



**Technical View by Nooresh**  
get the **TECH** edge

**Insider Trading Stock Note :**

**LG Balakrishnan & Bros Ltd.**

**[www.nooreshtech.co.in](http://www.nooreshtech.co.in)**



**Stock – LG Balakrishnan and Bros**

**Promoter Holding - Last few years and quarters**

<b>Company Name</b>	<b>Dec-15</b>	<b>Dec-16</b>	<b>Dec-17</b>	<b>Dec-18</b>	<b>Dec-19</b>	<b>Mar-20</b>	<b>Jun-20</b>	<b>Sep-20</b>
LG Balakrishnan & Bros Limited	47.32	47.42	47.65	47.97	47.73	47.38	47.14	44.07

**Comments**

- L G Balakrishnan (LGB) manufactures roller chains and undertakes metal forming, including warm & cold forging, fine blanking and machined parts.
- The Company products are marketed under the proprietary brand "Rolon", the most trusted and reputed supplier of Original Equipment Manufacturers (OEM) and also caters to export, after market and spares segments.
- It has a domestic market share of 75% and around 50% in replacement market
- LGB has excellent relationship with OEM's like Bajaj Auto, HMT, TVS Motors, Eicher Motors and Hero Motor to prop up its transmission & fine blanking businesses.
- LGB's Greenfield project with capex of ~Rs1.6bn in Aurangabad has already commissioned and done a turnover of about 200cr
- LGB Chain and sprockets (used to rotate transmission chains) business segment constitutes 80% of total revenue, out of which 60% is from OEM and 40% is aftermarket
- The stock is currently trading at 12x and 10x over FY21E and FY22E EPS, which is lower to its historical average
- Promoter Sri V Rajvirdhan (Son of promoter B.Vijayakumar) has been selling in open market since last year. Last Financial year he had sold 386,800 shares or 1.24% and in this financial year he has sold another 3.37%

Long term chart.



**P.S. – This is not a stock recommendation. Please do your own research before investing. This note purely highlights interesting points related to companies where insider buying has taken place.**



**Technical View by Nooresh**  
get the **TECH** edge

DISCLOSURE Nooresh Merani

SEBI Registration disclosure - Investment Adviser ( INA000002991)

Financial Interest:

Nooresh Merani and his family/associates/ analysts have exposure in the securities mentioned in the above report/article.

Nooresh Merani and his family/associates/ analysts have any financial interest/beneficial ownership of more than 1% in the company covered by Analyst.

Nooresh Merani and his family/associates/ analysts have not received any compensation from the company/third party covered in the above report/article ever.

Nooresh Merani and his family/associates/ analysts has not served as an officer, director or employee of company covered in the report/article and has not been engaged in market-making activity of the company covered in the report/article.

The views expressed are based solely on information available publicly and believed to be true. Investors are advised to independently evaluate the market conditions/risks involved before making any investment decision

Also read the detailed disclaimer - <http://www.nooreshtech.co.in/disclaimer>