

### DOMESTIC:

- RBI imposed a penalty of Rs5cr on Karur Vysya Bank
- Minda Industries completed acquisition of 41.67% stake in Toyoda Gosei Minda India
- Vijaya Bank board approves its merger with Bank of Baroda and Dena Bank
- Kalpataru Power bagged orders worth Rs1,145cr
- Engineers India gets two projects totalling more than Rs5,000cr
- Hitech Corporation announced commencement of operations at Mysuru plant
- Indian Hume Pipe (IHP) gets ratings revision for bank facilities
- Ipca Labs subsidiary acquires 80% stake in Bayshore Pharmaceuticals
- Trigyn Technologies won contract worth USD18mn
- HCL Technologies has completed the acquisition of engineering services provider H&D International
- Lupin partners with Eli Lilly and Company to distribute diabetes injection
- KEC International bags Rs1,159cr order
- Bharat Forge shares reacted on fall in North America Class 8 truck orders
- GMR Infra emerges as highest bidder for Nagpur airport
- L&T bags Rs30.36bn order to build T2 of Bengaluru international airport
- Dr Reddy's sells US antibiotics manufacturing facility to UAE's Neopharma
- Zydus receives final approval from USFDA for skin cream generic
- Gati in talks with TVS logistics to sell 70% stake in Kintetsu JV for Rs2,000cr
- Reliance Industries Ltd acquires stake in NetraDyne Inc., USA
- Reliance Industries plans to buy Hathway Cables
- Bank of Maharashtra closes 51 branches

### ECONOMY:

- RBI will infuse liquidity via OMOs
- Government to consider 100% FDI in insurance broking
- India's export growth may slow down in coming months: FIEO
- RBI keeps Key Rate Unchanged
- Private Equity (PE) buyout deals at a record of USD5.5bn

### INDUSTRY:

- Auto makers and vendors to review exposure to hedging strategies to lessen the impact of rupee slide
- International Finance Corporation (IFC) extends Rs1,000cr green loan to Aditya Birla Finance
- Cement production expected to grow at 6-7% in FY19: ICRA
- Rising crude oil prices likely to impact packaging costs for cement producers

### Price Performance (%)

Company	1M	3M	12M
Supreme Petrochem Ltd	-3.9%	-13.3%	-35.9%
Shanthi Gears Ltd	-11.1%	-7.1%	-10.3%
Hind Rectifiers Ltd	-17.4%	-4.3%	-4.4%
KCP Ltd	-11.0%	-10.0%	-29.2%
Harita Seating System Ltd	-17.4%	-28.7%	-32.0%
Hester Biosciences Ltd	-12.4%	-13.1%	3.5%
The Hi-Tech Gears Ltd	-8.4%	-7.4%	19.8%
Bharat Bijlee Ltd	-18.1%	-7.7%	-0.4%
Triveni Turbines Ltd	-11.9%	-9.7%	-16.4%
Siemens Ltd	-4.4%	-2.8%	-22.3%
Aksh Optifibre Ltd	-20.3%	-7.8%	0.0%
GMM Pfaudler Ltd	-14.9%	19.1%	64.2%
Alicon Castalloy Ltd	-3.1%	4.7%	11.6%
Gufic Biosciences Ltd	-22.3%	-16.5%	25.6%
Excel Industries Ltd	-16.3%	14.3%	215.5%
Vesuvius India Ltd	-12.4%	-15.4%	-19.8%
Munjjal Showa Ltd	-16.8%	-17.4%	-30.0%
Bharat Rasayan Ltd	-23.7%	-5.8%	108.6%
Alkyl Amines Chemicals Ltd	-8.4%	-9.2%	23.0%
Grauer and Weil (India) Ltd	-14.3%	2.0%	-20.5%
Texmaco Rails & Engineering Ltd	-25.4%	-15.3%	-44.3%
Nagarjuna Agrichem Ltd	-16.9%	-2.3%	-33.7%
Simplex Infrastructures Ltd	-36.6%	-42.2%	-48.9%
ITD Cementation India Ltd	-17.7%	-7.2%	-31.1%
Westlife Development Ltd	-12.0%	-7.9%	44.1%
Federal Mogul Goetze (India) Ltd	-6.4%	-4.0%	-17.3%
Dynamatic Technologies Ltd	-19.7%	-15.0%	-33.4%
Hitech Corporation Ltd	-42.7%	-34.2%	-47.5%
NRB Bearings Ltd	-5.5%	-7.8%	34.1%
Kokuyo Camlin Ltd	-19.8%	24.2%	23.9%
Timken India Ltd	-11.5%	-25.2%	-26.4%
Morganite Crucible (India) Ltd	1.8%	39.7%	83.9%
Vardhman Special Steels Ltd	-20.1%	-14.4%	-24.5%
Zen Technologies Ltd	-21.7%	-27.6%	10.6%
KSB Pumps Ltd	-12.3%	-14.3%	-7.3%
Thermax Ltd	-6.0%	-9.7%	0.1%
Transpek Industry Ltd	-15.2%	4.7%	48.0%
BASF India Ltd	-13.9%	-11.7%	14.2%
Artson Engineering Ltd	-15.2%	-15.2%	-24.7%
Indian Hume Pipe Co. Ltd	-10.0%	-2.8%	-2.7%
Engineers India Ltd	-17.5%	-15.4%	40.5%
TRIL	-25.0%	-21.9%	376.2%
Gulshan Polyols Ltd	-13.0%	-2.2%	237.5%
Nesco Ltd	-11.2%	-14.5%	315.1%
Castrol India Ltd	-11.6%	70.3%	-23.2%
Hikal Ltd	-12.8%	7.5%	5.3%

### The week that went by:

The markets opened the week on a weak note amid muted global cues. The drag was majorly led by the banking stocks. The indices started off the day sharply lower midweek, with the Nifty falling below 11,000 levels following further depreciation in Indian rupee. However, on the last day of trade, followed by a weak opening, the Index continued to slip lower. Due to the MPC decision to hold the rates after back-to-back hikes, another round of sell-off had taken place.

Coverage Universe Valuations												
Company	Reco	Reco at	CMP	Tgt price	Upside	Mcap	EPS		PE(x)		EV/EBITDA (x)	
		(Rs)	(Rs)	(Rs)	(%)	(Rs bn)	FY17	FY18E	FY17	FY18E	FY17	FY18E
Supreme Petrochem Ltd	BUY	77	245	500	104.1	23.6	18.6	14.9	13.4	16.7	7.8	9.8
Shanthi Gears Ltd	BUY	107	116	200	72.4	9.5	2.8	3.1	46.7	41.7	29.5	25.9
Hind Rectifiers Ltd	BUY	69	110	175	59.1	1.7	-1.1	0.3	-125.4	388.1	49.5	34.9
KCP Limited	BUY	71	84.5	200	136.7	10.9	2.8	6.3	33.1	14.6	10.3	8.8
Harita Seating System Ltd	BUY	266	535	1150	115.0	4.2	32.4	34.5	20.1	18.9	18.4	15.4
Hester Biosciences Ltd	BUY	565	1091	1750	60.4	9.3	29.2	34.2	37.2	36.7	23.2	19.7
The Hitech Gears Ltd	BUY	298	399	600	50.4	7.5	10.9	16.5	40.8	27.3	17.5	14.5
Bharat Bijlee Ltd	BUY	787	1099	2000	82.0	6.2	34.7	41.4	40.0	33.5	52.0	26.4
Triveni Turbines Ltd	BUY	92	106	150	41.5	0.3	3.5	2.4	33.8	48.8	24.0	29.5
Siemens Ltd	BUY	1128	945.25	1350	42.8	336.5	9.1	10.0	105.3	95.9	71.9	63.6
Aksh Optifibre Ltd	BUY	15	23.8	45	89.1	3.9	13.9	1.5	1.1	10.0	4.6	6.9
GMM Pfaudler Ltd	BUY	332	952.5	1300	36.5	13.9	19.3	20.8	58.0	53.9	39.8	36.4
Alicon Castalloy Ltd	BUY	288	609.25	1000	64.1	7.5	21.4	24.1	32.8	29.0	12.3	9.8
Gufic Biosciences Ltd	BUY	50	102.25	175	71.1	7.9	1.6	2.1	79.6	59.7	37.4	27.8
Excel Industries Ltd	BUY	380	1400	2200	57.1	18.1	9.8	39.7	186.1	45.8	56.1	26.5
Vesuvius India Ltd	BUY	1165	1050	1500	42.9	21.0	49.0	62.7	24.3	19.0	13.1	10.6
Munjal Showa Ltd	BUY	191	184.8	350	89.4	7.4	14.2	14.6	15.4	15.1	9.2	8.9
Bharat Rasayan Ltd	BUY	2747	5925	9000	51.9	24.9	128.9	189.3	59.4	40.4	30.5	22.1
Alkyl Amines Chemicals Ltd	BUY	391	569.5	850	49.3	11.6	24.3	27.0	23.7	21.4	13.9	14.1
Grauer and Weil (India) Ltd	BUY	45	49.55	100	101.8	11.2	2.3	2.3	25.1	24.3	14.2	13.8
Texmaco Rails & Engineering Ltd	BUY	91	57.4	150	161.3	20.2	1.5	2.7	49.5	28.2	33.8	20.9
Nagarjuna Agrichem Ltd	BUY	29	27.85	75	169.3	4.3	1.6	0.9	20.1	37.5	11.5	10.6
Simplex Infrastructures Ltd	BUY	540	245.5	700	185.1	20.2	24.3	29.6	15.8	13.0	7.5	6.8
ITD Cementation India Ltd	BUY	158	116.75	225	92.7	18.1	3.1	4.8	41.8	27.1	11.1	10.1
Westlife Development Ltd	BUY	266	330	425	28.8	51.3	-0.8	0.3	-488.7	1116.7	130.1	78.5
Federal Mogul Goetze (India) Ltd	BUY	540	407	750	84.3	22.6	12.9	15.7	34.0	28.0	14.1	12.8
Dynamatic Technologies Ltd	BUY	2160	1400	3000	114.3	8.9	23.0	-9.3	40.8	-454.5	9.4	11.9
Hitech Corporation Ltd	BUY	175	90	230	155.6	1.5	6.9	3.5	17.1	33.7	6.9	7.9
NRB Bearings Ltd	BUY	138	159	200	25.8	15.4	5.2	5.5	32.2	30.5	17.8	17.0
Kokuyo Camlin Ltd	BUY	132	112.65	175	55.3	11.3	0.1	0.5	1509.5	273.1	69.8	51.4
Timken India Ltd	BUY	883	560	1200	114.3	38.1	14.3	15.1	45.8	43.2	28.1	24.4
Morganite Crucible (India) Ltd	BUY	1047	1833.3	2300	25.5	5.1	47.2	38.2	45.6	56.2	25.3	32.8
Vardhman Special Steels Ltd	BUY	151	100	225	125.0	3.6	10.3	6.4	12.3	19.7	11.7	11.3
Zen Technologies Ltd	BUY	115	63.05	170	169.6	4.9	0.9	0.2	84.8	369.9	51.2	140.1
KSB Pumps Ltd	BUY	820	670	1100	64.2	23.3	19.5	18.8	38.7	40.0	24.3	20.1
Thermax Ltd	BUY	1019	921	1230	34	109.7	23.3	22.1	42.3	44.6	31.4	31.6
Transpek Industry Ltd	BUY	1547	1335	2000	49.8	7.5	53.7	47.3	28.8	32.7	17.7	19.9
BASF India Ltd	BUY	1954	1672.6	2500	49.5	72.4	-7.2	20.3	-271.7	96.2	36.4	27.4
Artson Engineering Ltd	BUY	64	53.45	95	77.7	2.0	7.4	0.4	8.7	170.6	58.3	96.6

\*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	45%
Engineers India Ltd	211	200	Bonus 1 : 1.	105	250	-2%
Transformers and Rectifiers (India) Ltd	300	450	Stock Split from Rs.FV 10 to Rs.FV 1.	30	40	-50%
Gulshan Polyols Ltd	390	500	Stock Split from Rs.FV 5 to Rs.FV 1.	78	110	-31%
Nesco Ltd	2397	3200	Stock Split from Rs.FV 10 to Rs.FV 2.	479	640	-10%
Castrol India Ltd	447	550	Bonus 1 : 1	223	250	-39%
Hikal Ltd	143	325	Bonus 1 : 2	95	216	63%

Coverage Universe Valuations												
Company	Reco	Adj Reco	CMP	Tgt price	Upside	Mcap	EPS		PE(x)		EV/EBITDA (x)	
		(Rs)	(Rs)	(Rs)	(%)	(Rs bn)	FY17	FY18E	FY17	FY18E	FY17	FY18E
IHP Ltd	341	171	248	500	101.5	12.0	20.4	14.3	13.6	19.4	7.5	10.1
Engineers India Ltd	211	105	103	250	142.0	34.8	4.8	5.0	27.3	26.4	27.1	29.3
Transformers and Rectifiers (India) Ltd	300	30	15	40	166.7	0.2	13.9	1.5	1.1	10.0	4.6	6.9
Gulshan Polyols Ltd	390	78	54	110	103.3	2.5	4.6	6.4	13.6	9.7	17.4	15.4
Nesco Ltd	2397	479	432	640	48.0	6.1	120.2	137.5	3.9	3.4	15.5	12.9
Castrol India Ltd	447	223	137	250	83.0	67.6	13.6	14.1	11.4	11.0	6.7	6.4
Hikal Ltd	143	95	156	216	38.6	12.8	5.4	5.8	35.1	32.8	14.0	12.9

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	245	120	150	200	275	350	500	-	218%
Shanthi Gears Ltd	107	116	150	200	-	-	-	-	-	8%
Hind Rectifiers Ltd	69	110	110	140	175	-	-	-	-	59%
KCP Limited	71	85	105	150	200	-	-	-	-	19%
Harita Seating System Ltd	266	535	400	600	750	900	1150	-	-	101%
Hester Biosciences Ltd	565	1091	750	875	1150	1500	2200	1750	-	93%
The Hitech Gears Ltd	298	399	450	600	-	-	-	-	-	34%
Bharat Bijlee Ltd	787	1099	1100	1500	2000	-	-	-	-	40%
Triveni Turbines Ltd	92	106	135	150	-	-	-	-	-	15%
Siemens Ltd	1128	945	1350	-	-	-	-	-	-	-16%
Aksh Optifibre Ltd	15	24	24	35	45	-	-	-	-	59%
GMM Pfaudler Ltd	332	953	500	700	800	1000	1300	-	-	187%
Alicon Castalloy Ltd	288	609	450	600	750	1000	-	-	-	112%
Gulfic Biosciences Ltd	50	102	75	100	140	175	-	-	-	105%
Excel Industries Ltd	380	1400	550	650	800	1100	1400	1800	2200	268%
Vesuvius India Ltd	1165	1050	1500	-	-	-	-	-	-	-10%
Munjal Showa Ltd	191	185	250	300	350	-	-	-	-	-3%
Bharat Rasayan Ltd	2747	5925	3500	4250	5000	6500	9000	-	-	116%
Alkyl Amines Chemicals Ltd	391	570	550	700	850	-	-	-	-	46%
Grauer and Weil (India) Ltd	45	50	65	80	100	-	-	-	-	10%
Texmaco Rails & Engineering Ltd	91	57	125	150	-	-	-	-	-	-37%
Nagarjuna Agrichem Ltd	29	28	45	60	75	-	-	-	-	-4%
Simplex Infrastructures Ltd	540	246	700	-	-	-	-	-	-	-55%
ITD Cementation India Ltd	158	117	225	-	-	-	-	-	-	-26%
Westlife Development Ltd	266	330	350	425	-	-	-	-	-	24%
Federal Mogul Goetze (India) Ltd	540	407	750	-	-	-	-	-	-	-25%
Dynamatic Technologies Ltd	2160	1400	3000	-	-	-	-	-	-	-35%
Hitech Corporation Ltd	175	90	230	-	-	-	-	-	-	-49%
NRB Bearings Ltd	138	159	200	-	-	-	-	-	-	15%
Kokuyo Camlin Ltd	132	113	175	-	-	-	-	-	-	-15%
Timken India Ltd	883	560	1200	-	-	-	-	-	-	-37%
Morganite Crucible (India) Ltd	1047	1833	1500	1750	2300	-	-	-	-	75%
Vardhman Special Steels Ltd	151	100	225	-	-	-	-	-	-	-34%
Zen Technologies Ltd	115	63	170	-	-	-	-	-	-	-45%
KSB Pumps Ltd	820	670	1100	-	-	-	-	-	-	-18%
Thermax Ltd	1019	921	1230	-	-	-	-	-	-	-10%
Transpek Industry Ltd	1547	1335	2000	-	-	-	-	-	-	-14%
BASF India Ltd	1954	1673	2500	-	-	-	-	-	-	-14.4%
Artson Engineering Ltd	64	53	95	-	-	-	-	-	-	-16%

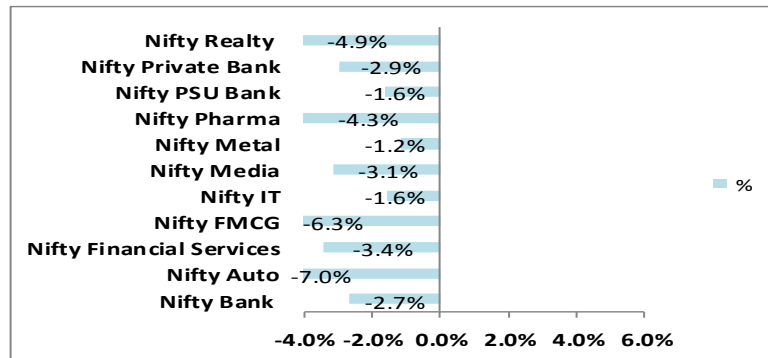
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Coverage Performance Sheet										
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Engineers India Ltd	211	103	200	250	-	-	-	-	-	-2%
Transformers and Rectifiers (India) Ltd	300	15	40	55	40	-	-	-	-	-50%
Gulshan Polyols Ltd	390	54	110	-	-	-	-	-	-	-31%
Nesco Ltd	2397	432	640	-	-	-	-	-	-	-10%
Castrol India Ltd	447	137	275	250	-	-	-	-	-	-39%
Hikal Ltd	143	156	200	250	325	216	-	-	-	63%

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**Weekly Sectoral Gainers & Losers in (%)**



*Stronger Order-book for EIL*

**Coverage News:**

**Engineers India gets two projects totalling more than Rs5,000cr**

Engineers India (EIL) announced that HPCL Rajasthan Refinery has entrusted the Project for Execution of Rajasthan Refinery Project (RRP) to the company. EIL shall execute the project under two separate contracts, namely PMC Services for Execution of RRP & Execution of Residual Utilities & Offsite for RRP on Open Book Estimate (OBE) basis.

**Our comments:**

The total awarded order value is more than Rs5,000cr with a total project schedule of Mechanical Completion by October 31, 2022.

*Operation Facility at Mysuru Plant*

**Hitech Corporation announced commencement of operations at Mysuru plant**

The Company has successfully completed setting up of facility for manufacturing rigid plastic containers and has now commenced commercial production at the said plant. The total capacity of the plant would be 3000 MT and the same is being implemented in a phased manner. As per the earlier intimation this was the leasehold land at Mysuru Karnataka.

**Our comments:**

Such operational developments by the company will help boost the top line as well as the bottom line in times to come.

*Fundamental Call Closed*

**Fundamental Call Closed: Bigbloc Construction Limited**

We had initiated BUY on the stock at a price of Rs120 (coverage initiated on 8th February 2018) for a target of Rs160. After achieving the first target, the same was then revised to Rs200. However, after analyzing the recent Annual Report and the full year performance of the company; the inability of the Management to live up to the expectation has surfaced. We also recently met the Management and the reasoning for current year set back was wanting.

**Outlook and recommendations:**

We thereby closed the call on the stock.

*IHPs ratings revision*

**Indian Hume Pipe (IHP) gets ratings revision for bank facilities**

The company has received reaffirmation in credit ratings for various bank facilities:

- Long term bank facilities (Term loan Rs1.88cr)- CARE A+; Stable (Reaffirmed)
- Long term bank facilities (Fund based Rs625cr)- CARE A+; Stable (Reaffirmed)
- Short term bank facilities (Non-fund based Rs215cr)- CARE A1+ (Reaffirmed) and Long term/Short term bank facilities (Non-fund based Rs1050cr)-CARE A+; Stable /CARE A1+ (Assigned).

**Our comments:**

We continue to remain bullish on this stock.

*OMOs to Inject Liquidity*

**ECONOMY:**

**RBI will infuse liquidity via OMOs**

Based on an assessment of the durable liquidity needs going forward and the seasonal growth in currency in circulation observed in build-up to the festive season, RBI has decided to conduct purchase of Government securities under Open Market Operations (OMOs) for an aggregate amount of Rs360bn in the month of October 2018. The auctions would be conducted during the 2nd, 3rd and 4th week of October.

**Our comments:**

This is one of the measures to curb the liquidity needs.

*100% FDI in Insurance Broking*

**Government to consider 100% FDI in Insurance Broking**

At present, FDI intervention in the insurance sector is 49%. The insurance sector encompasses insurance broking, insurance companies, third party administrators, surveyors and loss assessors as defined by Department of Industrial Policy and Promotion (DIPP).

**Our comments:**

This intervention would strengthen the distribution networks and encourage more players in the market with high technology leading to an overall support to the sector as a whole.

*Slowdown in Export Growth*

**India's export growth may slow down in the coming months: FIEO**

Federation of Indian Export Organisations (FIEO), estimates a likely slow down in the export growth over the coming months owing to various domestic and global factors. Indian exports are influential to the growth in global trade and therefore, the subdued global trade forecast of 3.9% in 2018 and 3.7% in 2019 will bear an adverse impact on exports. Due to payment issues in Venezuela, huge depreciation of currencies of Argentina, Turkey, South Africa, etc and banking restrictions on large numbers of countries like Syria, Sudan are affecting the exports.

**Our comments:**

The export growth for September to November has to be watched carefully.

*The MPC's Verdict*

**Highlights of RBI 4th Bi-Monthly Monetary Policy:**

- Repo rate unchanged at 6.5%
- MPC decision consistent with Neutral Stance
- MPC votes 5:1 for "Calibrated Targeting"
- MPC Dholakia once again voted against decision to maintain Neutral Stance
- Reverse Repo rate unchanged to 6.25%
- MSF, bank rate unchanged to 6.75%
- Next MPC meeting to be held on Dec4-6

*IFC's Loan Extension*

**INDUSTRY:**

**International Finance Corporation (IFC) extends Rs1,000cr loan to Aditya Birla Finance**

IFC extended a 7year loan of Rs1,000cr to Aditya Birla Finance. The loan proceeds would be utilised to finance renewable energy projects and aid the country to move towards its target of 175GW of renewable energy capacity by 2022.

**Our comments:**

The project complements IFC's India Country Strategy for FY17-21, committed to enable electricity access for 60mn people thereby contributing 11% of the total energy related to greenhouse gas avoidance.

*Growth in Cement  
Production*

**Cement production expected to grow at 6-7% in FY19**

The cement production expected a growth of 6-7% ,driven by pick-up in affordable and rural housing segments and infrastructure. Considering the capacity, ICRA estimates that around 17-19MTPA would get added in FY19-20, primarily in the east and central regions. Although the pressure on prices will continue in the second quarter of FY19, owing to monsoons; leading to an adverse impact on cement demand, in turn affecting the profitability and debt metrics of cement companies in the near term.

**Our comments:**

Due to pricing pressure on high fuel costs, many cement players' ability to secure the increase in cement prices will remain critical from a profitability perspective.

**COMPANY:**

*IPCA Acquisition*

**IPCA Labs subsidiary acquires 80% stake in Bayshore Pharmaceuticals**

IPCA laboratories announced the acquisition of 80% stake in US Bayshore Pharmaceuticals LLC by its subsidiary for USD10.286mn (approximately Rs75.40cr). The acquisition of the majority stake in Bayshore by Ipca Labs' wholly-owned subsidiary will enable the company to commercialize its registered generics drug products in the US market through this entity.

**Our comments:**

This acquisition is a thumbs up for Ipca to strengthen its grip in the registered generics market.

*Lupin Partnership*

**Lupin partners with Eli Lilly and Company to distribute diabetes injection**

Lupin announced the partnership with Eli Lilly and Company (India) to distribute Eli Lilly's diabetes injection Aplevant in the country. Lupin said the expansion of the business partnership with Eli Lilly is aimed at widening access to diabetes medicines in India. Under the new partnership, Lupin will distribute and market Lilly's Aplevant (dulaglutide), once a weekly injection for type 2 diabetes.

**Our comments:**

Lupin expects to make Aplevant available in India from October 2018.

*Order for KEC  
International*

**KEC International bags Rs1,159cr order**

KEC International has bagged orders worth Rs1,159cr in its T&D business in both the domestic and overseas markets. It has won an order from Power Grid Corp to set up a 132 kV transmission line. In the overseas markets, it has secured an order for 225 kV double circuit overhead transmission line and associated substations in Mali and Senegal and a 132 kV transmission line and substations in the Oceania region.

**Our comments:**

This is an add on to the already existing strong order book of the company.

*Declining Class 8 Truck  
Orders*

**Bharat Forge shares reacted on fall in North America Class 8 truck orders**

Bharat Forge share price fell after the decline in North America Class 8 truck orders. North America Class 8 truck orders moderated in September after consistent rise on month-on-month basis for last six months. Class 8 truck orders slowed down to 42,800 units in September after clocking more than 50,000 units orders each in July and August as per reports. Truck orders declined 19.4% compared to 53,100 units in August but increased 93.8% compared to 22,082 units sold in September 2017.

**Our comments:**

Kalyani group's auto ancillary company gets 12% sales from North America truck market.

*GMR Infra-highest bidder*

**GMR Infra emerges as highest bidder for Nagpur Airport**

GMR Airports, a subsidiary of GMR Infrastructure, has emerged as the highest bidder for the development, operations and management of Dr. Babasaheb Ambedkar International Airport, Nagpur on a Public Private Partnership (PPP) basis. The project involves up-gradation, modernization, operation and maintenance of Nagpur airport for a period of 30 years and includes construction of a new terminal amongst other works.

**Our comments:**

This would be an edge to the company.

*Order for L&T*

**L&T bags Rs30.36bn order to build T2 of Bengaluru international airport**

The buildings and factories business of L&T has won a prestigious EPC order worth Rs3,036cr from Bangalore International Airport to construct Terminal-2 of the Kempegowda International Airport. The scope of work includes design, EPC, testing and commissioning of Terminal-2, including the integration of services and utilities along with the airport's systems, support facilities and buildings.

**Our comments:**

The company said, on completion of the project, the 2,55,000 square metre phase 1 of T2 will augment the capacity of the airport by 25mn passengers per annum.

*Approval for Zydus Cadila*

**Zydus receives final approval from USFDA for skin cream generic**

Zydus Cadila has received the final approval from the USFDA to market Desoximetasone Cream USP (US RLD- Topicort Cream), 0.25%. It will be manufactured at the group's Topical manufacturing facility at Ahmedabad. Desoximetasone is a strong corticosteroid, used to treat a various skin conditions (for instance, eczema, dermatitis, allergies and rash) which reduces swelling, itching & redness that can occur in these types of conditions.

**Our comments:**

This is an addition to the derma offerings of the company.

*Reliance to Buy Hathway*

**Reliance Industries plans to buy Hathway Cables**

Reliance Industries intends to acquire India's largest cable operator, Hathway Cable & Datacom, in order to speed up the commercial launch of its GigaFiber high speed home broadband services. The valuation for the deal is around Rs2,500cr.

**Our comments:**

The acquisition synergies would give a head start to Jio's broadband plans as it would bring in more than 11mn digital cable TV subscribers and 8lac broadband users, out of which 90% users have high speed (over 40mbps) plans.

*Impact on OMCs*

**IOC, BPCL & HPCL likely to take a hit of Rs4,500cr in FY19**

IOC, BPCL and HPCL will collectively lose Rs4,500cr in 2018-19 on account of the government decision to subsidize fuel and have asked the Oil Marketing Companies (OMCs) to absorb Rs1 per litre of Rs2.5 cut per litre on petrol and diesel. The rough estimates suggest that one rupee cut will force IOC to take a hit of 19% on its annual profit after tax, BPCL 26% and HPCL 27%.

**Our comments:**

Although the cut of Rs2.5 per litre on petrol and diesel rates has given some relief to the consumers, the impact on the OMCs earnings would remain volatile in the near to medium term.

## WEEKLY REPORT

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