



Smart Gains

Vol.21 No.13, 25 Mar 2020

Smart VERC
Your dependable partner in creating wealth
since 1989

Subscriber copy, not for resale / forward

Pick of the week

FDC Limited

NSE Symbol	-	FDC
BSE Ticker	-	531599
BSE Group	-	B
BSE Index	-	S&P BSE 500
Face Value (Rs)	-	1
Book Value (Rs)	-	81.84
Cur. Price (Rs)	-	187
Target (Rs)	-	275
Holding Time	-	18 months
Stop Loss (Rs)	-	75
Risk perceived	-	Low
Stock Category	-	Value
Rec. weightage	-	4%
Promoter Stake	-	69.24%

The company was established in 1936 and incorporated in 1940 as a private limited company as Fairdeal Corporation (Private) Limited. In 1986 its name was changed to FDC Private Limited. FDC went public and listed in 1996.

FDC is engaged in manufacturing and marketing of Oral Rehydration Salts (ORS) and Ophthalmics. It is a fully-integrated Pharmaceutical Company, with US-FDA and UK-MHRA approved API and formulations manufacturing facilities. Plants are located at Roha, Waluj and Sinnar in Maharashtra, Verna in Goa and Baddi in Himachal Pradesh. The company markets more than 300 products in India and exports to over 50 countries.

FDC's Zifi, Electral, Enerzal, Vitcofol, Pyrimon, Zocon, Zoxan, Zathrin, Zipod, Zefu, Cotaryl and Mycoderm are leading brands

(Continued on page 2)

Financial Highlights (Standalone)

	03/'16	03/'17	03/'18	03/'19	12/'18*	12/'19*
Revenue	997.44	1046.02	1070.21	1075.87	252.34	317.91
Other Income	32.51	49.65	51.25	54.80	14.01	31.82
Interest	-1.40	-1.41	-1.40	-1.43	-0.34	-0.8
Depreciation	-33.61	-34.52	-35.04	-33.14	-7.49	-9.18
Tax	-62.85	-62.72	-65.59	-64.76	-16.15	-31.23
Net Profit	156.81	187.07	168.31	171.54	43.71	73.33
Equity	17.78	17.86	17.52	17.52	17.52	17.10
EPS	8.81	10.47	9.60	9.79	2.51	4.26
CEPS	10.71	12.41	11.61	11.68	2.92	4.83
OPM%	25.53	27.18	25.13	25.04	26.69	35.77
NPM%	15.72	17.88	15.73	15.94	17.32	23.07
Dividend	225%	225%	Nil	Nil	-	-

* Three months, Rs in crores

Smart VERC: 28, Sector 9-B, Saket Nagar, Bhopal - 462 024, India

Phone +91 755 4220708 / Mobile +91 9131361959 / Whatsapp +91 9131361959 / E-Mail support@smartverc.com

Visit <https://www.smartverc.com>

'Smart Billionaire Picks' (SBP) started on 30 May 2001 with a notional sum of Rs 1 Lacs has grown to Rs 42.65 lacs, versus Rs 7.29 Lacs if it had been invested in BSE Sensex. In CAGR terms SBP has grown @22.05% compared to BSE Sensex growth @11.12% during the same period.

SBP is a basket of stocks selected from 'Pick of the Week'. All stocks details in SBP are available live for subscribers in their dashboard area in website, along-with the total structure in terms of stock market capitalization, stock type (Value / Growth) and sector diversification.

**The stock investment OPPORTUNITY always arrive with a CRISIS.
They are very close friends.**

(Continued from page 1)

in their respective segments in India. Exports account for about 12% of Sales.

Under the buyback program it bought 34.30 lac equity shares during the period 01 July to 12 July 2019 @ Rs 350 per share for a sum of Rs 120.05 crores. It may be noted that same number of shares and at same price were bought back in previous year too.

Despite small Equity and high Promoter holding,



Mutual Funds hold 5.61% stake and FPIs 8.56% stake.

Despite spending about Rs 240 crores on share buybacks during last two years it not only remains a Debt free but has huge investments of Rs 405 crores in Mutual Funds (mainly) and other securities. Reserves remain strong at 80 times Equity Capital.

Though growth in EPS is low but due to very strong fundamentals, zero debt and quality management the stock has historically enjoyed PE in excess of 20. For the current year the annualized EPS for first nine months stands tall at Rs 14.53 which carries a low PE of 12. Incorporating a modest growth of 20% EPS growth next year the PE further falls down to just 9.5. Even on a PE of 15 stock offers potential gains of 50% in 15 to 18 months time.*

Online subscription : Visit <https://www.smartverc.com/registration>

* All the stock rates / indices on the day of publication, unless specified. * 'Stop Loss' is useful for short / medium term investors only * Disclaimer-Smart-VERC will not be responsible/liable for any loss arising out of investments based on its advices including any inadvertent errors/omissions. Recommendations in this advice letter not to be construed as an offer to buy or sell securities. Stock price movements are subject to market risk. * Past performance may or may not be sustained in future * Published and Printed by Smart VERC Reg. No.: C / 544833, Bhopal * All disputes subject to the Bhopal jurisdiction only. * Risk (High / Average / Low) indicated is with respect to broad indices like BSE Sensitive index and NSE Nifty 50 index.

Disclosures / Disclaimer

Privacy Policy Your contact information will never be intentionally shared, rented or sold with any third party.

Disclosures Recommendations given in this report have been researched and prepared by A K Asnani (SEBI Reg. - INH000000420). He has experience of 30 years into stock investments and author of book 'Way To Billionaire'. By qualification he is BE, MBA (Finance), ERA (ICFAI, Hyderabad) and pursuing PhD.

Smart VERC is a Bhopal based proprietorship firm with registration number : C / 544833. Address: 28, Sector 9-B, Saket Nagar, Bhopal - 462 024, India

Hence forth 'Team Smart VERC' implies the organisation including its owner, associates and employees.

It is declared that –

- No disciplinary action has been taken against team Smart VERC by any of the regulatory authorities.
- Team Smart VERC do not have any financial interest / beneficial interest of more than one percent / material conflict of interest in the companies covered in this advice letter
- Team Smart VERC has not received any compensation ever from the subject company(s) in any form.
- Team Smart VERC has not served at any post nor engaged in marketing of the company covered.

Disclaimer The information in this document has been published on the basis of publicly available information on respective company websites, stock exchange websites, internal analysis and other reliable sources believed to be true but we do not represent that it is accurate or complete. Smart VERC has not independently verified all the information contained within this document.

Any projections and expected share prices are based on certain assumptions believed to be true and accurate, but are not verified in any way. Always do your own due diligence and use your own judgment when making any buying and selling decisions on your investments. Team Smart VERC shall not be responsible for any kind of loss / liability arising from the utilisation of the advice / views made in the report.

Concepts and strategies shared in this and any email communication from Smart VERC are ideas that have worked for members of our team, clients, and friends. Nothing in this document should be construed as investment or financial advice, or as an offer to sell or solicitation of an offer to buy any security. Always invest based on your specific risk return profile and financial position.

This document is not directed to, or intended for display, downloading, printing, reproducing or for distribution to or use by, any person or entity, who is a citizen or resident or located in any locality, state, country or other jurisdiction, where such distribution, publication, reproduction, availability or use would be contrary to law or regulation or what would subject Smart VERC to any registration or licensing requirement within such jurisdiction. If this document is sent or has reached any individual in such country, especially, USA, or Canada the same may be ignored.

All disputes subject to Bhopal jurisdiction only.