

Expensive valuation a challenge for Divi's

Revenue growth prospects are strong

RAM PRASAD SAHU
Mumbai, 9 August

The stock of Divi's Laboratories — India's second-largest pharma company by market capitalisation — was down slightly on Monday, despite a better-than-expected operating performance. The flatish stock performance was on account of expensive valuation and worries of whether the margin is peaking out.

At the current price, the stock is trading at over 40x its FY23 estimates and factors in most of the near-term upsides. While the valuation is at a 75 per cent premium to the NSE Pharma index, it is also at a sharp premium to its own 5-year average. Rahul Jeewani of IIFL Securities expects the company's earnings per share to grow at 20 per cent over FY21-24. While he has a "buy" rating, the rich valuation means that the potential upside, according to him, is only 9 per cent.

The other factor the Street would keep an eye on is the margin trajectory. Aided by a superior product mix and lower raw material costs, the company posted a 420-basis point year-on-year (YoY) expansion in gross margin to 67.2 per cent. The operating profit margin (OPM), however, expanded a lower rate of 300 basis points YoY, given higher employee costs and other expenses.

Though the extent of profitability expansion was lower as compared to gross profit level, the OPM at 43.5 per cent was at a record high and also better than Street estimates. Despite cost pressure, the management indicated that the company would be able to sustain the margin on the back of operating efficiencies, backward integration projects, yield improvement steps, and green chemistry. Jeewani of IIFL Securities points out that these factors and energy savings helped the company, after a rising trend in the margin, since the March quarter of FY20



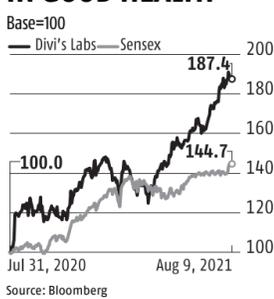
STRONG MARGIN TRAJECTORY

(All figures in %)

	Revenue growth	Gross margin	Ebitda margin
Q1 FY21	48.8	63.0	40.5
Q2 FY21	21.0	67.1	43.3
Q3 FY21	21.9	69.0	42.6
Q4 FY21	28.7	67.5	40.1
Q1 FY22	13.3	67.2	43.5

Revenue growth is YoY; Ebitda: Earnings before interest, taxes, depreciation, and amortisation
Source: Analyst reports

IN GOOD HEALTH



Source: Bloomberg

when it stood at around 32 per cent.

The margin was strong but the revenue performance was below expectations. Overall growth of 13 per cent YoY was led by the custom synthesis segment. While this segment grew 38 per cent YoY, it was offset by the generic active pharmaceutical ingredient (API) segment, which saw a revenue decline of 6 per cent. The drop in the generics segment was on account of quarterly volatility and a change in the product mix. The two segments account for 43-50 per cent each of the revenues.

To sustain its growth, the company has chalked out a six-point strategy. Three of these are related to the API segment. In the legacy APIs, where it has a 60-70 per cent market share, the company is expanding capacity in line with industry growth; expected growth for this portfolio is 10 per cent. The company is looking at ramping up sales and expanding capacity in existing APIs, where its market share is 25-30 per cent and where there is potential to raise it over 60 per cent. New generic APIs, the patents for

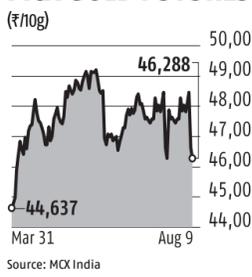
which would expire by 2023-2025, have a market size of \$20 billion. Market share gains in the iodine-based contrast media products, expansion of its sartans portfolio, and a couple of large-scale custom synthesis projects are the other key growth drivers.

On the generics side, Kumar Gaurav and Samitjoy Basak of Kotak Institutional Equities believe that the company is well positioned to gain market share from competitors in existing products and the introduction of new APIs will drive robust 16 per cent average sales growth in the segment over FY21-23. On the custom synthesis front, revenue growth in the near term shall be driven by the scaling up of antiviral drug Molnupiravir. There can be headwinds over the longer term, led by a decline in tonnage requirements of chemical entities bringing down addressable opportunity size, say the analysts at Kotak.

While the company surprised on the margin front and has strong growth levers, investors should await a better entry point.

Gold tumbles to over 4-month low

MCX GOLD FUTURES



Source: MCX India

Gold slumped to a more than four-month low in the international market on Monday, as strong US jobs data raised expectations for an early tapering of the Federal Reserve's economic support measures. Spot gold was down 1.3 per cent to \$1,739.16 per ounce at 7.23 pm IST. In New Delhi, it slipped ₹317 to ₹45,391 per 10 gram, according to HDFC Securities.

In the previous trade, gold closed at Rs 45,708 per 10 gram. On the MCX, gold futures fell 1.3 per cent intraday to a four-month low of ₹46,029 per 10 gram.

Silver was caught in gold's slipstream and slid 7.5 per cent in global market to its lowest in more than eight months, at \$22.50 per ounce. In New Delhi, silver slipped ₹1,128 to ₹62,572 per kg.

"The sell-off in gold and silver was a prototypical shake out spurred by Friday's strong jobs report as the market then had to price in the Fed being one step closer to reducing asset purchases and potentially raising interest rates sooner previously anticipated," said David Meger of High Ridge Futures.

Oil at 11-week low

Oil, too, plunged to an 11-week low, extending losses after the worst week since October, as new waves of Covid-19 threatened fuel demand. Futures fell below \$66 a barrel in New York, while wilting timespreads showed the market is faltering. Goldman Sachs Group downgraded its economic growth forecast for China as the country imposed measures to contain virus flare-ups, including a mass testing program in Wuhan. Infections have also climbed in the US and Thailand.

AGENCIES

Use correction to build exposure to gold

Your portfolio needs a hedge against the risks of growth slowdown and inflation

SANJAY KUMAR SINGH

Gold closed at ₹46,339 per 10 grams on Monday. Its one-year return is currently minus 17.1 per cent. If one examines the one-year return rolled daily over the past 15 years, the lowest one-year return was minus 17.6 per cent on November 14, 2014. Gold is almost at par with that mark.

Investor sentiment towards an asset class tends to be affected by past returns. With returns appearing bleak, should you avoid the yellow metal, or make a contrarian bet? The question assumes immediate significance for investors planning to invest in the fifth tranche of sovereign gold bonds, open for subscription till August 13.

YOUR MONEY

Improved sentiment negative for gold After touching a peak of ₹55,922 per 10 grams on August 7, 2020, gold began to correct. Once vaccines became available, uncertainty diminished and economic optimism rose. Massive fiscal and monetary stimulus by governments and central banks fuelled the recovery.

"The need for a safe-haven asset declined as growth returned and confidence improved, so gold took a beating," says Kishore Narne, head-commodity and currency, Motilal Oswal Financial Services. The recovery of the US economy - the prime mover of gold prices - has been strong.

In such an environment, risky assets like equities became more attractive and invest-

RETURN FROM GOLD HAS PLUMMETED OVER PAST YEAR

Period	Return (%)
1-year	-17.1
3-year	16.3
5-year	8.5
7-year	7.2
10-year	6.0

Source: MFI Explorer

ment flows moved from gold to equities. Phenomenal returns by these assets led to more flows. Over the past year, the Nifty50 has given a return of 44.9 per cent, the Nifty Midcap 150 Index has yielded 73.4 per cent, and the Nifty Smallcap 250 has given 99.4 per cent return.

Can gold's prospects improve?

One factor that could revive the yellow metal's fortune is inflation.

"It could pose a problem over the next 18 months or so. Though central banks will try to control it, they are likely to fall behind the curve. If inflationary pressure is strong, there could be currency depreciation and gold would receive fresh impetus," says Narne.

Investors should also keep a close eye on economic data in the developed world, especially the US.

"If growth falters and it leads to more action by central banks, gold's prospects could improve," says Chirag Mehta, senior

fund manager-alternative investments, Quantum Mutual Fund.

As for whether there are any signs that US economic growth could falter, Mehta says: "The economic data of late has been a mixed bag. Consumption, which has been the primary driver of recovery, has been fuelled by government handouts. Once they stop, the sustainability of recovery will get tested."

The dollar may weaken over the long term. The US government's fiscal deficit is expected to remain elevated for a long time, and that would lead to currency weakness. A weak dollar is positive for the yellow metal. "A third wave of Covid, which revives economic uncertainty, could also provide a fillip to gold," says Ajay Kedia, director, Kedia Advisory.

What you should do

Investors need to hedge for the risk that growth could falter or inflationary pressure could be strong. Gold can provide that hedge.

Experts say gold is undervalued currently. "If you look at the long-term graph of money supply versus gold, it shows that gold is undervalued today," says Mehta.

As money supply increases, paper currency gets debased. Gold is a monetary asset that can't be debased. So, an increase in money supply should be accompanied by an increase in the price of gold, which has not happened.

Investors who don't have at least a 10-15 per cent allocation to gold in their portfolio should use the current correction to build this allocation. According to Kedia, any investor entering gold now should do so with at least a three-year horizon.

भारतीय कंटेनर निगम लिमिटेड
Container Corporation of India Ltd.
(आयतन सहायक कर्ता उद्योग) (A Govt. of India Undertaking)
Duckback House, 5th Floor, 41, Shakespeare Sarani, Kolkata 700017.
CIN: L63011DL1988G01030915, Tel: 22837101, Fax: 22837106, E-mail: err.roc@concorindia.com

E-Tender Notice
CONCOR invites Online open e-tender for Handling of containers and cargo at HALDIA container terminal through e-tender cum Reverse Auction system (in two bid mode)

Tender No.	CONCOR/HALDIA/HDU/2021
Name of Work	Handling of containers and cargo of Haldia container terminal
Estimated Cost	Rs.66.49 lakh per annum (Estimated annual value-approx)
Period of Contract	4 + 1 years
Cost of Document	Rs.1180/- Inclusive of all taxes and duties through e-payment. (Non refundable)
Tender Processing Fee	Rs.4720/- Inclusive of all taxes and duties through e-payment. (Non refundable)
Date of Sale (Online)	From 10:00 hrs of 10.8.2021 to 31.8.2021 (up to 16:00 hrs.)
Date & Time of submission of tender-online	On or before 17:00 hours of 01.09.2021
Date & Time of opening of tender-online	02.09.2021 at 15:30 Hrs.

For eligibility criteria and other details, please log on to www.concorindia.com or www.tenderswiz.com. Bidders are requested to visit website regularly. CONCOR reserves the right to reject any or all the tenders without assigning any reason therefor.

Sd/- SRGM AREA IV

DYNAMIC ARCHITECTURES LIMITED
CIN: L45201WB1996PLC077451
Regd. Office: 409, Swaika Centre, 4A, Pollock Street, Kolkata (W.B.) 700 001, Ph: 033-22342673
Website: www.dynamicarchitectures.com, Email: info@dynamicarchitectures.com

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED ON 30th JUNE 2021

Sl. No.	Particulars	Quarter ending/Current Year ending 30.06.2021	Year to date 30.06.2021	Year to date 30.06.2020	Corresponding 3 months ended in the previous year 30.06.2020
1	Total Income from operations	1.14	1.14	1.14	2.15
2	Net Profit / (Loss) for the period (before Tax, Exceptional and/or Extraordinary Items#)	0.90	0.90	0.90	1.95
3	Net Profit / (Loss) for the period before tax (after Exceptional and/or Extraordinary Items#)	0.90	0.90	0.90	1.95
4	Net Profit / (Loss) for the period after tax (after Exceptional and/or Extraordinary Items#)	0.86	0.86	0.86	1.76
5	Total Comprehensive Income for the period (Comprising Profit / (Loss) for the period (after tax) and Other Comprehensive Income (after tax))	0.86	0.86	0.86	1.76
6	Equity Share Capital	5.01	5.01	5.01	5.01
7	Earnings Per Share (of Rs. 10/- each) (for continuing and discontinued operations) -				
1. Basic		1.72	1.72	1.72	3.52
2. Diluted		1.72	1.72	1.72	3.52

Note: a. The above is an extract of the detailed format of Quarterly Financial Results filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing and Other Disclosure Requirements) Regulations, 2015. The full format of the Quarterly Financial Results are available on Stock Exchange website, www.bseindia.com & on the company website, www.dynamicarchitectures.com.
b# - Exceptional and/or Extraordinary Items adjusted in the Statement of Profit and Loss in accordance with INDAS Rules.

Dynamic Architectures Limited Sd/-
Dnamal Porwal
Place: Kolkata
Date: 09.08.2021
Chairman/Con Managing Director
DIN - 00581351

BHW **BHARAT WIRE ROPES LIMITED**
Corporate Identity Number (CIN) : L27200MH1986PLC040468
Regd. Office: Plot No. 4 MIDC, Chalisgaon, Industrial Area, Village-Khadki, Taluka-Chalisgaon, District-Jalgaon-424 101, Maharashtra, India. Tel: +91-02589-211000.
Corporate Office add.: 701 A Wing, Trade World Building, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel (W), Mumbai-400 013, Maharashtra, India. Tel: +91-22-68824600.
Fax: +91-22-68824666 • Website: www.bharatwireropes.com • E-mail: investors@bharatwireropes.com

EXTRACT OF FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2021 (Rs. In Lakhs)

Particulars	Quarter Ended 30.06.2021 (Unaudited)	Quarter Ended 31.03.2021 (Audited)	Quarter Ended 30.06.2020 (Unaudited)	Year Ended 31.03.2021 (Audited)
Total Income	7,834.58	6,907.59	4,740.72	25,068.56
Net Profit / (Loss) for the period (before Tax, Exceptional and/or Extraordinary items.)	241.91	3,844.38	(2,394.67)	(2,280.24)
Net Profit / (Loss) for the period before Tax (after Exceptional and/or Extraordinary items.)	241.91	3,844.38	(2,394.67)	(2,280.24)
Net Profit / (Loss) for the period after Tax (after Exceptional and/or Extraordinary items.)	179.26	2,839.06	(1,745.11)	(1,678.72)
Total Comprehensive Income for the period (Comprising Profit / (Loss) for the period (after tax) and Other Comprehensive Income (after tax))	179.26	2,859.62	(1,745.11)	(1,699.28)
Equity Share Capital	6,257.32	6,257.32	4,495.22	6,257.32
Other Equity	-	-	-	37,258.67
Earnings per share (of face value of Rs. 10/- per share) (Not Annualised)				
Basic	0.29	6.30	(3.88)	(3.73)
Diluted	0.29	6.30	(3.88)	(3.73)

IN THE NATIONAL COMPANY LAW TRIBUNAL KOLKATA BENCH
Company Petition No. (CAA) No.80/KB/2021
in
Company Application No. (CAA) No. 1571/KB/2021

In the matter of:
The Companies Act, 2013.
And

In the matter of:
A petition made under Sections 230 and 232 of the said Act.
And

In the matter of:
Kamayni Commotrade Private Limited, a company incorporated under the provisions of the Companies Act, 1956, having its Registered Office at 12/1, Lindsay Street, Kolkata 700087, in the State of West Bengal, Incorporated on 08/03/1996, CIN U29221WB1996PTC077861, PAN AABCK3175C, within the aforesaid jurisdiction.
And

In the Matter of:
Anjali Tradelink Private Limited, a company incorporated under the provisions of the Companies Act, 1956, having its Registered Office at 12/1, Lindsay Street, Kolkata 700087, in the State of West Bengal, Incorporated on 29/03/1996, CIN U51909WB1996PTC078847, PAN AACCA7500Q, within the aforesaid jurisdiction.

NOTICE [Form NCLT 3A]

A petition under Sections 230 and 232 of the Companies Act, 2013 for confirmation of a Scheme of Amalgamation of Kamayni Commotrade Private Limited with Anjali Tradelink Private Limited and their respective shareholders was presented by the above named petitioners and admitted on 16th July 2021 and the said petition is fixed for hearing before the Hon'ble Tribunal on 13th September, 2021. Any person desirous of supporting or opposing the said petition should send to the petitioners' Advocate notice of his intention, signed by him or his Advocate, with his name and address so as to reach the petitioners' Advocate not later than two days before the date fixed for hearing of the petition. Where he seeks to oppose the petition, the grounds of opposition or a copy of his affidavit should be furnished with such notice. A copy of the petition will be furnished by the undersigned to any person requiring the same on payment of the prescribed charges for the same.

Dated this 10th day of August 2021
Kolkata

Sd/- Vikas Baisya
(Vikas Baisya)
Advocate
for the Petitioners abovenamed
49A, Ram Dulal Sarkar Street,
Third Floor, Kolkata 700 006
Enrolment No. F/278/2009
email: vikasbaisya@yahoo.com

TENDER CARE

VISIT OF M.D., RETAIL & DIGITAL BANKING OF SBI TO LUCKNOW

SBI for SMEs
State Bank of India, Managing Director, Retail & Digital Banking, Shri Challa Sreenivasulu Setty is on a visit to Lucknow Circle. During the course of his visit he addressed a gathering of MSME customers and spoke about the various initiatives the Bank has undertaken to increase the flow of credit to different segment of SME businesses like chemicals, handicraft exports, iron and steel, automobiles, constructions industry etc. He also spoke about Bharat Mart an initiative by SBI in the form of a digital platform to be launched in coming months where all MSME customers of SBI can display their products for marketing. Bank is also encouraging cluster based financing. A, E-Town hall meeting of all the branches and administrative offices in Circle was addressed by Shri Setty, where he spoke about the various initiatives being taken by the Bank in the area of digital technology, staff productivity, regulatory compliances and to improve customer service. A group of top performing Branch Managers and staff members were felicitated and recognized by the Bank in a small program in the evening. Shri Setty also inaugurated a new premises of home loan processing centre (RACPC) in Allaganj, Lucknow and staff canteen facilities at LHO Lucknow. He also participated in a tree plantation drive and blood donation camp in association with SGPJ, Lucknow in the LHO premises. As a part of its CSR initiative the Bank also provided financial assistance for setting up a 100 litre Oxygen Plant at the North Eastern Railway Hospital, Badshahganj, Lucknow.

PRIME MINISTER TO LAUNCH UJJWALA 2.0 ON 10th AUGUST

The Prime Minister Shri Narendra Modi will launch Ujjwala 2.0 (Pradhan Mantri Ujjwala Yojana - PMUY) by handing over LPG connections, at Mahoba Uttar Pradesh on 10th August, 2021 at 12:30 PM via video conferencing. During the event, the Prime Minister will interact with beneficiaries of the Ujjwala and will also address the nation.

The journey from Ujjwala 1.0 to Ujjwala 2.0
During Ujjwala 1.0 launched in 2016, a target was set to provide LPG connections to 5 crore women members of BPL households. Subsequently, the scheme was expanded in April 2018 to include women beneficiaries from seven more categories (SC/ST, PMAY, AAY, Most backward classes, tea garden, forest dwellers, Islands). Also, the target was revised to 8 Crore LPG connections. This target was achieved in August 2019, seven months ahead of the target date. In the Union budget for FY 21-22, provision for an additional one crore LPG connection under the PMUY scheme was announced. These one crore additional PMUY connections (under Ujjwala 2.0) aim to provide deposit-free LPG connections to those low-income families who could not be covered under the earlier phase of PMUY. Along with a deposit free LPG connection, Ujjwala 2.0 will provide first refill and hotplate free of cost to the beneficiaries. Also, the enrollment procedure will require minimum paperwork. In Ujjwala 2.0, migrants will not be required to submit ration cards or address proof. A self-declaration for both 'family declaration' and as a 'proof of address' will suffice. Ujjwala 2.0 will help achieve the Prime Minister's vision of universal access to LPG. Union Petroleum & Natural Gas Minister and Chief Minister of Uttar Pradesh will also be present on the occasion.

SH. NAND LAL SHARMA CMD, SJVN TRIGGERED CEREMONIAL BLAST OF 1st BENCH OF DAM AND POWER HOUSE OF LUHRI PROJECT

Sh. Nand Lal Sharma, Chairman & Managing Director, SJVN reviewed the progress of all major components of 210 MW Luhri Stage-I-HEP. He inaugurated the Web Based Monitoring System installed at Project Site, Nirath. This State-of-Art, Live Web Based Monitoring System will expedite the construction activities and facilitate in taking quick remedial actions, in case of exigencies. Sh. Sharma dedicated Bailey Bridge of 40-ton capacity having 40 mtr span constructed across river Salluj at Nirath, which besides enabling early completion of Project, will also facilitate the local populace, by connecting two Project Affected Panchayats of Dehra & Nithar in District Kullu to National Highway-05. On this occasion, Sh. Sharma was greeted enthusiastically by Panchayat Pradhans from Shimla and Kullu districts, as well as a large section of locals. Inspecting the construction sites of the Project, Sh. Sharma triggered the ceremonial blast of First Bench of Dam, Power House & TRC Slope. He performed pooja at Batching Plant at project site and later at Sub-Station at Koyal, for providing Construction Power for construction activities. These are historic landmark activities for timely completion of the Project, which is scheduled on 24th May 2025. Head of Project Sh. Roshan Lal Negi along with other project officials were also present on this occasion. Addressing on the occasion, Sh. Sharma stated that he is of the firm belief that Integrated River Basin Development approach is the most optimum method of harnessing Hydro Energy. This not only leads to maximum utilization of resources, but also leads to comprehensive and overall development of the region thus uplifting the socio-economic strata of the local populace.

UNION BANK OF INDIA, RAJBHASHA DIVISION, FIELD GENERAL MANAGER OFFICE, PUNE ORGANISES PROGRAMS TO CELEBRATE "AZADI KA AMRIT MAHOTSAV"

Various programs were organized by Union Bank of India, Rajbhasha Division, Field General Manager Office, Pune for all the staff members of the office on 05-August 2021 on the occasion of "Azadi Ka Amrit Mahotsav" celebrating 75 years of independence of India. All the staff members of the office were present in this program. The program was presided over by the Office of the Field General Manager, Pune, Shri Pramod Kumar Gupta. The Speaker said in his address that, "The language should always be simple, beautiful and fun to stay, that is, we should not use difficult words while doing our daily official work and while talking in Hindi. Very easy and simple words should be used so that working in official language can be easy. Most of the speech should be done in simple Hindi. There are many Hindi speaking people who want to speak Hindi but they are unable to speak due to difficult words. There should be no hesitation in speaking Hindi. We see that only Hindi is spoken by the film field, cricket field. Talks and actions in Hindi are done in formal and informal form. The banking sector does not have to lag behind. On the occasion of Independence Day, we will also adopt Hindi from the slavery of English and understand the importance of freedom of language. We have so many languages. Learn it, do work in it." After his speech he conveyed his best wishes to the programme. Dr. Rajendra Prasad Verma, Assistant Director, Hindi Teaching Scheme, Official Language Division, Ministry of Home Affairs, Government of India was present in the program as the chief guest. The formal welcome address on the occasion was delivered by Mrs. Suchitra Narkar, Deputy Zonal Head, Field General Manager's Office, Pune. Vote of thank done by Shri Sachin Gupta, Assistant General Manager, FGMO-Pune. The program was conducted and organized by Ms. Anuradha, Manager (Rajbhasha), Rajbhasha Division, Field General Manager's Office, Pune.