

DOMESTIC:

- Cipla recalls 4,800 bottles of anti-HIV tablets from American market
- L&T Construction wins orders valued Rs2,084cr
- JMC Projects bagged orders worth Rs596cr
- RIL raises Rs5,500cr via debentures in two tranches
- IL&FS puts commercial, residential properties up for sale
- Jio plans packs of affordable ultra broadband
- Aurobindo Pharma USA recalls 80 lots of blood pressure drug from America
- Jet Airways defaults on debt payment to banks
- Bajaj Electricals board approves fund raising of Rs250cr
- Capacite Infraprojects won contract of Rs97.69cr
- HDFC plans to raise Rs45,000cr via NCDs
- Swap ratio announced for BoB-Vijaya-Dena Bank merger
- Shilpa Medicare gets USFDA nod for cancer treatment injection
- PNB Housing Finance raises USD26mn from foreign markets
- ICRA reaffirmed term loan rating to ICRA AA+, while outlook revised from positive to stable for Motherson Sumi
- Syndicate Bank and SBI Life Insurance sign a bancassurance pact
- L&T Construction has won orders worth Rs1,060cr
- M&M Financial Services plans to raise up to Rs3,500cr via NCDs
- NCLAT orders Ahmedabad court to expedite Essar Steel case
- Wipro may opt for up to USD1.2bn share buyback
- Housing finance companies may face slowdown in H2 FY19: ICRA
- Bristol-Myers to buy Celgene for USD74bn in largest biopharma deal
- SC revives govt's case in NCDRC against Nestle India
- Torrent Power won power distribution order in Thane for 20 years
- RCom files case in Supreme Court against DoT over Jio deal
- Future Enterprises raises Rs750cr via NCDs

ECONOMY:

- Banks recover Rs40,400cr from defaulters: RBI report
- Reduction in GST rates on 23 goods and services: Government
- FSSAI to focus on enforcement of food standards in 2019

INDUSTRY:

- Institutional investments in realty sector doubled to USD20bn during 2014-18: Report
- Steel consumption may grow 7% in FY19, FY20: ICRA
- Car sales grew 6% in 2018 on low base, string of new launches
- Manufacturing activity slows in December, PMI at 53.2
- Govt removes price cap on innovative drugs for first 5 years

Price Performance (%)

Company	1M	3M	12M
Supreme Petrochem Ltd	-2.6%	-16.7%	-48.8%
Shanthi Gears Ltd	4.0%	8.2%	-19.6%
Hind Rectifiers Ltd	-5.6%	-7.3%	-23.5%
KCP Ltd	1.0%	6.4%	-44.0%
Harita Seating System Ltd	-3.3%	-1.7%	-46.3%
Hester Biosciences Ltd	-2.1%	6.8%	-35.1%
The Hi-Tech Gears Ltd	-5.0%	-18.2%	-39.1%
Bharat Bijlee Ltd	5.3%	2.9%	-18.0%
Triveni Turbines Ltd	-5.2%	-0.8%	-16.3%
Siemens Ltd	13.0%	9.6%	-16.5%
Aksh Optifibre Ltd	-2.6%	4.2%	-41.8%
GMM Pfaudler Ltd	9.4%	22.9%	45.0%
Alicon Castalloy Ltd	-7.0%	-9.9%	-15.3%
Gufic Biosciences Ltd	8.5%	-8.9%	-32.3%
Excel Industries Ltd	-1.7%	-1.5%	122.1%
Vesuvius India Ltd	7.5%	11.1%	-13.4%
Munjjal Showa Ltd	4.0%	-3.4%	-37.1%
Bharat Rasayan Ltd	-3.8%	-13.2%	26.1%
Alkyl Amines Chemicals Ltd	3.2%	37.0%	19.3%
Grauer and Weil (India) Ltd	-2.5%	-5.3%	-39.6%
Texmaco Rails & Engineering Ltd	6.3%	-2.5%	-49.3%
Nagarjuna Agrichem Ltd	0.7%	-2.8%	-57.1%
Simplex Infrastructures Ltd	-13.0%	-23.4%	-67.6%
ITD Cementation India Ltd	10.2%	-4.2%	-46.7%
Westlife Development Ltd	13.1%	16.5%	14.9%
Federal Mogul Goetze (India) Ltd	16.1%	21.6%	-4.5%
Dynomatic Technologies Ltd	-0.3%	2.8%	-32.9%
Hitech Corporation Ltd	-29.9%	22.1%	-43.9%
NRB Bearings Ltd	3.7%	26.6%	16.6%
Kokuyo Camlin Ltd	-0.5%	-6.1%	-17.9%
Timken India Ltd	11.9%	2.4%	-33.3%
Morganite Crucible (India) Ltd	-3.1%	-25.6%	21.1%
Vardhman Special Steels Ltd	-3.1%	-7.8%	-44.7%
Zen Technologies Ltd	19.6%	10.4%	-51.4%
KSB Ltd	-0.7%	8.6%	-15.5%
Thermax Ltd	2.9%	22.4%	-7.7%
Transpek Industry Ltd	1.1%	2.5%	4.3%
BASF India Ltd	0.4%	-10.6%	-27.9%
Artson Engineering Ltd	-9.6%	-11.3%	-63.2%
Remsons Industries Ltd	8.8%	-20.3%	-6.7%
Snowman Logistics Ltd	0.9%	-4.4%	-42.1%
Alembic Pharmaceuticals Ltd	-6.1%	-2.4%	10.2%
Indian Hume Pipe Co. Ltd	13.5%	33.7%	53.6%
Engineers India Ltd	8.5%	11.9%	26.3%
Gulshan Polyols Ltd	10.1%	10.7%	-28.7%
Nesco Ltd	-0.7%	3.0%	-20.8%
Castrol India Ltd	-2.2%	4.5%	54.9%
Hikal Ltd	-0.8%	-4.4%	-6.8%

The week that went by:

The last trading day of the year, but the day 1 of the week, opened in the positive and started on a strong note. On the new year front, the markets opened on a tepid note backed by Pharma and Consumption sectors as the outperformers. Following the weak Asian markets, Indian bourses commenced its day on a lower note. In the midweek session, the markets opened on a flat note. On the last day of trade, the Indian markets opened on a positive note backed by Auto, Banks and Infrastructure sectors.

Coverage Universe Valuations												
Company	Reco	Reco at	CMP	Tgt price	Upside	Mcap	EPS(x)		PE(x)		EV/EBITDA (x)	
		(Rs)	(Rs)	(Rs)	(%)	(Rs bn)	FY18	FY19E	FY18	FY19E	FY18	FY19E
Supreme Petrochem Ltd	BUY	77	205	500	144.4	19.7	6.6	6.4	30.9	32.0	9.4	11.6
Shanthi Gears Ltd	BUY	107	129	200	55.5	10.5	3.5	3.9	38.1	34.2	29.6	25.0
Hind Rectifiers Ltd	BUY	69	105	175	67.0	1.6	0.8	5.3	132.9	19.8	22.6	11.4
KCP Limited	BUY	71	90	200	121.2	11.7	7.0	7.0	13.3	13.3	10.0	8.8
Harita Seating System Ltd	BUY	266	531	1150	116.6	4.1	39.7	40.8	13.1	12.8	10.4	9.5
Hester Biosciences Ltd	BUY	565	1185	1750	47.7	10.1	35.9	39.8	31.2	28.2	9.4	8.4
The Hitech Gears Ltd	BUY	298	325	600	84.6	6.1	17.0	21.2	19.5	15.6	11.3	9.8
Bharat Bijlee Ltd	BUY	787	1158	2000	72.7	6.5	25.1	37.4	46.5	31.2	26.1	21.6
Triveni Turbines Ltd	BUY	92	109	150	37.2	0.4	3.0	3.1	38.1	36.4	23.8	22.8
Siemens Ltd	BUY	1128	1065	1350	26.8	379.0	53.0	53.6	19.6	19.4	26.3	25.8
Aksh Optifibre Ltd	BUY	15	25	45	82.9	4.0	1.4	2.7	17.1	9.0	8.6	5.4
GMM Pfaudler Ltd	BUY	332	1180	1300	10.2	17.2	19.4	26.7	62.6	45.6	38.2	27.9
Alicon Castalloy Ltd	BUY	288	581	1000	72.1	7.1	29.0	46.6	21.9	13.6	10.0	7.3
Gufic Biosciences Ltd	BUY	50	95	175	84.9	7.3	1.9	3.1	49.9	30.0	20.8	16.2
Excel Industries Ltd	BUY	380	1440	2200	52.8	18.6	58.1	112.2	25.4	13.1	15.1	8.0
Vesuvius India Ltd	BUY	1165	1188	1500	26.3	23.8	52.3	56.3	22.9	21.3	11.6	11.2
Munjal Showa Ltd	BUY	191	183	300	63.9	7.3	19.4	21.5	9.8	8.8	6.5	5.8
Bharat Rasayan Ltd	BUY	2747	5279	9000	70.5	22.2	227.3	257.5	23.3	20.6	15.0	13.1
Alkyl Amines Chemicals Ltd	BUY	391	780	850	9.0	15.9	31.5	38.9	24.0	19.4	14.5	11.1
Grauer and Weil (India) Ltd	BUY	45	50	100	100.6	11.3	2.7	3.0	18.8	17.0	11.8	11.1
Texmaco Rails & Engineering Ltd	BUY	91	58	150	160.6	20.2	0.5	1.8	127.6	32.3	57.4	16.8
Nagarjuna Agrichem Ltd	BUY	29	27	60	118.6	4.3	0.7	0.8	40.0	34.7	13.1	12.4
Simplex Infrastructures Ltd	BUY	540	191	700	265.8	20.2	30.5	31.8	6.5	6.2	6.5	6.1
ITD Cementation India Ltd	BUY	158	114	225	96.8	17.7	8.3	9.8	13.8	11.7	7.6	6.6
Westlife Development Ltd	BUY	266	390	425	8.9	60.7	0.8	1.6	470.3	245.9	80.7	56.6
Federal Mogul Goetze (India) Ltd	BUY	540	500	750	50.0	27.8	14.9	18.0	33.5	27.7	14.9	13.6
Dynamatic Technologies Ltd	BUY	2160	1480	3000	102.7	9.4	1.1	51.1	1400.4	31.1	12.2	9.4
Hitech Corporation Ltd	BUY	175	110	230	109.0	1.9	4.5	6.4	24.6	17.4	9.2	6.9
NRB Bearings Ltd	BUY	138	198	240	21.1	19.2	8.5	10.4	23.3	18.9	13.6	11.4
Kokuyo Camlin Ltd	BUY	132	107	175	63.2	10.8	1.0	1.5	112.0	74.5	32.2	25.7
Timken India Ltd	BUY	883	588	1200	104.1	40.0	13.5	19.0	41.7	29.8	23.5	15.0
Morganite Crucible (India) Ltd	BUY	1047	1429	2300	61.0	4.0	49.6	63.9	28.8	22.4	2.8	2.5
Vardhman Special Steels Ltd	BUY	151	98	225	130.2	3.5	7.0	8.7	14.3	11.5	9.2	7.7
Zen Technologies Ltd	BUY	115	73	170	132.1	5.7	-0.1	0.8	-1574.9	98.6	-325.3	58.8
KSB Ltd	BUY	820	758	1100	45.1	26.4	18.8	21.2	41.2	36.5	17.3	15.4
Thermax Ltd	BUY	1019	1135	1230	8	135.3	22.1	26.8	51.4	42.4	36.4	31.2
Transpek Industry Ltd	BUY	1547	1430	2000	39.9	8.0	47.3	76.0	29.0	18.0	18.0	13.5
BASF India Ltd	BUY	1954	1544	2500	61.9	66.8	20.3	43.5	76.0	35.5	22.2	17.5
Artson Engineering Ltd	BUY	64	48	95	98.3	1.8	0.4	2.3	130.1	21.3	75.9	23.1
Remsons Industries Ltd	BUY	104	105	155	47.3	0.6	6.0	7.9	17.4	13.2	10.8	8.5
Snowman Logistics Ltd	BUY	33	35	55	57.6	5.8	-0.2	0.1	-164.5	243.6	16.1	13.2
Alembic Pharmaceuticals Ltd	BUY	605	577	751	30.1	108.8	22.3	26.7	25.6	21.4	17.7	15.0

*Castrol, Vesuvius, ITD Cementation- Dec Ending | Siemens-Sept ending |

Recommendations adjusted as per Corporate Actions						
Company	Reco	Target	Corp Action	Adj Price	Adj Tgt Price	Appreciation
IHP Ltd	341	600	Bonus 1 : 1.	171	500	97%
Engineers India Ltd	211	200	Bonus 1 : 1.	105	250	20%
Gulshan Polyols Ltd	390	500	Stock Split from Rs.FV 5 to Rs.FV 1.	78	110	-19%
Nesco Ltd	2397	3200	Stock Split from Rs.FV 10 to Rs.FV 2.	479	640	-7%
Castrol India Ltd	447	550	Bonus 1 : 1	223	200	-34%
Hikal Ltd	143	325	Bonus 1 : 2	95	216	59%

Coverage Universe Valuations												
Company	Reco	Adj Reco	CMP	Tgt price	Upside	Mcap	EPS(x)		PE(x)		EV/EBITDA (x)	
		(Rs)	(Rs)	(Rs)	(%)	(Rs bn)	FY18	FY19E	FY18	FY19E	FY18	FY19E
IHP Ltd	341	171	337	500	48.3	16.3	13.6	20.1	25.2	17.0	13.2	10.1
Engineers India Ltd	211	105	126	250	97.9	42.6	6.0	7.0	21.2	18.1	19.3	15.4
Gulshan Polyols Ltd	390	78	63	110	74.9	2.9	3.9	5.1	17.1	13.1	6.6	5.3
Nesco Ltd	2397	479	446	640	43.5	6.3	25.1	23.7	17.9	19.0	14.7	15.3
Castrol India Ltd	447	223	148	200	35.0	73.3	7.1	15.6	21.5	9.8	14.1	12.8
Hikal Ltd	143	95	152	216	42.4	12.5	9.4	10.1	17.0	15.8	10.4	9.4

Please Turn Over

Coverage Performance Sheet										
Company	Reco at (Rs)	CLS (Rs)	Target Price (Rs)							Appreciation (%)
			Target 1	Target 2	Target 3	Target 4	Target 5	Target 6	Target 7	
Supreme Petrochem Ltd	77	205	120	150	200	275	350	500	-	166%
Shanthi Gears Ltd	107	129	150	200	-	-	-	-	-	20%
Hind Rectifiers Ltd	69	105	110	140	175	-	-	-	-	52%
KCP Limited	71	90	105	150	200	-	-	-	-	27%
Harita Seating System Ltd	266	531	400	600	750	900	1150	-	-	100%
Hester Biosciences Ltd	565	1185	750	875	1150	1500	2200	1750	-	110%
The Hitech Gears Ltd	298	325	450	600	-	-	-	-	-	9%
Bharat Bijlee Ltd	787	1158	1100	1500	2000	-	-	-	-	47%
Triveni Turbines Ltd	92	109	135	150	-	-	-	-	-	19%
Siemens Ltd	1128	1065	1350	-	-	-	-	-	-	-6%
Aksh Optifibre Ltd	15	25	24	35	45	-	-	-	-	64%
GMM Pfäudler Ltd	332	1180	500	700	800	1000	1300	-	-	255%
Alicon Castalloy Ltd	288	581	450	600	750	1000	-	-	-	102%
Gufic Biosciences Ltd	50	95	75	100	140	175	-	-	-	89%
Excel Industries Ltd	380	1440	550	650	800	1100	1400	1800	2200	279%
Vesuvius India Ltd	1165	1188	1500	-	-	-	-	-	-	2%
Munjil Showa Ltd	191	183	250	300	350	300	-	-	-	-4%
Bharat Rasayan Ltd	2747	5279	3500	4250	5000	6500	9000	-	-	92%
Alkyl Amines Chemicals Ltd	391	780	550	700	850	-	-	-	-	99%
Grauer and Weil (India) Ltd	45	50	65	80	100	-	-	-	-	11%
Texmaco Rails & Engineering Ltd	91	58	125	150	-	-	-	-	-	-37%
Nagarjuna Agrichem Ltd	29	27	45	60	75	60	-	-	-	-5%
Simplex Infrastructures Ltd	540	191	700	540	-	-	-	-	-	-65%
ITD Cementation India Ltd	158	114	225	-	-	-	-	-	-	-28%
Westlife Development Ltd	266	390	350	425	-	-	-	-	-	47%
Federal Mogul Goetze (India) Ltd	540	500	750	-	-	-	-	-	-	-7%
Dynamatic Technologies Ltd	2160	1480	3000	-	-	-	-	-	-	-31%
Hitech Corporation Ltd	175	110	230	-	-	-	-	-	-	-37%
NRB Bearings Ltd	138	198	200	240	-	-	-	-	-	44%
Kokuyo Camlin Ltd	132	107	175	-	-	-	-	-	-	-19%
Timken India Ltd	883	588	1200	-	-	-	-	-	-	-33%
Morganite Crucible (India) Ltd	1047	1429	1500	1750	2300	-	-	-	-	36%
Vardhman Special Steels Ltd	151	98	225	-	-	-	-	-	-	-35%
Zen Technologies Ltd	115	73	170	-	-	-	-	-	-	-36%
KSB Ltd	820	758	1100	-	-	-	-	-	-	-8%
Thermax Ltd	1019	1135	1230	-	-	-	-	-	-	11%
Transpek Industry Ltd	1547	1430	2000	-	-	-	-	-	-	-8%
BASF India Ltd	1954	1544	2500	-	-	-	-	-	-	-21.0%
Artson Engineering Ltd	64	48	95	-	-	-	-	-	-	-25%
Remsons Industries Ltd	104	105	155	-	-	-	-	-	-	1%
Snowman Logistics Ltd	33	35	55	-	-	-	-	-	-	6%
Alembic Pharmaceuticals Ltd	605	577	751	-	-	-	-	-	-	-5%

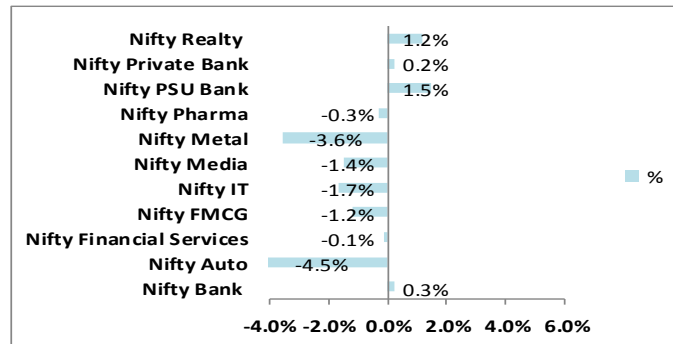
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Company	Reco	Target	Corp Action	Adj Price	Adj Tgt Price	Appreciation
IHP Ltd	341	600	Bonus 1 : 1	171	500	97%
Engineers India Ltd	211	325	Bonus 1 : 1	105	250	20%
Gulshan Polyols Ltd	390	500	Stock Split from Rs.FV 5 to Rs.FV 1	78	110	-19%
Nesco Ltd	2397	3200	Stock Split from Rs.FV 10 to Rs.FV 2	479	640	-7%
Castrol India Ltd	447	550	Bonus 1 : 1	223	200	-34%
Hikal Ltd	143	325	Bonus 1 : 2	95	216	59%

Coverage Performance Sheet										
Company	Reco at (Rs)	CLS (Rs)	Target Price (Rs)							Appreciation (%)
			Target 1	Target 2	Target 3	Target 4	Target 5	Target 6	Target 7	
IHP Ltd	341	337	500	600	500	-	-	-	-	97%
Engineers India Ltd	211	126	200	250	-	-	-	-	-	20%
Gulshan Polyols Ltd	390	63	110	-	-	-	-	-	-	-19%
Nesco Ltd	2397	446	640	-	-	-	-	-	-	-7%
Castrol India Ltd	223	148	275	250	200	-	-	-	-	-34%
Hikal Ltd	143	152	200	250	325	216	-	-	-	59%

Please Turn Over

Weekly Sectoral Gainers & Losers in (%)



Orders For Texmaco

CRISIL Ratings For Hind Rectifiers

Execution Of Divestment Plan

Assignment For ITD

Exchange Of Hands

Orders For HIRECT

COVERAGE NEWS:

Texmaco Rail & Engineering Ltd: Wagon Order Update:

Fresh Railways orders breathe life into wagon firms. The latest round of orders given out by Railways for its earlier wagon tender has benefited companies like Amtek Railcar, CEBBCO and **Texmaco Rail**. Texmaco has got mandate for 1621 wagons.

Our comments:

This is a positive for the company, being a strong contender for the orders being released by the Indian Railways.

Hind Rectifiers Ltd: Ratings Update:

CRISIL Limited has affirmed/assigned following ratings for the company:

- Total bank loan facilities rated: Rs90cr
- Long term rating: CRISIL BB+/Stable
- Short term rating: CRISIL A4+

Dynamatic Technologies: Divestment of Auto division at Chennai:

The Company executed a "Business Transfer Agreement" on 31st December, 2018 with Hi-Tech Arai Private Limited ("Purchaser") on such terms and conditions as deemed fit, thereby concluding the said transaction. In respect of the divestment of the Auto Division, the Company will receive Rs40cr as consideration for transfer of all the fixed assets relating to the aluminium business of the Auto Division, which is in excess of the book value of underlying assets, while the Company has carved out and redeployed some machinery worth Rs8cr into its other businesses. Additionally, the Purchaser has agreed to acquire the inventories of the Auto Division (approximately around Rs5.5cr to Rs6.5cr) on an actual basis at a price that will be determined by the parties upon physical verification.

ITD Cementation Ltd Update:

The company has been signed to give a leg up to the granite-sourcing issues niggling Adani Vizhinjam Port Private Limited (AVPPL). It would shoulder the Rs7,525cr granite woes through the task assigned to it of sourcing granite. According to the contract with the Kerala government the first Phase of the project should be completed by December 19, 2019.

Triveni Turbine Ltd Update:

SBI Mutual Fund has bought 5,131,000 equity shares of Triveni Turbine Ltd through bulk deal whereas Nalanda India Fund Ltd sold 5,150,000 equity shares of the company through bulk deal on BSE.

Hind Rectifiers Ltd: Orders update:

The company has secured orders worth Rs88.05cr (including an order of Rs50.75cr from Diesel Locomotive Works) in December, 2018. The company is having all time high pending orders of Rs291.92cr as on 1st January, 2019.

Explosion At G&W

COVERAGE NEWS:

Grauer & Weil (India) Limited:

Grauer & Weil (India) Limited has informed that an explosion and fire broke out at Vapi plant on January 1, 2019. As a result the production at this intermediate plant has been stopped. Exact cause of fire and quantum of damage is yet to be determined. No injury was caused to any worker or staff of the company. All other plants of the Company continue to work normally.

Pledge Release By KCP

K.C.P. Ltd.

K.C.P. Ltd has informed the exchange that its promoter group entity M/s VRK Grandsons Investment (P) Ltd. has released 11,00,000 shares pledged in favor of Bajaj Finance Limited accounting to 0.85% of its share capital.

*USFDA Approval For
Alembic Pharma*

Alembic Pharmaceuticals Ltd receives USFDA approval:

The Company has received a USFDA Approval for Pramipexole Dihydrochloride Extended-Release Tablets, 0.375 mg, 0.75 mg, 1.5 mg, 2.25 mg, 3 mg, 3.75 mg, and 4.5 mg. The approved ANDA is therapeutically equivalent to the reference listed drug product (RLD) Mirapex ER Tablets, 0.375 mg, 0.75 mg, 1.5 mg, 2.25 mg, 3 mg, 3.75 mg, and 4.5 mg, of Boehringer Ingelheim Pharmaceuticals, Inc. (Boehringer).

Our comments:

The drug has an estimated market size of USD38.6mn for twelve months ending December 2017 according to IQVIA.

Recovery Of Bad Loans

ECONOMY:

Banks recover Rs40,400cr from defaulters: RBI report

Banks have seen a significant improvement in recovery of stressed assets helped by the Insolvency and Bankruptcy Code (IBC) and amendments in the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interests (SARFAESI) Act, during FY18, according to the RBI data. In the fiscal ended March 2018, banks recovered Rs40,400cr worth of bad loans as against Rs38,500cr recovered in FY17.

Our comments:

The various channels through which lenders recovered their bad loans include the Insolvency and Bankruptcy Code (IBC), SARFAESI Act, debt recovery tribunals (DRTs) and Lok Adalats. Besides recovery through various resolution mechanisms, banks are also cleaning up their balance sheets through sale of doubtful/ loss assets to assets reconstruction companies (ARCs) and other banks/NBFCs/financial institutions by taking haircuts.

*Institutional Investments
For The Sector*

INDUSTRY:

Institutional investments in realty sector doubled to USD20bn during 2014-18: Report

Institutional investments in real estate doubled to USD20bn during 2014-18 compared to the previous five years, backed by reforms like a law in order to regulate the sector and relaxation in FDI norms. The period post the global financial crisis from 2009-18, has witnessed two phases of institutional investments by private equity firms, sovereign wealth funds, insurance funds, pension funds, family offices etc. The Indian real estate sector had attracted USD30bn of institutional investments during 2009-18, out of which USD20bn was invested during 2014-18, depicting a positive impact of reforms.

Our comments:

The increased focus would be on affordable housing, retail, industrial and warehousing sectors denoting the key trends going forward.

Settlement Of Dues

COMPANY:

IL&FS puts commercial, residential properties up for sale

The debt laden IL&FS group has put up its properties for sale to garner funds in order to settle its loan dues of nearly Rs91,000cr. The company has approached for bids from the interested buyers for both commercial and residential properties in Mumbai and one in Kolkata. Properties on sale includes a 1,376 square feet residential property located at upscale Malabar Hills besides the three commercial properties in Mumbai and one commercial space in Kolkata.

Our comments:

The company won't be able to service its debt obligations in respect of the interest of NCDs due on 29th December, 2018. Furthermore, the group is resorting to measures which caters to selling-off the luxury cars owned by it as well as office furniture and white goods to pay off its debt and is likely to fetch nearly Rs200cr by selling these properties.

*Syndicate-SBI:
Bancassurance Pact*

Syndicate Bank and SBI Life Insurance sign a bancassurance pact

Syndicate Bank and SBI Life Insurance have signed a bancassurance pact to offer a comprehensive financial planning solution to its customers. This agreement is hopeful to ensure greater reach and penetration in the market with 3,000 branches of Syndicate Bank spread across the country offering SBI Life's diverse range of protection, wealth creation and savings insurance products to its customers.

Our comments:

Spurge in life insurance penetration has been the strategy for Syndicate Bank and on account of proven delivery and technological capabilities of SBI Life Insurance, the bank is of the view to achieve the aspiration very soon.

M&M: Issue Of NCDs

M&M Financial Services plans to raise up to Rs3,500cr via NCDs

The company plans to undertake a public issue of NCDs for an amount aggregating up to Rs500cr (base issue size) which opens on 4th January, 2019 and closes on 25th January. It further has an option to retain the oversubscription up to Rs3,000cr aggregating to Rs3,500cr (tranche I issue); these NCDs are proposed to be listed on BSE.

Our comments:

The NCDs bear a fixed rate of interest and are offered under four different series- series I (39months), series II (60 months), series III (96 months) are secured, while series IV (120 months) are unsecured subordinate NCDs.

Orders For Torrent

Torrent Power won power distribution order in Thane for 20 years

The Company has emerged as winner of the competitive bidding process conducted by Maharashtra State Electricity Distribution Company (MSEDCL) for appointment of input based Distribution Franchisee for distribution of electricity in Shil, Mumbra & Kalwa sub-divisions under Thane Urban Circle, for a period of 20 years. MSEDCL has issued the Letter of Intent (LoI) to the company and the Distribution Franchisee Agreement (DFA) with MSEDCL will be executed in the due course and operations are expected to be taken over soon thereafter.

Our comments:

The company's obligations under the DFA will be to distribute electricity to the consumers on behalf of MSEDCL in accordance with applicable Law, Regulations & Directives of MERC.

Delay In Spectrum Sale

RCom files case in Supreme Court against DoT over Jio deal

RCom filed a contempt of plea against DoT in the Supreme Court; claiming that the court failed to furnish a No-objection Certificate (NOC) clearing RCom's spectrum deal with Reliance Jio Infocomm Ltd even after the court had directed it to do so. As per the directives of SC, the spectrum sale of RCom was given a clearance on a condition that a corporate guarantee of Rs1,400cr was required to be furnished by Reliance Realty, a unit of RCom. DoT refused to furnish the certificate since Reliance Jio did not agree to assume payment of liabilities of RCom to complete the spectrum deal between the two companies.

Our comments:

The proposed asset sale, announced in December 2017 & initially expected to be cleared by March 2018, will be delayed again, affecting repayment to the lenders of RCom.

Recall For Cipla

Jet Airways: Default On Debt

COMPANY:

Cipla recalls 4,800 bottles of anti-HIV tablets from American market

The company is recalling 4,800 bottles of Nevirapine extended-release tablets used for the treatment of human immunodeficiency virus (HIV) from the American market, according to a report by the US health regulator. Nevirapine extended-release tablets, 400 mg in the 30-count bottle have been manufactured by Cipla at its Goa facility for Cipla USA Inc.

Our comments:

As per the latest Enforcement Report by the USFDA, the reason for the recall of the bottles is 'failed dissolution specifications'.

Jet Airways defaults on debt payment to banks

Debt-laden Jet Airways Ltd has delayed the payment to a consortium of Indian banks, led by SBI. The company is facing financial difficulties and owes money to pilots, lessors and vendors. Intense pricing competition, weak rupee and rising fuel costs weighed on the Indian airlines in 2018.

Our comments:

There was a delay in the payment of interest and principal instalments on account of temporary cash flow mismatch. The deadline for the payment was 31st December, 2018.

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