

DOMESTIC:

- Welspun Corp to sell assets worth Rs940cr
- Vodafone Idea pushing for equal stake in optic fiber venture with Airtel
- Jubilant Life Science settles IFC loan with USD135mn payout
- Commercial start bodes well for Havells India
- J&K Bank to sell stake in PNB Metlife for Rs185cr
- GAIL, BHEL signed MoU for development of solar based power project
- CONCOR inaugurated first distribution logistics center at Ennore, Chennai
- Shapoorji Pallonji completes sale of solar power assets to Actis
- KKR, GIC to sell upto USD500mn HDFC stakes
- Cipla signs USD22mn pact with Pulmatrix Inc. for asthma drug
- M&M to set up armoured vehicle unit in Jordan
- Strides Pharma receives USFDA approval for Potassium Chloride ER Tablets
- L&T Construction bags large contracts for Power Transmission & Distribution business
- Tata Power signs an MoU with Indraprastha Gas
- Sterlite Technologies announced a collaboration with TIP
- Indraprastha Gas gets authorization for development of CGD network
- Biocon to sell and transfer drug substance business for Rs33.3cr
- Tata Power, Indraprastha Gas ink pact for rooftop solar projects
- Jio, Airtel in race for Zee stake
- Jio shifts control of fibre, tower units to infra units
- USFDA completed inspection for Lupin Bioresearch Centre without any observations
- JSW Group to enter furniture biz with Forma
- Reliance Ind invests Rs700cr in AI start-up Haptik Infotech
- Kotak Bank to focus on SMEs to expand
- Tata Projects bags USD321mn order from NPCIL
- L&T sells 51% stake in JV to partner Kobe Steel for Rs43.5cr
- Bharti Airtel forays in to e-books services segment
- Maruti cut vehicle production by around 21% in March
- Cipla gets EIR from USFDA closing inspection at Goa facility

ECONOMY:

- FY19 exports may be highest ever at USD330bn
- Outcome of MPC: Rate cut by 25bps
- Fitch retains India's credit rating at BBB- with a stable outlook

INDUSTRY:

- Core sector growth slows down to 2.1% yoy in February
- Passenger vehicle sales grow in single digit in FY19, major companies feel slowdown pangs
- Cement industry gets a limited boost from PMAY 'Housing for All' scheme
- Govt may cap export of anti-rabies vaccine

Price Performance

Company	1M	3M	12M
Supreme Petrochem Ltd	1.4%	8.5%	-37.6%
Shanthi Gears Ltd	10.2%	5.1%	-1.2%
Hind Rectifiers Ltd	3.2%	15.1%	-9.3%
KCP Ltd	0.9%	0.1%	-31.4%
Hester Biosciences Ltd	10.4%	25.8%	-14.8%
The Hi-Tech Gears Ltd	-8.1%	-12.1%	-30.3%
Bharat Bijlee Ltd	-2.3%	-7.3%	-31.3%
Triveni Turbines Ltd	-2.7%	-0.7%	9.2%
Siemens Ltd	11.5%	8.1%	1.9%
Aksh Optifibre Ltd	-10.5%	-23.5%	-50.1%
GMM Pfäudler Ltd	0.0%	-0.1%	63.4%
Alicon Castalloy Ltd	3.5%	0.6%	-6.2%
Gufic Biosciences Ltd	-0.5%	-19.1%	-32.3%
Excel Industries Ltd	-1.5%	-18.1%	15.2%
Vesuvius India Ltd	-2.1%	-2.4%	-11.4%
Munjali Showa Ltd	-6.3%	-9.6%	-26.6%
Bharat Rasayan Ltd	-0.6%	-17.1%	-6.1%
Alkyl Amines Chemicals Ltd	6.2%	5.3%	32.4%
Grauer and Weil (India) Ltd	-2.3%	0.0%	-20.6%
Texmaco Rail & Engineering Ltd	5.0%	18.4%	-20.5%
Nagarjuna Agrichem Ltd	1.0%	10.4%	-31.3%
Simplex Infrastructures Ltd	5.1%	-8.4%	-68.1%
ITD Cementation India Ltd	8.6%	7.8%	-23.9%
Westlife Development Ltd	14.6%	7.6%	21.0%
Federal Mogul Goetze (India) Ltd	16.2%	10.7%	30.7%
Dynamatic Technologies Ltd	6.9%	3.4%	-12.7%
Hitech Corporation Ltd	-31.5%	-6.4%	-33.3%
NRB Bearings Ltd	-4.5%	-0.9%	23.4%
Kokuyo Camlin Ltd	2.3%	-9.3%	-19.1%
Timken India Ltd	3.2%	1.1%	-18.5%
Morganite Crucible (India) Ltd	0.9%	2.0%	2.7%
Vardhman Special Steels Ltd	-7.5%	0.2%	-34.8%
Zen Technologies Ltd	1.1%	3.7%	-37.3%
KSB Ltd	-2.1%	-11.9%	-15.9%
Thermax Ltd	-4.9%	-17.2%	-13.8%
Transpek Industry Ltd	1.8%	11.2%	24.3%
BASF India Ltd	1.4%	-8.0%	-30.4%
Artson Engineering Ltd	3.8%	-9.8%	-47.8%
Remsons Industries Ltd	3.6%	-23.3%	13.0%
Snowman Logistics Ltd	2.3%	-2.7%	-28.1%
Alembic Pharmaceuticals Ltd	-2.2%	-6.5%	-1.8%
SKF India Ltd	6.2%	7.8%	13.5%
HFCL Ltd	-2.8%	4.5%	-19.3%
Indian Hume Pipe Co. Ltd	-2.2%	-17.9%	65.6%
Engineers India Ltd	4.7%	-4.6%	42.9%
Gulshan Polyols Ltd	-2.2%	-16.1%	-25.5%
Nesco Ltd	3.0%	4.8%	-13.8%
Castrol India Ltd	7.3%	14.0%	65.1%
Hikal Ltd	8.1%	20.8%	22.9%

The week that went by:

Trading of the New Financial Year started on a positive note. The uptrend continued into Day 2 of trade with a strong opening led by sectors namely, IT, Infra, FMCG and Energy. However, there was a swinging trade witnessed during the session. Further, ahead of the RBI monetary policy, the markets opened on a flat note in the midweek session. On the last day of trade, the markets opened higher and ended the session on a positive note.

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	219	275	25.9	21.1	6.6	6.4	33.2	34.4	10.2	12.5
Shanthi Gears Ltd	BUY	107	134	200	49.3	10.9	3.5	3.9	38.3	34.4	29.7	25.2
Hind Rectifiers Ltd	BUY	69	124	175	41.6	1.9	0.8	5.3	144.4	21.5	24.2	12.1
KCP Limited	BUY	71	92	150	63.0	11.9	7.0	7.0	12.8	12.8	9.7	8.6
Hester Biosciences Ltd	BUY	565	1472	1750	18.9	12.5	35.9	39.8	42.8	38.7	12.7	11.4
The Hitech Gears Ltd	BUY	298	290	500	72.4	5.4	17.0	21.2	16.9	13.6	10.1	8.8
Bharat Bijlee Ltd	BUY	787	1090	2000	83.6	6.2	25.1	37.4	43.4	29.1	24.8	20.5
Triveni Turbines Ltd	BUY	92	110	150	36.8	0.4	3.0	3.1	36.0	34.4	22.5	21.5
Siemens Ltd	BUY	1128	1146	1350	17.8	407.8	53.0	53.6	21.3	21.0	28.6	28.1
Aksh Optifibre Ltd	BUY	15	19	30	60.0	3.1	1.4	2.7	13.2	6.9	7.3	4.6
GMM Pfaunder Ltd	BUY	332	1170	1300	11.1	17.1	19.4	26.7	61.8	45.0	37.7	27.6
Alicon Castalloy Ltd	BUY	288	580	850	46.7	7.1	29.0	46.6	20.4	12.7	9.4	6.9
Gufic Biosciences Ltd	BUY	50	77	150	95.7	5.9	1.9	3.1	41.1	24.6	17.5	13.6
Excel Industries Ltd	BUY	380	1175	1800	53.2	15.2	58.1	112.2	19.7	10.2	11.7	6.2
Vesuvius India Ltd	BUY	1165	1160	1500	29.3	23.2	52.3	56.3	22.1	20.5	11.1	10.7
Munjali Showa Ltd	BUY	191	164	250	52.1	6.6	19.4	21.5	8.5	7.7	5.7	5.1
Bharat Rasayan Ltd	BUY	2747	4285	5000	16.7	18.0	227.3	257.5	18.5	16.3	12.1	10.6
Alkyl Amines Chemicals Ltd	BUY	391	819	850	3.8	16.7	31.5	38.9	26.2	21.2	15.8	12.0
Grauer and Weil (India) Ltd	BUY	45	50	65	30.1	11.3	2.7	3.0	18.7	16.9	11.8	11.1
Texmaco Rail & Engineering Ltd	BUY	91	68	150	121.2	20.2	0.5	1.8	150.0	37.9	65.1	18.9
Nagarjuna Agrichem Ltd	BUY	29	31	45	45.6	4.8	0.7	0.8	43.6	37.8	13.9	13.1
Simplex Infrastructures Ltd	BUY	540	176	300	70.9	20.2	30.5	31.8	5.8	5.6	6.4	6.0
ITD Cementation India Ltd	BUY	158	128	180	41.1	19.8	8.3	9.8	15.8	13.4	8.5	7.4
Westlife Development Ltd	BUY	266	420	525	25.1	65.3	0.8	1.6	512.5	267.9	87.7	61.5
Federal Mogul Goetze (India) Ltd	BUY	540	575	750	30.5	32.0	14.9	18.0	37.6	31.0	16.6	15.2
Dynamatic Technologies Ltd	BUY	2160	1550	2750	77.4	9.8	1.1	51.1	1426.8	31.7	12.4	9.5
Hitech Corporation Ltd	BUY	175	108	180	67.3	1.8	4.5	6.4	23.7	16.8	9.0	6.8
NRB Bearings Ltd	BUY	138	199	240	20.8	19.3	8.5	10.4	23.5	19.1	13.7	11.5
Kokuyo Camlin Ltd	BUY	132	99	175	76.8	9.9	1.0	1.5	98.9	65.8	28.8	23.0
Timken India Ltd	BUY	883	594	1000	68.2	40.4	13.5	19.0	44.0	31.4	24.7	15.8
Morganite Crucible (India) Ltd	BUY	1047	1489	2300	54.5	4.2	49.6	63.9	28.8	22.4	2.9	2.5
Vardhman Special Steels Ltd	BUY	151	100	140	40.0	3.6	7.0	8.7	13.8	11.1	9.0	7.5
Zen Technologies Ltd	BUY	115	75	170	126.2	5.8	-0.1	0.8	-1438.1	90.0	-296.6	53.7
KSB Ltd	BUY	820	673	1100	63.5	23.4	18.8	21.2	37.0	32.8	15.5	13.8
Thermax Ltd	BUY	1019	961	1230	28	114.5	22.1	26.8	43.5	35.9	30.8	26.4
Transpek Industry Ltd	BUY	1547	1557	2000	28.5	8.7	47.3	76.0	32.0	19.9	19.5	14.6
BASF India Ltd	BUY	1954	1409	2500	77.4	61.0	20.3	43.5	72.5	33.8	21.4	16.8
Artson Engineering Ltd	BUY	64	42	95	128.9	1.5	0.4	2.3	105.5	17.2	63.3	19.3
Remsons Industries Ltd	BUY	104	88	155	75.8	0.5	6.0	7.9	13.6	10.3	9.2	7.2
Snowman Logistics Ltd	BUY	33	34	55	62.5	5.7	-0.2	0.1	-154.2	228.3	15.2	12.5
Alembic Pharmaceuticals Ltd	BUY	605	539	751	39.3	101.6	22.3	26.7	24.2	20.2	16.8	14.2
SKF India Ltd	BUY	1942	2055	2620	27.5	105.5	57.6	60.7	35.2	33.5	23.9	22.2
HFCL Ltd	BUY	25	22	35	57.7	27.7	1.3	1.7	17.5	13.2	11.5	8.2

*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	69%	
Engineers India Ltd	211	200	Bonus 1 : 1.	105	250	14%	
Gulshan Polyols Ltd	390	500	Stock Split from Rs.FV 5 to Rs.FV 1.	78	110	-30%	
Nesco Ltd	2397	3200	Stock Split from Rs.FV 10 to Rs.FV 2.	479	640	-1%	
Castrol India Ltd	447	550	Bonus 1 : 1	223	200	-23%	
Hikal Ltd	143	325	Bonus 1 : 2	95	216	91%	

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	288	500	73.5	14.0	13.6	20.1	21.1	14.3	11.4	8.8
Engineers India Ltd	211	105	120	200	67.3	40.3	6.0	7.0	19.6	16.7	17.8	14.2
Gulshan Polyols Ltd	390	78	55	78	42.5	2.5	3.9	5.1	14.1	10.8	5.8	4.7
Nesco Ltd	2397	479	476	640	34.5	6.7	25.1	23.7	19.2	20.4	15.7	16.4
Castrol India Ltd	447	223	172	200	16.6	84.8	7.1	15.6	23.5	10.7	15.5	14.0
Hikal Ltd	143	95	182	216	18.5	15.0	9.4	10.1	18.6	17.4	11.2	10.1

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Coverage Performance Sheet											
Company	Reco at	CLS	Target Price (Rs)								Appreciation
	(Rs)	(Rs)	Target 1	Target 2	Target 3	Target 4	Target 5	Target 6	Target 7	Target 8	
Supreme Petrochem Ltd	77	219	120	150	200	275	350	500	275	-	184%
Shanthi Gears Ltd	107	134	150	200	-	-	-	-	-	-	25%
Hind Rectifiers Ltd	69	124	110	140	175	-	-	-	-	-	79%
KCP Limited	71	92	105	150	200	150	-	-	-	-	30%
Hester Biosciences Ltd	565	1472	750	875	1150	1500	2200	1750	-	-	161%
The Hitech Gears Ltd	298	290	450	600	500	-	-	-	-	-	-3%
Bharat Bijlee Ltd	787	1090	1100	1500	2000	-	-	-	-	-	38%
Triveni Turbines Ltd	92	110	135	150	-	-	-	-	-	-	19%
Siemens Ltd	1128	1146	1350	-	-	-	-	-	-	-	2%
Aksh Optifibre Ltd	15	19	24	35	45	30	-	-	-	-	25%
GMM Pfaudler Ltd	332	1170	500	700	800	1000	1300	-	-	-	252%
Alicon Castalloy Ltd	288	580	450	600	750	1000	850	-	-	-	101%
Gufic Biosciences Ltd	50	77	75	100	140	175	150	-	-	-	53%
Excel Industries Ltd	380	1175	550	650	800	1100	1400	1800	2200	1800	209%
Vesuvius India Ltd	1165	1160	1500	-	-	-	-	-	-	-	0%
Munjali Showa Ltd	191	164	250	300	350	300	250	-	-	-	-14%
Bharat Rasayan Ltd	2747	4285	3500	4250	5000	6500	9000	5000	-	-	56%
Alkyl Amines Chemicals Ltd	391	819	550	700	850	-	-	-	-	-	109%
Grauer and Weil (India) Ltd	45	50	65	80	100	65	-	-	-	-	11%
Texmaco Rail & Engineering Ltd	91	68	125	150	-	-	-	-	-	-	-25%
Nagarjuna Agrichem Ltd	29	31	45	60	75	60	45	-	-	-	7%
Simplex Infrastructures Ltd	540	176	700	540	300	-	-	-	-	-	-68%
ITD Cementation India Ltd	158	128	225	180	-	-	-	-	-	-	-19%
Westlife Development Ltd	266	420	350	425	525	-	-	-	-	-	58%
Federal Mogul Goetze (India) Ltd	540	575	750	-	-	-	-	-	-	-	6%
Dynamatic Technologies Ltd	2160	1550	3000	2750	-	-	-	-	-	-	-28%
Hitech Corporation Ltd	175	108	230	180	-	-	-	-	-	-	-39%
NRB Bearings Ltd	138	199	200	240	-	-	-	-	-	-	44%
Kokuyo Camlin Ltd	132	99	175	-	-	-	-	-	-	-	-25%
Timken India Ltd	883	594	1200	1000	-	-	-	-	-	-	-33%
Morganite Crucible (India) Ltd	1047	1489	1500	1750	2300	-	-	-	-	-	42%
Vardhman Special Steels Ltd	151	100	225	140	-	-	-	-	-	-	-34%
Zen Technologies Ltd	115	75	170	-	-	-	-	-	-	-	-35%
KSB Ltd	820	673	1100	-	-	-	-	-	-	-	-18%
Thermax Ltd	1019	961	1230	-	-	-	-	-	-	-	-5.7%
Transpek Industry Ltd	1547	1557	2000	-	-	-	-	-	-	-	1%
BASF India Ltd	1954	1409	2500	-	-	-	-	-	-	-	-27.9%
Artison Engineering Ltd	64	42	95	-	-	-	-	-	-	-	-35%
Remsons Industries Ltd	104	88	155	-	-	-	-	-	-	-	-15%
Snowman Logistics Ltd	33	34	55	-	-	-	-	-	-	-	2.6%
Alembic Pharmaceuticals Ltd	605	539	751	-	-	-	-	-	-	-	-11%
SKF India Ltd	1942	2055	2620	-	-	-	-	-	-	-	5.8%
HFCL Ltd	25	22	35	-	-	-	-	-	-	-	-11%

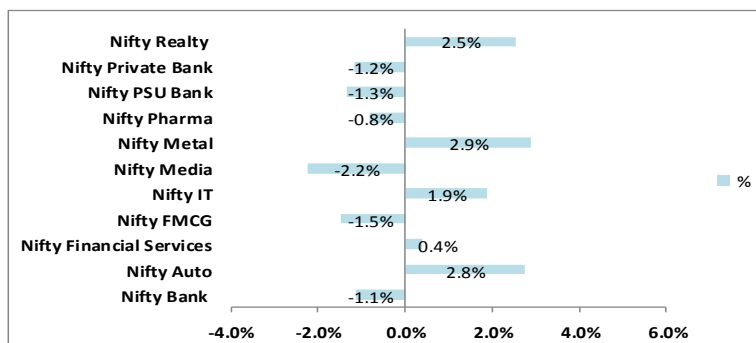
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IHP Ltd	341	288	500	600	500	-	-	-	-	-	69%
Engineers India Ltd	211	120	200	250	200	-	-	-	-	-	14%
Gulshan Polyols Ltd	390	55	110	78	-	-	-	-	-	-	-30%
Nesco Ltd	2397	476	640	-	-	-	-	-	-	-	-1%
Castrol India Ltd	223	172	275	250	200	-	-	-	-	-	-23%
Hikal Ltd	143	182	200	250	325	216	-	-	-	-	91%

Please Turn Over

Weekly Sectoral Gainers & Losers in (%)



Ratings Update

EIR Update

Release Of Pledge Shares

Exports Likely To Increase

India's Rating Retained

TERM OF THE WEEK:

Putable bond:

A puttable bond is a bond that gives the bondholder/investor the right but is not obligated to put the bond back to the issuer and thereby demand an early repayment of its principal; prior to the bonds maturity. When the interest rate rises after the company first issues the bond, the holder has the option to *put back the bond* and can buy a bond that offers higher coupons.

COVERAGE NEWS:

Munjal Showa Ltd: Ratings update:

Crisil has assigned the following ratings for the company:

- Long term rating: AA/Stable (reaffirmed)
- Short term rating: CRISIL A1+ (reaffirmed)

Alembic Pharmaceuticals Ltd: EIR Report update:

The company has received an EIR from USFDA for the inspection undertaken at its formulation facility at Panelav during the period from 22nd October, 2018 to 26th October, 2018.

KCP Ltd: Pledge release update:

The Promoter group entity M/s VRK Grandson Investment (P) Ltd has released 12,000 pledged shares which is 0.01% of the share capital of the company.

ECONOMY:

FY19 exports may be highest ever at USD330bn

In the midst of slowdown in the global merchandise trade growth, India's exports are expected to register an all time high of USD330bn in the current fiscal; backed by higher exports in Pharmaceuticals, Petroleum and Engineering. The country's total outward shipments were USD303.5bn in 2017-18. As per the official data, India's overall exports in April-Feb 2018-19 were estimated to be USD483.98bn, exhibiting a growth of 8.73% over the year ago period.

Our comments:

As per WTO, world trade would continue to face strong headwinds in 2019 and 2020 after growing more slowly than expected in 2018 on account of rising trade tensions and increased economic uncertainty.

Fitch retains India's credit rating at BBB- with a stable outlook

Fitch has retained (for 13th year in a row) India's sovereign rating at BBB-, the lowest investment grade, giving a stable outlook; on account of weak fiscal position which continues to constrain its rating. The agency had last upgraded the rating from BB+ to BBB- on 1st August, 2006. Due to a weak fiscal position, that constrained its rating, the next government's medium term fiscal policy would be of a particular importance from the rating perspective.

Our comments:

Fitch expects a growth of 6.8% in the current fiscal and 7.1% in the next, supported by accommodative monetary policy, easing of banking regulations and governmental spending.

Outcome Of Monetary Policy

Slowdown In Core Sectors

Authorization For CGD Network

Closure Report For Pithampur Unit

ECONOMY:

MPC cuts Repo Rate by 25bps; stance unchanged at Neutral:

Highlights of Monetary Policy:

- Repo Rate: 6% (6.25% in February 2019)
- Reverse Repo Rate: 5.75% (6% in February 2019)
- Bank Rate: 6.25% (6.5% in February 2019)
- Inflation Projection: RBI lowers the CPI inflation projection to 2.9-3.0% in H1FY20 and 3.5-3.8% in H2FY20
- GDP Projection: The RBI has forecasted GDP growth of 7.2% for 2019-20. Further, the GDP growth has been projected at 6.8-7.1% in H1FY20 and 7.3-7.4% in H2FY20

Our View:

We expected the MPC to go for a 25bps rate cut with an 'accommodative' stance due to factors slated above. However, the RBI opted for a rate cut (with 4:2 votes) but maintained a neutral stance, taking into account recent monsoon forecast highlighting El Nino, fiscal situations, risk of abrupt reversal of vegetable prices and unsustainability about the sustainability of fuel price, which softened in H2FY19. RBI's short term outlook on food inflation remains benign. To boost liquidity, banks are further allowed to effectively reduce holdings in SLR bonds by 2%. After analysing the RBI commentary, we conclude that although the RBI Governor had highlighted the upside risks of inflation to favor neutral stance, the tone was highly dovish. If inflation continues to undershoot below 4%, another rate cut of 25bps cannot be ruled out in the next meeting.

INDUSTRY:

Core sector growth slows down to 2.1% y-o-y in February

The growth reported in the core sectors grew by 2.1% in February; marginally better than the 19 month low it had reported in the previous month. The factors that led to such a decline were contraction in the output of crude oil and refinery products along with a decline in the production of natural gas and fertilisers. The index of eight core industries expanded 1.5% in January, 2019 and 5.4% in February, 2018. The slow growth in the 8 core sectors depicts muted growth in the industrial production and has nearly 40% weight in the IIP.

Our comments:

According to India Ratings & Research, steel (long products) and cement have performed well on account of the focus on affordable housing, followed by road construction. Flat steel products have been impacted by the slowdown in the automobile sector.

COMPANY:

Indraprastha Gas advances after grant of authorization for CGD network

The company has been granted an authorization in order to develop CGD network in three geographical areas. It has received three letters dated 29th March, 2019 from Petroleum and Natural Gas Regulatory Board (PNGRB) for grant of authorization to the company for development of CGD network in the geographical areas of Kaithal District, Ajmer, Pali and Rajsamand District & Kanpur (except area already authorized) District, Fatehpur and Hamirpur Districts.

Our comments:

Indraprastha Gas retails CNG to automobiles and piped cooking gas to households in Delhi and adjoining cities of Ghaziabad, Noida and Greater Noida.

Lupin's Pithampur unit gets inspection closure report from USFDA

The company notified that it has received a closure of inspection from USFDA for its Pithampur facility in Madhya Pradesh. The inspection was conducted between 8th October, 2018 to 18th October, 2018. Pithampur Unit-3 facility is involved in the manufacture of Metered Dose Inhalers (MDIs), Dry Powder Inhalers (DPis) and topical formulations for the regulated markets.

Our comments:

According to the company, receipt of an EIR for its Pithampur Unit-3 facility is a very positive development and enables the company being one step closer in bringing important MDIs and DPis to the market.

No Observation For LBC

COMPANY:

USFDA completed inspection for LBC without any observations

USFDA has completed the inspection at Lupin Bioresearch Centre (LBC) without any observations. This is the fifth successive inspection without any 483 observations thereby indicating a superior quality compliance being maintained at this global bioresearch facility. LBC conducts the in-vivo and in-vitro bioequivalence studies for Lupin in Pune. This inspection also included a review of studies done at the center's new site at Lupin Research Park, Pune.

Our comments:

As per the management of the company, considering such a high level of compliance reiterates Lupin's commitment to high quality standards across its world class research centre.

Sale Of HDFC Stakes

KKR, GIC to sell upto USD500mn HDFC stakes

KKR and GIC, along with some domestic and global entities, had invested USD1.75bn in HDFC in January last year, in what was termed as the biggest private equity investment in India in 2018. They both bought shares at Rs1,726.05 each. KKR & Co and Government of Singapore Investment Corp are monetising part of their holdings in India's largest mortgage lender, HDFC, through secondary market transactions. The transaction would be for at least USD500mn (Rs3,472cr) of HDFC's shares.

Our comments:

The monetisation would be conducted via multiple block deals and likely to get concluded before the expected volatility in the markets during general elections.

Reliance-Haptik Acquisition

Reliance Industries invests Rs700cr in AI start-up Haptik Infotech

Reliance Jio has acquired an Artificial Intelligence (AI) start-up Haptik Infotech for Rs700cr. Jio will have a hold of about 87% of the business with the remaining being held by Haptik founders and employees via stock options grants. As per the management of Jio, voice interaction would be the primary mode for Digital India. With the help of this partnership, having hands on expertise team of Haptik, Jio would be able to provide greater connectivity to over billions of Indian customers.

Our comments:

The transaction size, including investment for growth and expansion, is estimated at about Rs700cr, with Rs230cr as the consideration for the initial business transfer.

Cut In Vehicle Production

Maruti cut vehicle production by around 21% in March

Maruti Suzuki India has cut its vehicle production by around 21% across its factories in March on account of subdued demand. It produced a total of 1,36,201 units in March, including Super Carry LCV, down 20.9% from 1,72,195 units in the year-ago period. The production of passenger vehicles, including Alto, Swift, Dzire and Vitara Brezza, declined by 20.6% to 1,35,236 units as compared with 1,70,328 units in March 2018. Additionally, the compact segment saw 7.5% decline in production to 81,163 units, while utility vehicle witnessed a drop of 26.4% to 17,719 units in March.

Our comments:

Barring vans, the company reduced production of all other segments including that of its big selling compact and utility segments. This clearly indicates the pressure that the sector has been facing in the past few months.

WEEKLY REPORT

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