

## THE WEEKLY WRAP-UP

13th April 2018

### DOMESTIC:

- L&T Technology Services wins multi-million Dollar digitization contract from ExxonMobil
- Alembic Pharmaceuticals Limited receives USFDA Approval for Acyclovir ointment USP, 5%.
- Tata Chemicals to acquire Allied Silica for Rs123cr
- HDFC in talks to buy Apollo Munich insurance for Rs1,000cr
- L&T Tech Services wins USD20mn digital contract from ExxonMobil
- Reliance Infra bags Rs1,081cr EPC contract for Kudankulam nuclear project
- Ashok Leyland to invest Rs400cr in LCV push
- Creditor drags BHEL to NCLT to recover over Rs1cr due
- Gravita India starts commercial production of PPCP Granules
- Simplex Infra procures order worth Rs2595cr
- Calix, Infosys join hands to create advanced network services
- Manipl-TPG sweetens bid to buy Fortis Healthcare
- Blue Star drops plan to set up manufacturing plant in Jammu
- Banks may sell Rs4,000cr GTL Infra loan
- Nestle pledges to make all its packaging recyclable by 2025
- Dr Reddy's gets EIR from USFDA for Cuernavaca plant in Mexico
- Va Tech Wabag secures order worth Rs147cr
- Dosti-Suraksha JV to acquire Jaypee Infra for Rs7,350cr
- GMR group to set up aerospace & defence manufacturing hub in TN
- L&T and BEL sign MoU for defence products
- Biocon partner Mylan enters pact with Fujifilm to commercialise Humira biosimilar in Europe
- Dish TV promoter cos offer to buy 26% stake for Rs3,701cr
- Reliance Jio raises USD500mn in Samurai loan from Japanese banks
- JSW Steel, AION win bid to acquire Monnet Ispat
- RIL, JM Financial bid jointly for Alok Industries
- RIL to acquire 72.7% stake in Embibe
- PEL and NEXTER co-operate for the manufacture of bi-modular charge systems in India

### ECONOMY:

- India to grow 7.3% this fiscal, fastest across Asia: ADB
- India's March retail inflation eases to five-month low

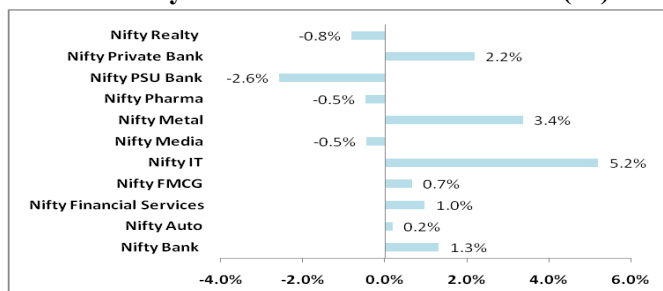
### INDUSTRY:

- Indian banks need an overhaul: S&P

### Price Performance (%)

Company	1M	3M	12M
Supreme Petrochem Ltd	-1.8%	-15.8%	-12.3%
Shanthi Gears Ltd	-0.6%	-21.4%	5.6%
Hind Rectifiers Ltd	9.6%	-0.4%	64.7%
KCP Ltd	22.0%	-9.9%	18.9%
Harita Seating System Ltd	-0.9%	-5.6%	41.5%
Hester Biosciences Ltd	2.5%	-2.2%	89.4%
Rallis India Ltd	-2.7%	-17.2%	-8.0%
The Hi-Tech Gears Ltd	8.0%	-13.9%	34.8%
Bharat Bijlee Ltd	4.6%	18.3%	52.9%
Triveni Turbines Ltd	-11.6%	-27.4%	-30.0%
Siemens Ltd	-3.7%	-17.5%	-17.0%
Hikal Ltd	4.7%	0.8%	7.3%
Aksh Optifibre Ltd	11.1%	-11.3%	63.2%
GMM Pfäudler Ltd	1.7%	-6.6%	28.4%
Alicon Castalloy Ltd	6.0%	-11.4%	30.3%
Premier Explosives Ltd	-1.8%	-23.1%	-11.5%
Gufic Biosciences Ltd	13.3%	-5.7%	75.5%
Excel Industries Ltd	32.8%	60.0%	200.6%
Vesuvius India Ltd	3.2%	7.9%	5.4%
Munjil Showa Ltd	2.1%	-26.0%	1.6%
Bharat Rasayan Ltd	11.3%	4.4%	65.9%
Alkyl Amines Chemicals Ltd	6.1%	-6.1%	27.9%
Grauer and Weil (India) Ltd	0.1%	-23.2%	40.7%
Texmaco Rails & Engineering Ltd	-1.6%	-26.9%	-11.2%
Nagarjuna Agrichem Ltd	2.9%	-27.9%	50.4%
Simplex Infrastructures Ltd	9.1%	-8.2%	95.6%
ITD Cementation India Ltd	1.6%	-22.3%	-7.0%
Westlife Development Ltd	16.2%	4.5%	54.0%
Federal Mogul Goetze (India) Ltd	1.3%	-16.7%	-24.1%
Dynamatic Technologies Ltd	2.3%	-11.5%	-35.0%
Hitech Corporation Ltd	6.1%	-16.2%	-12.4%
NRB Bearings Ltd	4.5%	-7.3%	40.5%
Kokuyo Camlin Ltd	0.6%	-21.4%	28.7%
Timken India Ltd	-5.7%	-26.3%	0.4%
Bigbloc Construction Ltd	4.6%	23.0%	114.8%
Morganite Crucible (India) Ltd	36.2%	32.6%	84.8%
Vardhman Special Steels Ltd	0.1%	-8.5%	45.9%
Indian Hume Pipe Co. Ltd	-6.9%	-20.6%	66.8%
Engineers India Ltd	-4.5%	-16.9%	103.1%
TRIL	1.6%	-30.0%	-36.9%
Gulshan Polyols Ltd	-0.7%	-22.1%	-17.5%
Nesco Limited	0.0%	-7.4%	14.8%
Castrol India Ltd	0.0%	114.5%	-4.4%

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



### The week that went by:

With recovery in the global markets, the benchmark indices opened in the positive for the week. Second week of trade continued to be positive led by the global factors. With the positivity from the Wall Street, the markets opened in gains for the midweek as well. The markets opened flat taking into consideration the weak global markets, spike in crude prices and start of corporate earnings season. Based on the macro data, the markets opened positive for last day of trade.

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
Supreme Petrochem Ltd	BUY	77	334	500	49.9	32.2	18.6	14.9	18.8	23.4	11.0	13.8
Shanthi Gears Ltd	BUY	107	131	200	52.4	10.7	2.8	3.1	46.5	41.5	29.3	24.7
Hind Rectifiers Ltd	BUY	69	142	175	22.9	2.1	-1.1	0.3	-128.2	396.8	50.4	35.6
KCP Limited	BUY	71	143	200	40.2	18.4	2.8	6.3	49.1	21.6	14.3	11.1
Harita Seating System Ltd	BUY	266	996	1150	15.4	7.7	32.4	34.5	30.7	28.9	28.1	24.4
Hester Biosciences Ltd	BUY	565	1679	2200	31.0	14.3	29.2	34.2	57.4	56.7	35.5	30.2
Rallis India Ltd	BUY	181	229	300	30.9	44.6	15.3	9.4	25.7	24.4	17.0	15.5
The Hitech Gears Ltd	BUY	298	471	600	27.4	8.8	10.9	16.5	43.4	29.1	18.5	15.2
Bharat Bijlee Ltd	BUY	787	1630	2000	22.7	9.2	34.7	41.4	46.4	38.8	58.9	29.8
Triveni Turbines Ltd	BUY	92	97	175	79.9	0.3	3.5	2.4	28.4	41.1	20.2	24.8
Siemens Ltd	BUY	1128	1078	1500	39.2	383.8	9.1	10.0	123.7	112.6	84.4	74.7
Hikal Ltd	BUY	143	236	325	37.8	19.4	8.1	8.7	29.0	27.2	12.0	11.0
Aksh Optifibre Ltd	BUY	15	37	45	20.2	6.1	13.9	1.5	2.1	18.7	6.9	10.5
GMM Pfaudler Ltd	BUY	332	723	1000	38.3	10.6	19.3	20.8	37.5	34.8	25.7	23.5
Alicon Castalloy Ltd	BUY	288	620	750	21.0	7.6	21.4	24.1	29.0	25.7	11.2	8.8
Premier Explosives Ltd	BUY	350	360	600	66.5	3.2	15.9	11.4	22.6	31.6	12.4	12.2
Gulfic Biosciences Ltd	BUY	50	122	140	14.8	9.4	1.6	2.1	78.2	58.7	36.8	27.4
Excel Industries Ltd	BUY	380	1173	800	-31.8	15.1	9.8	39.7	120.1	29.5	36.7	17.3
Vesuvius India Ltd	BUY	1165	1291	1500	16.2	25.8	49.0	62.7	26.3	20.6	14.3	11.6
Munjal Showa Ltd	BUY	191	226	350	55.2	9.0	14.2	14.6	15.8	15.5	9.5	9.1
Bharat Rasayan Ltd	BUY	2747	4894	6500	32.8	20.6	128.9	189.3	38.0	25.9	19.9	14.3
Alkyl Amines Chemicals Ltd	BUY	391	648	700	8.0	13.2	24.3	27.0	26.6	24.0	15.5	15.6
Grauer and Weil (India) Ltd	BUY	45	61	100	63.0	13.9	2.3	2.3	27.1	26.2	15.3	15.0
Texmaco Rails & Engineering Ltd	BUY	91	88	170	94.1	20.2	1.5	2.7	57.3	32.6	38.2	23.6
Nagarjuna Agrichem Ltd	BUY	29	44	75	70.5	6.9	1.6	0.9	27.2	50.8	14.4	13.3
Simplex Infrastructures Ltd	BUY	540	579	700	20.9	20.2	24.3	29.6	23.8	19.6	8.9	8.1
ITD Cementation India Ltd	BUY	158	166	225	35.6	25.7	3.1	4.8	53.5	34.6	14.0	12.6
Westlife Development Ltd	BUY	266	376	425	13.1	58.4	-0.8	0.3	-481.6	1100.3	128.2	77.4
Federal Mogul Goetze (India) Ltd	BUY	540	465	750	61.4	25.8	12.9	15.7	35.9	29.5	14.9	13.5
Dynamatic Technologies Ltd	BUY	2160	1840	3000	63.0	11.7	23.0	-9.3	47.2	-525.7	10.3	13.2
Hitech Corporation Ltd	BUY	175	156	230	47.9	2.7	6.9	3.5	22.5	44.5	8.8	9.5
NRB Bearings Ltd	BUY	138	163	200	22.5	15.8	5.2	5.5	31.3	29.6	17.4	16.6
Kokuyo Camlin Ltd	BUY	132	118	175	47.7	11.9	0.1	0.5	1251.7	226.4	58.5	43.0
Timken India Ltd	BUY	883	709	1200	69.3	48.2	14.3	15.1	49.6	46.8	30.4	26.5
Bigbloc Construction Ltd	BUY	120	174	200	14.9	2.5	2.2	2.7	80.4	63.5	26.0	22.6
Morganite Crucible (India) Ltd	BUY	1047	1478	1500	1.5	4.1	47.2	38.2	31.3	38.6	16.8	22.3
Vardhman Special Steels Ltd	BUY	151	152	225	48.4	5.4	10.3	6.4	14.6	23.4	13.2	12.6

\*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	600	100%
Engineers India Ltd	211	200	Bonus 1 : 1.	106	250	52%
Transformers and Rectifiers (India) Ltd	300	450	Stock Split from Rs.FV 10 to Rs.FV 1.	30	40	-4%
Gulshan Polyols Ltd	390	500	Stock Split from Rs.FV 5 to Rs.FV 1.	78	110	-7%
Nesco Ltd	2397	3200	Stock Split from Rs.FV 10 to Rs.FV 2.	479	640	17%
Castrol India Ltd	447	550	Bonus 1 : 1	223	275	-8%

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
IHP Ltd	BUY	341	342	600	75.4	16.6	20.4	14.3	16.9	24.1	9.1	12.2
Engineers India Ltd	BUY	211	160	250	56.5	53.8	4.8	5.0	34.1	32.9	33.9	36.7
Transformers and Rectifiers (India) Ltd	BUY	300	29	40	39.1	0.4	13.9	1.5	2.1	18.7	6.9	10.5
Gulshan Polyols Ltd	BUY	390	73	110	51.1	3.4	4.6	6.4	15.8	11.4	19.9	17.6
Nesco Ltd	BUY	2397	562	640	13.9	7.9	120.2	137.5	4.7	4.1	18.5	15.4
Castrol India Ltd	BUY	223	206	275	33.5	101.9	13.6	14.1	15.1	14.6	9.2	8.7

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	(%)
Supreme Petrochem Ltd	77	334	120	150	200	275	350	500	-	333%
Shanthi Gears Ltd	107	131	150	200	-	-	-	-	-	23%
Hind Rectifiers Ltd	69	142	110	140	175	-	-	-	-	106%
KCP Limited	71	143	105	150	200	-	-	-	-	101%
Harita Seating System Ltd	266	996	400	600	750	900	1150	-	-	275%
Hester Biosciences Ltd	565	1679	750	875	1150	1500	1750	2200	-	197%
Rallis India Ltd	181	229	260	300	-	-	-	-	-	27%
The Hitech Gears Ltd	298	471	450	600	-	-	-	-	-	58%
Bharat Bijlee Ltd	787	1630	1100	1500	2000	-	-	-	-	107%
Triveni Turbines Ltd	92	97	135	175	-	-	-	-	-	6%
Siemens Ltd	1128	1078	1500	-	-	-	-	-	-	-4%
Hikal Ltd	143	236	200	250	325	-	-	-	-	65%
Aksh Optifibre Ltd	15	37	24	35	45	-	-	-	-	150%
GMM Pfäudler Ltd	332	723	500	700	800	1000	-	-	-	118%
Alicon Castalloy Ltd	288	620	450	600	750	-	-	-	-	115%
Premier Explosives Ltd	350	360	450	525	-	-	-	-	-	3%
Gufic Biosciences Ltd	50	122	75	100	140	-	-	-	-	144%
Excel Industries Ltd	380	1111	550	650	800	1100	1400	-	-	192%
Vesuvius India Ltd	1165	1291	1500	-	-	-	-	-	-	11%
Munjal Showa Ltd	191	226	250	300	350	-	-	-	-	18%
Bharat Rasayan Ltd	2747	4894	3500	4250	5000	6500	-	-	-	78%
Alkyl Amines Chemicals Ltd	391	648	550	700	-	-	-	-	-	66%
Grauer and Weil (India) Ltd	45	61	65	80	100	-	-	-	-	36%
Texmaco Rails & Engineering Ltd	91	88	125	170	-	-	-	-	-	-4%
Nagarjuna Agrichem Ltd	29	44	45	60	75	-	-	-	-	52%
Simplex Infrastructures Ltd	540	579	700	-	-	-	-	-	-	7%
ITD Cementation India Ltd	158	166	225	-	-	-	-	-	-	5%
Westlife Development Ltd	266	376	350	425	-	-	-	-	-	41%
Federal Mogul Goetze (India) Ltd	540	465	750	-	-	-	-	-	-	-14%
Dynamatic Technologies Ltd	2160	1840	3000	-	-	-	-	-	-	-15%
Hitech Corporation Ltd	175	156	230	-	-	-	-	-	-	-11%
NRB Bearings Ltd	138	163	200	-	-	-	-	-	-	18%
Kokuyo Camlin Ltd	132	118	175	-	-	-	-	-	-	-10%
Timken India Ltd	883	709	1200	-	-	-	-	-	-	-20%
Bigbloc Construction Ltd	120	174	160	200	-	-	-	-	-	45%
Morganite Crucible (India) Ltd	1047	1540	1500	1750	-	-	-	-	-	47%
Vardhman Special Steels Ltd	151	152	225	-	-	-	-	-	-	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	600	100%
Engineers India Ltd	211	200	Bonus 1 : 1.	106	250	52%
Transformers and Rectifiers (India) Ltd	300	450	Stock Split from Rs.FV 10 to Rs.FV 1.	30	55	-4%
Gulshan Polyols Ltd	390	500	Stock Split from Rs.FV 5 to Rs.FV 1.	78	110	-7%
Nesco Ltd	2397	3200	Stock Split from Rs.FV 10 to Rs.FV 2.	479	640	17%
Castrol India Ltd	447	550	Bonus 1 : 1	223	275	-8%

Calls Closed							
Company	Reco	Reco at	Closed price	Company	Reco	Reco at	Closed price
		(Rs)	(Rs)			(Rs)	(Rs)
KEC International Ltd	BUY	140	240	Mukand Engineers Ltd	BUY	33	56
Rajoo Engineers Ltd	BUY	15	30	Camlin Fine Chemicals Ltd	BUY	111	87
Omkar Speciality Chemicals Ltd	BUY	162	90	West Coast Paper Mills Ltd	BUY	67	187
Navneet Education Ltd	BUY	96	159	GEE Limited	BUY	33	44.5
MM Forgings Limited	BUY	607	856	Sadhana Nitrochem Limited	BUY	67	128
Cupid Limited	BUY	286	351	Tamil Nadu Newsprint & Papers Ltd	BUY	224	421

\*Omkar: Spin off

*Positivity ahead*

**Coverage News:**

**Hind Rectifiers eyes Rs500cr revenue in next 2 years**

Hind Rectifiers is eyeing up to Rs500cr revenue in the next two years. It is also planning to launch signalling and safety solutions for railways in the next few months. With the government focusing on improving the railway system and increasing the network, it sees a huge potential for growth. The company expects the revenues to reach up to Rs500cr over the next two years. It also added about the scope in the railways business, that the govt. is targeting production of 1,100 locomotives per year.

**Our comments:**

The optimism of growth further adds to our conviction on the stock.

*Order for Simplex Infra*

**Simplex Infra procures order worth Rs2,595cr**

Simplex Infra has procured further orders worth Rs2,595cr in the fourth quarter from January to March'18. With this the total order inflow during FY18 amounts to Rs7,666cr. The new orders have emanated 87% from Public sector and 13% from private sector, 98% from Domestic territories and 2% from abroad. The construction verticals that have contributed to the new order inflow during FY18 are Urban infrastructures 29% , Power generation 13% , Power transmission 6%, Institutional buildings 10% residential buildings 8%, roads and Bridges 18%, Marine construction 9% , Piling 5% and Industrial Construction 3%.

**Our comments:**

There is a gradual increase in the order book of the company.

*PEL & NEXTER in tie up*

**PEL and NEXTER co-operate for the manufacture of bi-modular charge systems in India**

Premier Explosives Limited (PEL) and the French defence company NEXTER, specialized in land systems and ammunition have decided to tie-up for manufacturing Bi-Modular Charge Systems (BMCS) in order to respond to the needs of the Indian Ministry of Defence. The partners responded to the BMCS RFP (Request for Proposal) relative to a 10 year contract by manufacturing in India, combining the experience of NEXTER with the pyrotechnics knowledge of PEL. The proposed product, which is the key of artillery propulsion, is 100% designed within NEXTER Group in accordance with the Indian technical requirements.

**Our comments:**

Through a long-term partnership, PEL and NEXTER are willing to build up one of the first Indian private manufacturers of ammunition.

*India on the growth trajectory*

**ECONOMY:**

**India to grow 7.3% this fiscal, fastest across Asia: ADB**

India is expected to be the fastest growing economy in Asia and will reverse two years of declining growth to clock 7.3% rise in GDP in the current fiscal and further accelerate to 7.6% in FY20, the Asian Development Bank said in its forecast for the region. The dip in growth to 6.6% in FY17 was in part due to the lingering effects of demonetisation that impacted the informal sector in the first half of FY17 and teething issues related to implementation of the goods and services tax (GST), the ADB said in the latest Asian Development Outlook (ADO) 2018 report. It expects various reforms measures to lift growth. The Reserve Bank of India expects 7.4% growth in FY19.

**Our comments:**

Despite the short-term costs, the benefits of reform such as the recently implemented GST will propel India's future growth.

*Ease of in the inflation for March*

**India's March retail inflation eases to five-month low**

Retail inflation eased to a five-month low in March, but remained above RBI's medium-term target; supporting views that monetary policy is likely to remain unchanged at the next review in early June.

**Our comments:**

As per different economic analysts, it is expected that the committee will hold rates in the coming months in order to completely assess the macro conditions before going in for a rate hike toward the end of the year.

*Indian banks on the watch*

**INDUSTRY:**

**Indian banks need an overhaul: S&P**

S&P Global Ratings highlighted the need for banks to improve risk management, and maintain strong governance processes, practices, and systems. As per the analyst, as a number of banks in India confront serious governance and risk issues, the 'tone at the top' is crucial. Leadership groups in Indian banks need to ensure that they enhance the risk culture, reputation, and financial strength of banks

**Our comments:**

Similar to other emerging markets, governance and transparency in the Indian banking system is a negative factor as indicted by the report..

**COMPANY:**

*Tata Chemicals acquired  
Allied Silica*

**Tata Chemicals to acquire Allied Silica for Rs123cr**

Tata Chemicals has signed a pact with Allied Silica Limited to acquire its precipitated silica business for Rs123cr on a slump sale basis. The deal is expected to be closed within three months. The acquisition is a part of the Rs295cr investment approved by the Board in February last year, towards specialty business.

**Our comments:**

As per the company, this acquisition is another step to build technologically enabled, differentiated businesses, with greater customer centricity, by leveraging on core strengths.

*EPC contract for Reliance  
Infra*

**Reliance Infra bags Rs1,081cr EPC contract for Kudankulam nuclear project**

Reliance Infrastructure has received a Rs1,081cr purchase order from Nuclear Power Corporation of India Limited (NPCIL) for engineering, procurement and construction (EPC) contract for Common Services System, Structure & Components (SSC) package and allied civil works of Unit -3 and 4 of Kudankulam Nuclear Power Project. The contract entails design, engineering, supply, erection, testing and commissioning of SSC package and allied civil works on EPC basis. The project is to be commissioned in 56 months.

**Our comments:**

As indicated by the company, with a clear focus to position itself in India's growing infrastructure sector, and a multitude of projects in the offing in areas as diverse as power, metro rails, nuclear power plants, air quality control, marine, railways, ports, and mega infrastructure projects, Reliance Infrastructure Limited is targeting EPC opportunities worth Rs2lakhcrore and increase the EPC order book to Rs50,000cr by FY19.

*LCV Push by Ashok  
Leyland*

**Ashok Leyland to invest Rs400cr in LCV push**

Ashok Leyland expects demand in the segment staying strong and growing by 10-12% in the current financial year boosted by public investments in infrastructural projects and companies that will benefit from the hub-and-spoke model to transport goods post GST. To cash in on the spike in demand, the company has now outlined aggressive plans to increase market share in light commercial vehicles (LCV).

**Our comments:**

Ashok Leyland is looking at investing Rs400cr over the next couple of years towards the development of new LCV platforms to meet requirements under BS-VI emissions standards. Once new products start coming in post 2020, the company is aiming to double its market share to 30% from the current 16%

*Manipal hospitals attempt to pacify shareholders*

*EIR for DRL*

*L&T and BEL MoU in place*

*USFDA approval for Alembic*

**COMPANY:**

**Manipal-TPG sweetens bid to buy Fortis Healthcare**

Manipal Hospital Enterprises Private Ltd (Manipal Hospitals) submitted a revised offer to buy Fortis Healthcare after consulting with the latter's shareholders, who expressed their dissatisfaction with the earlier offer. As a part of the revised offer, Fortis' hospital business is valued at Rs6,061cr (Rs116 per share), which represents an upward revision of around 21% of the company's equity valuation. The previous offer had valued Fortis' hospital business at Rs5,003cr (Rs96.5 per share). The revised offer values Fortis Healthcare at Rs155 per share. In addition to this, existing Fortis shareholders will now hold 50% stake in Manipal Hospitals after Fortis Healthcare's hospital business is de-merged. In the earlier bid Fortis shareholders were slated to receive 41.4% stake in the merged entity.

**Our comments:**

The move was mainly to address the concerns of the shareholders and hence the offer was made in their interest.

**Dr Reddy's gets EIR from USFDA for Cuernavaca plant in Mexico**

Dr Reddy's Laboratories said it has received establishment inspection report from the US health regulator for its Cuernavaca facility in Mexico. The company had earlier said in a regulatory filing that audit of its active pharmaceutical ingredient (API) Cuernavaca plant in Mexico by the United States Food and Drug Administration (USFDA) was completed with zero observations.

**Our comments:**

As per the USFDA, after the completion of an inspection of a facility, an EIR is issued to a company detailing inspectional findings.

**L&T and BEL sign MoU for defence products**

Larsen and Toubro and Bharat Electronic (BEL) entered into a pact to develop and manufacture defence products and systems for domestic and export markets. The MoU seeks to leverage the capabilities of both the firms for meeting the growing requirements of the Indian Armed Forces. It is to cater to the needs of evolving domestic and export markets for defence products and systems. The MoU also intends to leverage the well-developed supply chain, vast experience and expertise of BEL and L&T to synergise and enhance exports in the defence sector.

**Our comments:**

The MoU offers an opportunity for public-private sector partnership between two industry leaders in defence equipment and systems to synergise their strengths to deliver to the Indian Armed Forces and to the export market contemporary products with high indigenous content.

**Alembic Pharmaceuticals Limited receives USFDA Approval for Acyclovir ointment USP, 5%.**

Alembic Pharmaceuticals Limited received approval from the USFDA for its ANDA Acyclovir ointment USP, 5%. The approved ANDA is therapeutically equivalent to the reference listed drug product (RLD) Zovirax ointment 5%, of Valeant Pharmaceuticals North America LLC. Acyclovir ointment USP, 5% is indicated in the management of initial genital herpes and in limited non-life-threatening mucocutaneous Herpes simplex virus infections in immune-compromised patients.

**Our comments:**

Acyclovir ointment USP, 5%, has an estimated market size of USD145mn for twelve months ending December 2016 according to IMS.



#### DISCLAIMERS AND DISCLOSURES-

Progressive Share Brokers Pvt. Ltd. and its affiliates are a full-service, brokerage and financing group. Progressive Share Brokers Pvt. Ltd. (PSBPL) along with its affiliates are participants in virtually all securities trading markets in India. PSBPL started its operation on the National Stock Exchange (NSE) in 1996. PSBPL is a corporate trading member of Bombay Stock Exchange Limited (BSE), National Stock Exchange of India Limited (NSE). PSBPL along with its subsidiaries offers the most comprehensive avenues for investments and is engaged in the businesses including stock broking (Retail), commodity broking, depository participant, and financial products like mutual funds.

PSBPL is SEBI registered under SEBI (Research Analysts) Regulations, 2014 (SEBI Registration no- INH00000859). PSBPL hereby declares that it has not defaulted with any stock exchange nor its activities were suspended by any stock exchange with whom it is registered in last five years. PSBPL has not been debarred from doing business by any Stock Exchange / SEBI or any other authorities; nor has its certificate of registration been cancelled by SEBI at any point of time.

PSBPL offers research services to clients as well as prospects. The analyst for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.

News has been sourced from various leading newspaper articles for reference.

#### Other disclosures by Progressive Share Brokers Pvt. Ltd. (Research Entity) and its Research Analyst under SEBI (Research Analyst) Regulations, 2014 with reference to the subject company(s) covered in this report:-

PSBPL or its associates may have financial interest in the subject company.

Research Analyst or his/her relative's financial interest in the subject company. (YES/NO)-NO

PSBPL or its associates and Research Analyst or his/her relative's does not have any material conflict of interest in the subject company. The research Analyst or research entity (PSBPL) has not been engaged in market making activity for the subject company.

PSBPL or its associates may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of publication of Research Report.

Research Analyst or his/her relatives have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of publication of Research Report: (YES/NO)- NO

PSBPL or its associates may have received any compensation including for brokerage services from the subject company in the past 12 months. PSBPL or its associates may have received compensation for products or services other than brokerage services from the subject company in the past 12 months. PSBPL or its associates may have received any compensation or other benefits from the Subject Company or third party in connection with the research report. Subject Company may have been client of PSBPL or its associates during twelve months preceding the date of distribution of the research report and PSBPL may have co-managed public offering of securities for the subject company in the past twelve months.

The research Analyst has served as officer, director or employee of the subject company : (YES/NO)-NO

PSBPL and/or its affiliates may seek investment banking or other business from the company or companies that are the subject of this material. Our sales people, traders, and other professionals may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that may be inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest including but not limited to those stated herein. Additionally, other important information regarding our relationships with the company or companies that are the subject of this material is provided herein. This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would subject PSBPL or its group companies to any registration or licensing requirement within such jurisdiction. If this document is sent or has reached any individual in such country, especially, USA, the same may be ignored. Unless otherwise stated, this message should not be construed as official confirmation of any transaction. None of the material, nor its content, nor any copy of it, may be altered in any way, transmitted to, copied or distributed to any other party, without the prior express written permission of PSBPL. All trademarks, service marks and logos used in this report are trademarks or registered trademarks of PSBPL or its Group Companies. The information contained herein is not intended for publication or distribution or circulation in any manner whatsoever and any unauthorized reading, dissemination, distribution or copying of this communication is prohibited unless otherwise expressly authorized. Please ensure that you have read "Risk Disclosure Document for Capital Market and Derivatives Segments" as prescribed by Securities and Exchange Board of India before investing in Indian Securities Market. In so far as this report includes current or historic information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed.