

INSIDER BUYING and QUICK SNAPSHOTS on Interesting Companies

Stock - Unichem Labs - All it took was a few shares to bump up the price

1) Last 4 years.

Stock Name	Dec-15	Dec-16	Dec-17	Dec-18	Dec-19
Unichem Laboratories Limited	50.11	50.08	50.05	50.64	50.62

2) Recent quarters

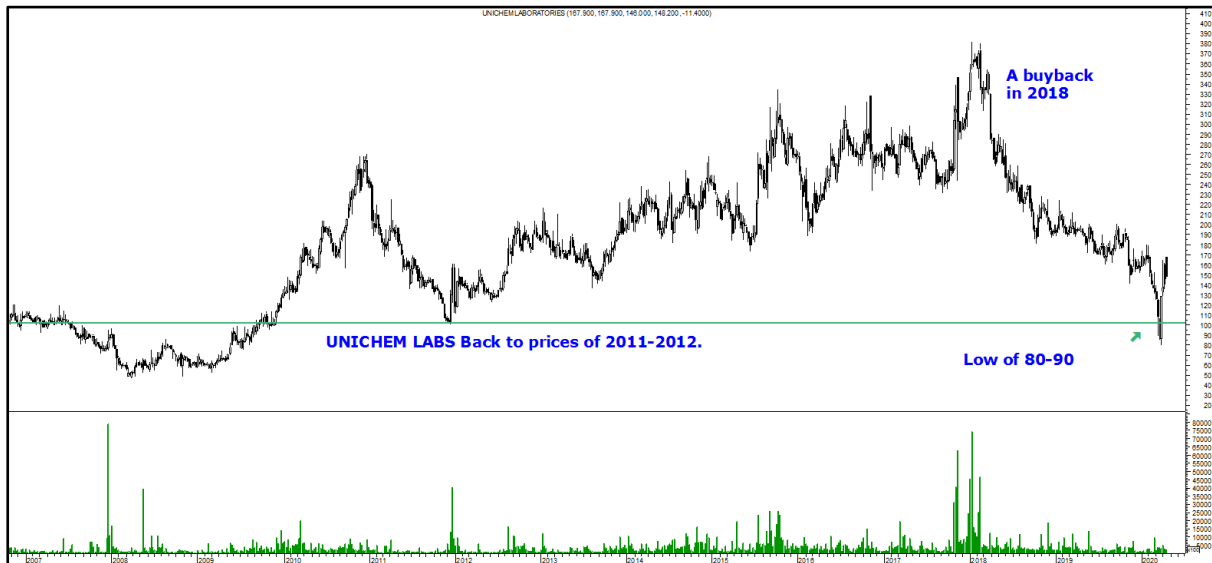
Mar-20	No. of shares bought (net) in Q4FY20	Value of securities bought Q4FY20	Total no. of shares	% equity bought in Q1FY20
	218351	29424167	70405750	0.31%

Comments

- HDFC Mutual Fund owns 7.1% of the company. Most of it bought in last 1 year.
- Promoters bought 2.18 lakh shares in the last quarter.
- The buying was done for 4 sessions from 26th March to 21st March.
- Total Delivery Volumes on NSE = 4.72 lakh shares. Promoters bought = 2.18 lakh shares. Almost 50% of the delivery volumes was by promoters. Average price 135.
- Stock closed at 90 on 25th March and 155 on 31st March. All it took was a couple of lakh shares to take the prices up by 50-70%.
- The company has cash of almost 800-1200 crores against a market cap of 1000-1100 cr. The US Business continues to be loss making.
- A little dated presentation but can be a good place to start researching - <https://www.bloomberqqint.com/alpha-ideas-2020/alpha-ideas-20-20-heres-why-maximal-capitals-sarvesh-gupta-likes-unichem>

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Last 10-15 year chart.



- Back to the price of 2011-2012.
- Company did a major buyback in 2018 after selling their major business.
- Recent lows at 80-90.

Conclusion

- At a price way below cash in the business it becomes a great opportunity and all it takes is a few lakh shares for price discovery. In this case it was by promoters.
- In this particular case if the company can get its International business on track to profitability over the next few years then it can be an interesting bet.
- A good time to study the stock and maybe an entry point at lower levels.

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DISCLOSURE Nooresh Merani

Securities covered above: Unichem Labs

SEBI Registration disclosure - Investment Adviser (**INA000002991**)

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