5	3.2	2.7	29.4	17.7	15.0	9.2
BASF India	1,569	68	Buy	1,630	367.0	49.1	34.9	27.0	4.9	3.5	3.2	2.9	31.6	19.1	16.3	14.2
Camlin Fine Sciences	108	14	Buy	140	43.0	23.5	14.4	11.5	3.2	2.6	2.2	1.9	13.2	11.7	8.9	7.2
GHCL	209	20	Buy	232	5.0	6.0	4.5	3.9	0.9	0.8	0.7	0.6	4.3	4.1	3.0	2.5
Navin Fluorine	2,510	124	Buy	2,834	67.2	56.0	44.8	28.1	8.8	7.9	6.9	5.7	46.2	38.8	32.1	20.8
SRF	5,450	323	Buy	6,173	34.8	28.6	20.7	17.1	6.5	4.9	4.0	3.3	24.1	17.0	12.9	10.6
Tata Chemicals	520	132	Hold	324	1.9	24.3	17.5	14.2	1.0	1.0	1.0	0.9	10.7	11.9	10.0	8.8
<b>Vinati Organics</b>	<b>1,209</b>	<b>125</b>	<b>Buy</b>	<b>1,345</b>	<b>37.2</b>	<b>45.6</b>	<b>34.7</b>	<b>25.4</b>	<b>9.7</b>	<b>8.4</b>	<b>7.1</b>	<b>5.7</b>	<b>29.9</b>	<b>34.1</b>	<b>25.7</b>	<b>18.6</b>

Source: Company, Emkay Research

**Key Financials (Standalone)****Income Statement**

Y/E Mar (Rs mn)	FY19	FY20	FY21E	FY22E	FY23E
<b>Revenue</b>	<b>11,279</b>	<b>10,289</b>	<b>9,587</b>	<b>13,448</b>	<b>18,451</b>
<b>Expenditure</b>	<b>7,045</b>	<b>6,149</b>	<b>5,960</b>	<b>8,589</b>	<b>11,785</b>
<b>EBITDA</b>	<b>4,234</b>	<b>4,139</b>	<b>3,627</b>	<b>4,859</b>	<b>6,667</b>
Depreciation	274	332	423	500	581
<b>EBIT</b>	<b>3,960</b>	<b>3,808</b>	<b>3,204</b>	<b>4,358</b>	<b>6,086</b>
Other Income	302	450	435	470	500
Interest expenses	9	11	2	2	0
<b>PBT</b>	<b>4,252</b>	<b>4,247</b>	<b>3,637</b>	<b>4,826</b>	<b>6,586</b>
Tax	1,428	908	915	1,215	1,658
Extraordinary Items	0	0	0	0	0
Minority Int./Income from Assoc.	0	0	0	0	0
<b>Reported Net Income</b>	<b>2,825</b>	<b>3,338</b>	<b>2,722</b>	<b>3,612</b>	<b>4,928</b>
<b>Adjusted PAT</b>	<b>2,825</b>	<b>3,338</b>	<b>2,722</b>	<b>3,612</b>	<b>4,928</b>

**Balance Sheet**

Y/E Mar (Rs mn)	FY19	FY20	FY21E	FY22E	FY23E
Equity share capital	103	103	103	103	103
Reserves & surplus	10,410	12,691	14,695	17,581	21,784
<b>Net worth</b>	<b>10,513</b>	<b>12,794</b>	<b>14,798</b>	<b>17,684</b>	<b>21,887</b>
<b>Minority Interest</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Loan Funds</b>	<b>66</b>	<b>44</b>	<b>44</b>	<b>44</b>	<b>44</b>
Net deferred tax liability	0	0	0	0	0
<b>Total Liabilities</b>	<b>10,579</b>	<b>12,838</b>	<b>14,841</b>	<b>17,728</b>	<b>21,930</b>
<b>Net block</b>	<b>6,657</b>	<b>7,817</b>	<b>8,895</b>	<b>9,994</b>	<b>11,013</b>
<b>Investment</b>	<b>965</b>	<b>2,274</b>	<b>3,274</b>	<b>4,274</b>	<b>5,274</b>
<b>Current Assets</b>	<b>4,623</b>	<b>4,339</b>	<b>4,236</b>	<b>5,425</b>	<b>8,061</b>
Cash & bank balance	38	537	509	403	1,590
Other Current Assets	0	0	0	0	0
<b>Current liabilities &amp; Provision</b>	<b>1,697</b>	<b>1,592</b>	<b>1,563</b>	<b>1,965</b>	<b>2,417</b>
<b>Net current assets</b>	<b>2,926</b>	<b>2,747</b>	<b>2,673</b>	<b>3,460</b>	<b>5,643</b>
Misc. exp	0	0	0	0	0
<b>Total Assets</b>	<b>10,547</b>	<b>12,838</b>	<b>14,841</b>	<b>17,728</b>	<b>21,930</b>

**Cash Flow**

Y/E Mar (Rs mn)	FY19	FY20	FY21E	FY22E	FY23E
<b>PBT (Ex-Other income) (NI+Dep)</b>	<b>3,951</b>	<b>3,797</b>	<b>3,202</b>	<b>4,356</b>	<b>6,086</b>
Other Non-Cash items	0	0	0	0	0
Chg in working cap	(1,025)	678	46	(892)	(996)
<b>Operating Cashflow</b>	<b>2,483</b>	<b>3,887</b>	<b>3,190</b>	<b>3,220</b>	<b>4,513</b>
Capital expenditure	(2,013)	(1,161)	(1,077)	(1,100)	(1,019)
<b>Free Cash Flow</b>	<b>470</b>	<b>2,726</b>	<b>2,113</b>	<b>2,120</b>	<b>3,494</b>
Investments	353	(1,309)	(1,000)	(1,000)	(1,000)
Other Investing Cash Flow	(654)	528	142	30	(81)
<b>Investing Cashflow</b>	<b>(1,661)</b>	<b>(2,801)</b>	<b>(2,500)</b>	<b>(2,600)</b>	<b>(2,600)</b>
Equity Capital Raised	0	0	0	0	0
Loans Taken / (Repaid)	(117)	(22)	0	0	0
Dividend paid (incl tax)	(720)	(564)	(718)	(725)	(725)
Other Financing Cash Flow	9	11	2	2	0
<b>Financing Cashflow</b>	<b>(837)</b>	<b>(586)</b>	<b>(718)</b>	<b>(725)</b>	<b>(725)</b>
<b>Net chg in cash</b>	<b>(15)</b>	<b>499</b>	<b>(28)</b>	<b>(106)</b>	<b>1,187</b>
Opening cash position	52	38	537	509	403
<b>Closing cash position</b>	<b>38</b>	<b>537</b>	<b>509</b>	<b>403</b>	<b>1,590</b>

Source: Company, Emkay Research

**Key Ratios**

<b>Profitability (%)</b>	<b>FY19</b>	<b>FY20</b>	<b>FY21E</b>	<b>FY22E</b>	<b>FY23E</b>
EBITDA Margin	37.5	40.2	37.8	36.1	36.1
EBIT Margin	35.1	37.0	33.4	32.4	33.0
Effective Tax Rate	33.6	21.4	25.2	25.2	25.2
Net Margin	25.0	32.4	28.4	26.9	26.7
ROCE	45.5	36.4	26.3	29.6	33.2
ROE	30.6	28.6	19.7	22.2	24.9
RoIC	48.5	38.9	30.4	36.2	43.3

<b>Per Share Data (Rs)</b>	<b>FY19</b>	<b>FY20</b>	<b>FY21E</b>	<b>FY22E</b>	<b>FY23E</b>
EPS	27.5	32.5	26.5	34.9	47.6
CEPS	30.1	35.8	30.6	39.7	53.2
BVPS	102.3	124.7	144.2	170.7	211.2
DPS	7.0	5.5	7.0	7.0	7.0

<b>Valuations (x)</b>	<b>FY19</b>	<b>FY20</b>	<b>FY21E</b>	<b>FY22E</b>	<b>FY23E</b>
PER	44.0	37.2	45.6	34.7	25.4
P/CEPS	40.1	33.8	39.5	30.5	22.7
P/BV	11.8	9.7	8.4	7.1	5.7
EV / Sales	11.0	12.0	12.9	9.3	6.7
EV / EBITDA	29.4	29.9	34.1	25.7	18.6
Dividend Yield (%)	0.6	0.5	0.6	0.6	0.6

<b>Gearing Ratio (x)</b>	<b>FY19</b>	<b>FY20</b>	<b>FY21E</b>	<b>FY22E</b>	<b>FY23E</b>
Net Debt/ Equity	0.0	0.0	0.0	0.0	(0.1)
Net Debt/EBIDTA	0.0	(0.1)	(0.1)	(0.1)	(0.2)
Working Cap Cycle (days)	93.4	78.4	82.4	83.0	80.2

<b>Growth (%)</b>	<b>FY19</b>	<b>FY20</b>	<b>FY21E</b>	<b>FY22E</b>	<b>FY23E</b>
Revenue	54.6	(8.8)	(6.8)	40.3	37.2
EBITDA	114.6	(2.2)	(12.4)	34.0	37.2
EBIT	127.7	(3.8)	(15.9)	36.0	39.6
PAT	96.3	18.2	(18.5)	32.7	36.4

<b>Quarterly (Rs mn)</b>	<b>Q3FY20</b>	<b>Q4FY20</b>	<b>Q1FY21</b>	<b>Q2FY21</b>	<b>Q3FY21</b>
Revenue	2,385	2,453	2,316	2,194	2,235
EBITDA	830	1,017	972	841	721
<b>EBITDA Margin (%)</b>	<b>34.8</b>	<b>41.4</b>	<b>42.0</b>	<b>38.3</b>	<b>32.3</b>
PAT	668	746	723	620	642
<b>EPS (Rs)</b>	<b>6.4</b>	<b>7.2</b>	<b>7.0</b>	<b>6.0</b>	<b>6.2</b>

Source: Company, Emkay Research

<b>Shareholding Pattern (%)</b>	<b>Dec-19</b>	<b>Mar-20</b>	<b>Jun-20</b>	<b>Sep-20</b>	<b>Dec-20</b>
Promoters	74.0	74.1	74.1	74.1	74.1
FII	5.1	5.1	5.1	3.9	3.7
DII	6.0	6.1	6.2	6.6	6.7
Public and Others	14.9	14.8	14.7	15.4	15.6

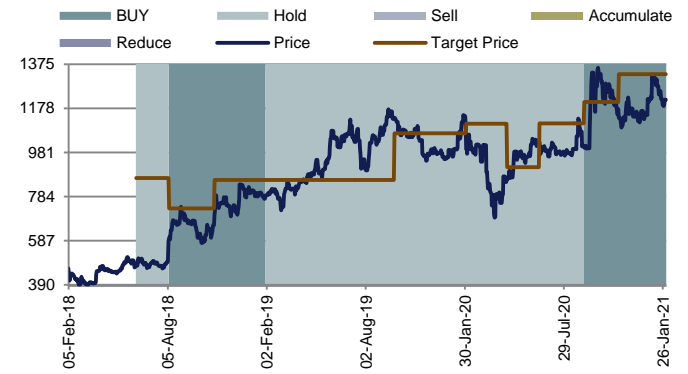
Source: Capitaline

## RECOMMENDATION HISTORY TABLE

Date	Closing Price	TP	Period (months)	Rating	Analyst
06-Nov-20	1,135	1,330	12m	Buy	Rohit Sinha
04-Sep-20	1,003	1,206	12m	Buy	Rohit Sinha
03-Aug-20	993	1,110	12m	Hold	Rohit Sinha
14-Jun-20	1,027	1,110	12m	Hold	Rohit Sinha
16-Apr-20	860	915	12m	Hold	Rohit Sinha
07-Feb-20	1,029	1,109	12m	Hold	Rohit Sinha
01-Feb-20	994	1,109	12m	Hold	Rohit Sinha
13-Nov-19	975	1,067	12m	Hold	Rohit Sinha
23-Sep-19	1,136	1,067	12m	Hold	Rohit Sinha
31-Jul-19	908	858	12m	Hold	Rohit Sinha
13-May-19	872	858	12m	Hold	Amar Mourya
31-Jan-19	789	858	12m	Hold	Amar Mourya
29-Oct-18	707	858	12m	Buy	Amar Mourya
07-Aug-18	599	732	12m	Buy	Amar Mourya
08-Jun-18	476	866	12m	Hold	Amar Mourya

Source: Company, Emkay Research

## RECOMMENDATION HISTORY CHART



Source: Bloomberg, Company, Emkay Research



## Emkay Alpha Portfolio – Speciality Chemicals



### Analyst: Rohit Sinha

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#### Sector

Speciality Chemicals

#### Analyst bio

Rohit Sinha holds a CFA degree and comes with total four years of experience in the Specialty Chemicals sector. He currently covers nine stocks in the Specialty Chemicals space.

### EAP sector portfolio

Company Name	BSE200 Weight	EAP Weight	OW/UW (%)	OW/UW (bps)	EAP Weight (Normalised)
<b>Speciality Chemicals</b>	<b>0.19</b>	<b>0.19</b>	<b>-1%</b>	<b>0</b>	<b>100.00</b>
Advanced Enzyme Tech	0.00	0.00	NA	0	2.04
ApcoTex Industries	0.00	0.00	NA	0	1.15
BASF India	0.00	0.00	NA	0	0.86
Camlin Fine Sciences	0.00	0.01	NA	1	7.78
GHCL	0.00	0.01	NA	1	4.98
Navin Fluorine	0.00	0.05	NA	5	23.57
Orient Refractories	0.00	0.01	NA	1	3.67
SRF	0.19	0.09	-52%	-10	47.94
Tata Chemicals	0.00	0.01	NA	1	4.30
Vinati Organics	0.00	0.01	NA	1	3.13
<b>Cash</b>	<b>0.00</b>	<b>0.00</b>	<b>NA</b>	<b>0</b>	<b>0.58</b>

Source: Emkay Research

\* Not under coverage: Equal Weight

■ High Conviction/Strong Over Weight ■ High Conviction/Strong Under Weight

### Sector portfolio NAV

	Base					Latest
	1-Apr-19	4-Feb-20	4-Aug-20	3-Nov-20	1-Jan-21	2-Feb-21
EAP - Speciality Chemicals	100.0	137.9	139.5	166.7	208.3	199.1
BSE200 Neutral Weighted Portfolio (ETF)	100.0	138.9	135.6	156.2	202.2	193.8

\*Performance measurement base date 1<sup>st</sup> April 2019

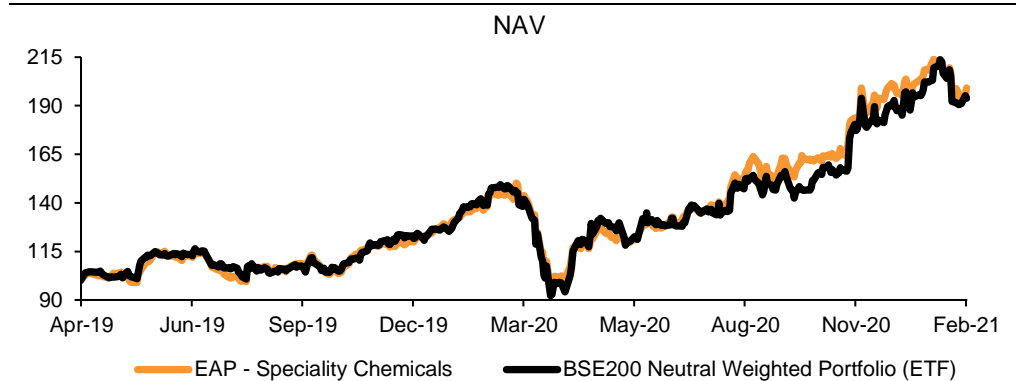
Source: Emkay Research

### Price Performance (%)

	1m	3m	6m	12m
EAP - Speciality Chemicals	-4.4%	19.4%	42.7%	44.3%
BSE200 Neutral Weighted Portfolio (ETF)	-4.2%	24.0%	43.0%	39.5%

Source: Emkay Research

### NAV chart



Source: Emkay Research

Please see our model portfolio (Emkay Alpha Portfolio): [Nifty](#)

Please see our model portfolio (Emkay Alpha Portfolio): [SMID](#)

“Emkay Alpha Portfolio – SMID and Nifty are a supporting document to the Emkay Alpha Portfolios Report and is updated on regular intervals”

## Emkay Rating Distribution

Ratings	Expected Return within the next 12-18 months.
BUY	Over 15%
HOLD	Between -5% to 15%
SELL	Below -5%

Completed Date: 03 Feb 2021 23:22:08 (SGT)  
Dissemination Date: 03 Feb 2021 23:23:08 (SGT)

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