

AMINES AND PLASTICIZERS

I am holding 100 shares of Amines & Plasticizers bought at ₹75. Kindly advise on this stock

- Mangesh Kulkarni

HOLD

BSE/NSE Code	506248 / AMNPLST
Face Value	₹2
CMP	₹34.35
52-Week	High ₹89.90 / Low ₹29.95
Your Current Profit/(Loss)	(54.20 per cent)

Amines and Plasticizers Limited is engaged in the manufacture of basic chemicals, fertilisers and nitrogen compounds, plastic and synthetic rubber in primary forms. The company is engaged in the production of alkyl alkonalamines, morpholine, alkyl morpholine and gas treating solvents, which finds application in various industries such as oil refineries, natural gas plants, ammonia plants, petrochemical plants, pharmaceuticals and agro-chemicals. Its products and services include information technology, engineering and fabrication services, oil field chemicals, textile auxiliary chemicals, pharmaceutical intermediates and industrial gases.

On the financial front, on a standalone basis, the company posted net sales of ₹113.43 crore for the second quarter of the fiscal 2019 as against ₹79.89 crore, posting a 42 per cent growth over the same quarter of FY18. The profit before depreciation and tax (PBDT) for Q2FY19 fell by 24 per cent to ₹5.95 crore as against ₹7.88 crore in the corresponding quarter of the previous year. The profit after tax (PAT) fell by 24 per cent in Q2FY19 as it stood at ₹3.51 crore versus ₹4.61 crore in Q2FY18.

On the annual front, the company posted net sales at ₹333.2 crore in FY18 as against ₹295.16 crore in FY17, thereby posting 13 per cent growth. The PBDT of the company increased 10 per cent and stood at ₹26.25 crore in FY18, while in FY17 it was ₹24.08 crore. The profit after tax showed no change and remained at the same level of ₹15.48 crore in both FY17 and FY18. On the valuation front, the company is available at a P/E multiple of 13.59x. The company's return on equity (RoE) stood at 23.34 per cent and the return on capital employed (RoCE) was 26.96 per cent. The dividend yield stood at 0.83 per cent.

Looking at the above financials and the quite attractive valuations, we would also want to add that the company has a good consistent profit growth of 38.12 per cent over the 5-year period. Therefore, we recommend a **HOLD** on the stock as we expect the company to put up a better performance on the bourses.