



STOCK REPORT

2020-2021



AMBER

ENTERPRISES LTD.

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INTRODUCTION

Company Profile:

Established in 1990, Amber Enterprises India Ltd. is a prominent solutions

provider for the Air conditioner

OEM/ODM (Original Equipment

Manufacturer, Original Design Manufacturer) industry in India.



It has a dominant presence in RACs (Refrigerating and Air Conditioning) components with 10 manufacturing facilities across India focusing on different product segments.

The company is headquartered in New Delhi, India and is predominantly in the manufacturing of components like Heat exchangers. Sheet metal components, injection molding components and system tubing and motors.

Management insights:

- The company currently employs 918 employees across various departments such as Marketing, Public Relations, Human Resource Management, General Administration and many more.
- As per a study conducted by ambitionbox.com, mean salaries for employees with experience ranging from 1-5 years is estimated at Rs. 3.5L which is 17% less than the average engineer's salary at Rs. 4.2L
- The firm also boasts high job satisfaction with an overall rating of 4.1 ([Ambitionbox.com](https://ambitionbox.com)), which is the highest among its peers.
- Some of the key position holders of the firm are-

Name

Designation

Daljit Singh

Managing Director

Girish Kumar Ahuja

Independent Director

Jasbir Singh

Chairman & CEO

Kartar Singh

Chairman Emeritus

Konica Yadav

Co. Secretary & Compl.
Officer

Manoj Kumar Sehrawat

Nominee Director

Sachin Gupta

Vice President

Satwinder Singh

Independent Director

Sudha Pillai

Independent Director

Sudhir Goyal

Chief Financial Officer

Udaiveer Singh

President

Product Line:

1. RACs

(Refrigerating and Air Conditioning)

The company currently designs and manufactures complete RACs including Window Air Conditioners (WACs) and both indoor and outdoor units of Split Air Conditioners (SACs) with specifications ranging from 0.75 tons to 2 tons with varying energy ratings. Under refrigerative components inverter RACs are both designed and manufactured in-house.

2. RAC Components

The enterprise is currently involved in the manufacture of components for RACs that include Heat Exchangers, Motor and Multi-flow condensers with other components like sheet metal components, copper tubing and plastic extrusion.

3. Non AC Components

Other products include case liners for Refrigerators, plastic extrusion and sheet metal components for microwaves and other sheet metal and plastic injection molding and extrusion components for Automobiles and metal ceiling industries.

Subsidiaries:

The company currently operates 5 subsidiaries, namely being- Appserve Appliance, ILJIN Electronics India, PICL India, Ever Electronics and Sidwal Refrigeration industries.

1. APPSERVE APPLIANCES: is currently involved in the manufacturing of Dishwashers, Household laundry equipment, electric razors and other electrical domestic appliances.

2. ILJIN ELECTRONICS: ILJIN is an industry leader in the PCB (Printed Circuit Board) manufacturing industry. The enterprise also manufactures internal circuits and components for air conditioners, refrigerators, microwaves and major automobile manufacturers in India.

3. PICL INDIA: the core competency of the company lies in the induction motor space for commercial and residential air conditioning units (includes both ACs and Coolers).

4. EVER ELECTRONICS: the company is currently engaged in manufacturing of Electronic and electrical components for LCD Televisions, DVD players, refrigerators and other equipment for LG.

5. SIDWAL REFRIGERATION: Sidwal is an industry leader in the air-conditioning and refrigeration space for more than 25 years with notable clients like The Indian Railways, Delhi Metro, Metro Railway Kolkata, Noida Metro Rail, Cox and Kings, Siemens and also the United States Embassy.

Major News Updates:

DATE

UPDATES

March 31, 2020

COVID-19 impact: Consumer Durables hit hard

With the onset of the COVID-19 pandemic, major AMCs such as Edelweiss slashed earnings by 9-18% for stocks in their coverage. Despite the downturn it remained positive on Amber along with peers KEI Industries and Voltas.

October 17, 2020

Amber gains big from the Government's AC refrigerants import ban.

On October 16, 2020, Gol banned import of AC refrigerants under its scheme of Atma Nirbhar Bharat- promoting manufacturing of goods domestically and reducing foreign dependence.

September 7, 2020

Amber Enterprises launches QIP to raise Rs. 400 crore.

The leading contract maker of air conditioners- Amber launched a Qualified Institutional Placement or QIP on September 7, 2020 to raise around Rs. 400. The QIP was launched at the floor price of the day at Rs. 1798.72 and received strong demand from potential investors. The stock closed flat overall with a nominal decline of 0.17% that day at Rs. 1837.75.

September 21, 2020

Amber Enterprises buys 20% stake in Sidwal Refrigeration.

Amber Enterprises on Saturday, 19 September 2020 announced that it acquired 9000 equity shares of Sidwal at the face value of Rs. 1000 each, comprising 20% stake of the refrigeration giant. The stock soared 0.89% to Rs.

2062.40, a 154% jump from its 52-week low of Rs. 812 from October 9, 2019.

December 8, 2020

Crisil revises rating of Amber Enterprises' long term bank facilities to 'A+'.

The short term rating was reaffirmed at 'CRISIL A1'. The revision in outlook reflected significant improvement anticipated in business risk profile because of favourable changes in the domestic air-conditioning (AC) manufacturing ecosystem

Fundamentals:

PROFIT & LOSS			
Report Date	Mar-18	Mar-19	Mar-20
Sales	2117.58	2751.99	3962.79
Raw Material Cost	1729.88	2330.11	3306.51
Change in Inventory	-16.78	17.17	22.99
Power and Fuel	21.64	27.57	33.43
Other Mfr. Exp	75.2	84.76	133.66
Employee Cost	46.97	59.05	106.89
Selling and admin	33.79	42.01	62.93
Other Expenses	9.44	12.39	30.17
Other Income	8.72	9.95	6.04
Depreciation	49.02	62.31	84.77
Interest	54.17	24.98	42.71
Profit before tax	89.41	135.93	190.75
Tax	27.09	41.15	26.6
Net profit	62.31	93.66	158.4
Dividend Amount			10.06

Quarters

Report Date	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20
Sales	788.43	1315.18	259.45	407.93	764.71
Expenses	734.16	1213.29	264.98	386.33	701.69
Other Income	2.19	-0.02	3.04	12.63	8.97
Depreciation	21.46	21.95	22.87	23.17	23.52
Interest	10.52	9.83	10.23	11.66	8.6
Profit before tax	24.48	70.09	-35.59	-0.6	39.87
Tax	-0.33	7.26	-11.67	-3.44	11.99
Net profit	22.57	62.84	-22.45	1.66	26.93
Operating Profit	54.27	101.89	-5.53	21.6	63.02

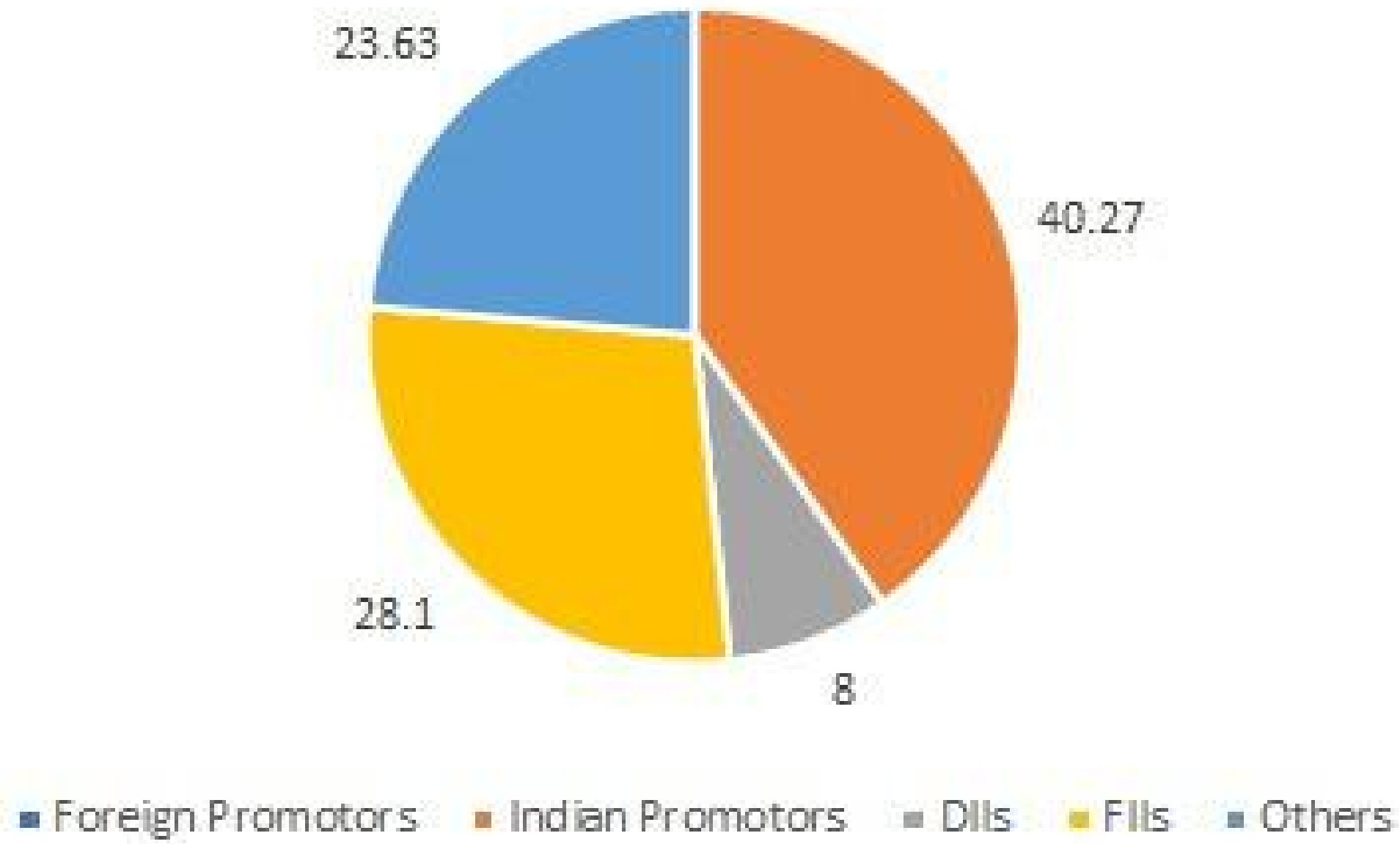
CASH FLOW:

Report Date	Mar-18	Mar-19	Mar-20
Cash from Operating Activity	127.03	-63.06	288.21
Cash from Investing Activity	-151.99	-110.67	-320.45
Cash from Financing Activity	127.78	93.17	63.4
Net Cash Flow	102.82	-80.56	31.16

BALANCE SHEET

Report Date	Mar-18	Mar-19	Mar-20
Equity Share Capital	31.45	31.45	31.45
Reserves	861.31	954.7	1096.96
Borrowings	113.97	251.34	382.85
Other Liabilities	721.28	1133.25	1389.66
Total	1728.01	2370.74	2900.92
Net Block	710.02	809.45	1105.82
Capital Work in Progress	29.75	33.68	11.78
Investments	5.71		
Other Assets	982.53	1527.61	1783.32
Total	1728.01	2370.74	2900.92
Receivables	378.57	787.16	854.2
Inventory	395.65	560.62	655.7
Cash & Bank	133.81	44.67	120.27
No. of Equity Shares	31446540	31446540	31446540
New Bonus Shares			
Face value	10	10	10

Shareholding Pattern



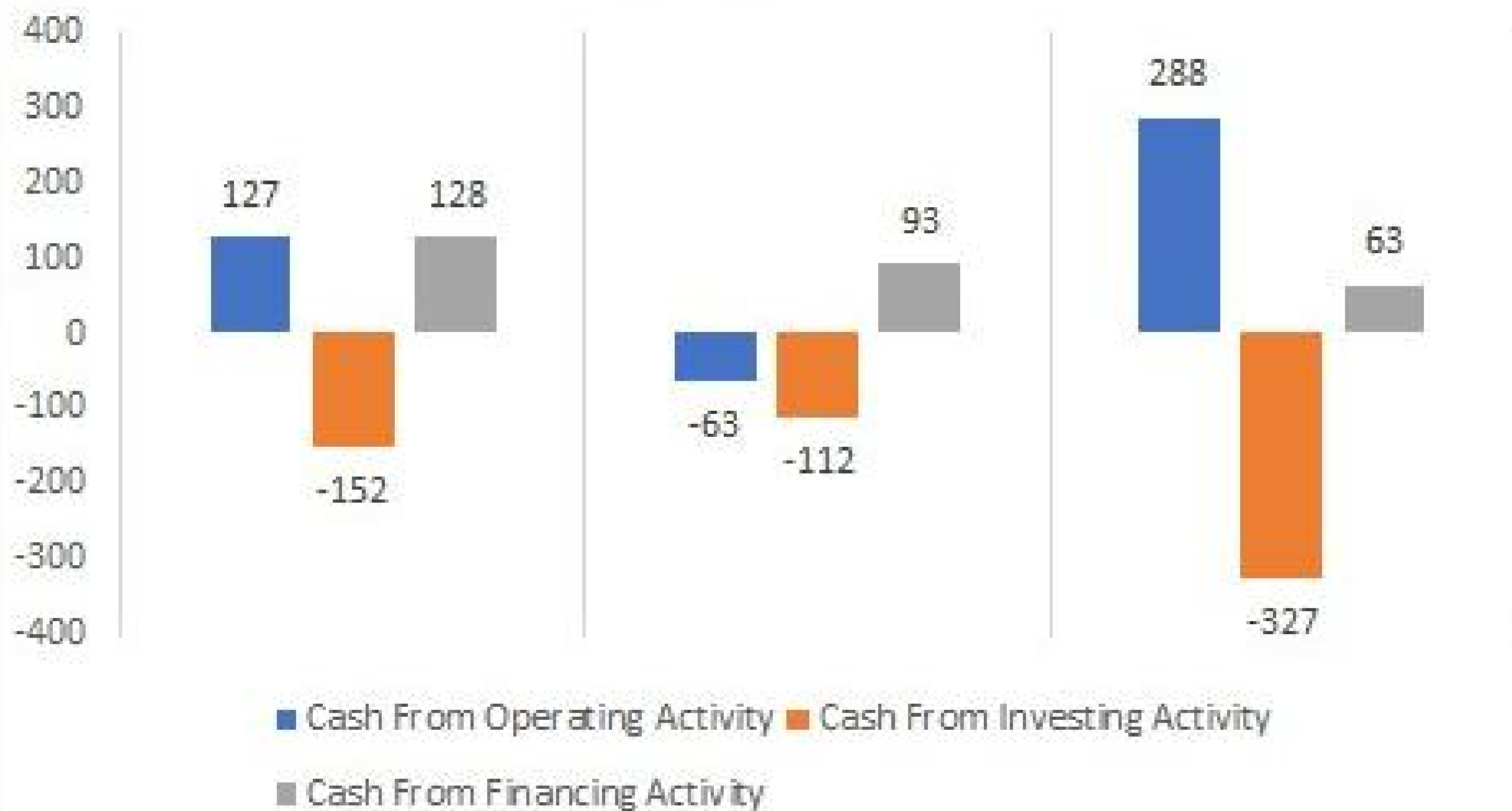
ROCE, ROE and ROA in %



Revenue & Profitability



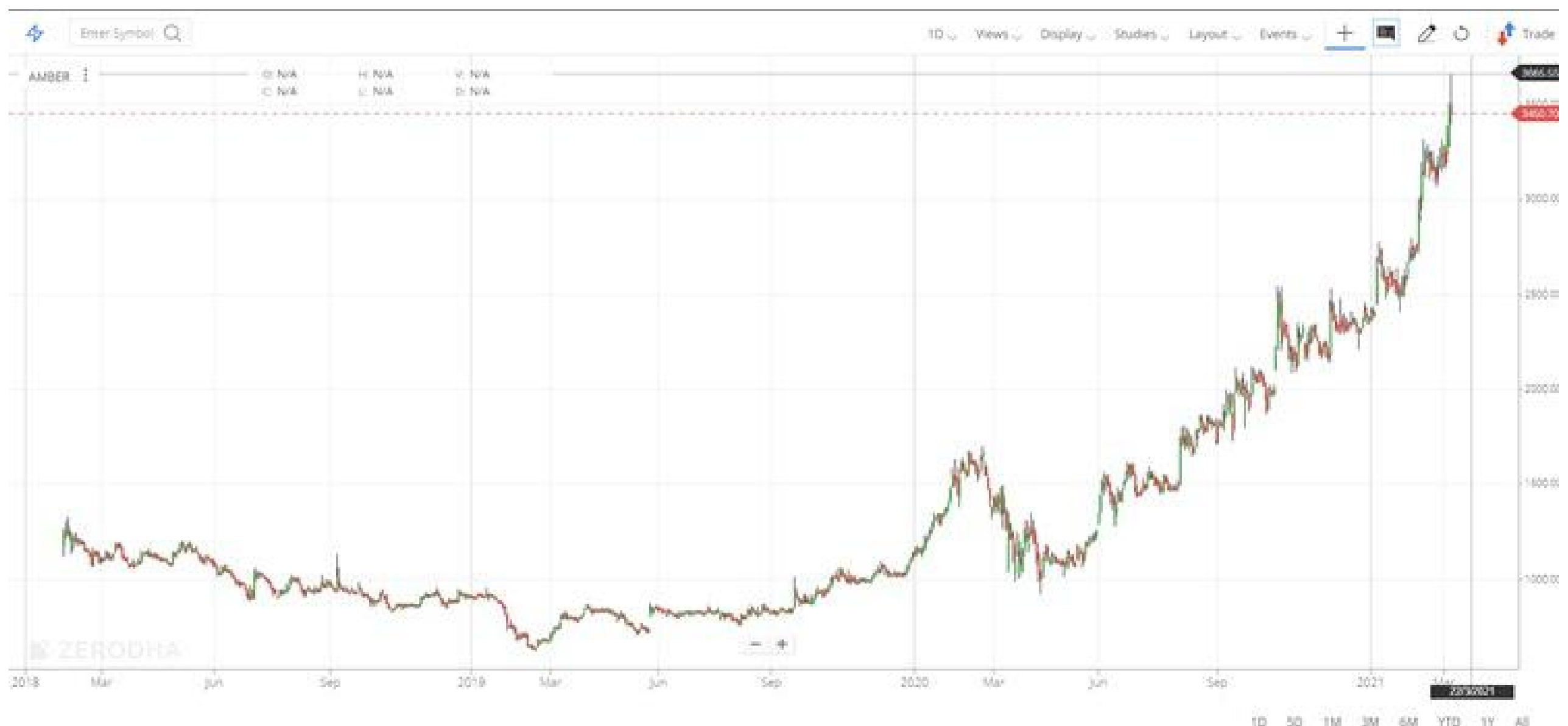
Cash Flow



Technical Analysis:

Ever since its listing on 30th January 2018, Amber Enterprises has broken all targets and continue to maintain a bullish outlook.

The stock has given an increase of 209.2% from its low of 1116.01 on 30th Jan 2018 to a close of 3450.70 on 5th March 2021.



The Stock was trading at a Pre-Covid of 1695.36 on 20th Feb 2020 and witnessed an 84% drop to a low of 921.52 on 13th April 2020. A morning star candlestick pattern can be seen at this point which was followed by a short bull run.



Ever since the Post-Covid Low the stock has continued to make higher highs and higher lows signaling a strong uptrend. It broke its Pre-Covid high on 3rd August 2020 with a close of 1724.31.

The stock closed at 3450.70 on 5th March which is an 274.45% increase from its Post-Covid Low 921.52.

In the continuing bull run the stock broke its long-term channel on 19th October 2020 and gave a beautiful breakout.

From the period of February to March, the stock is currently facing a resistance of 3268 and is taking support at the level of 3161. It broke its resistance on 3rd March 2021 with a close of 3314.99 and a close of 3483.90 on the following day.



It is also trading above the short-, medium- and long-term moving averages of 26, 50 and 200 days.



The stock has also shown a MACD bullish crossover on 3rd March 2021 and it stands at the 161.19 level as of 5th March 2021.

The Relative Strength Index stands at 75.05 slowly inching towards the overbought level, we might witness a short correction in the following week but we are still long the prospects of this company.

