

DOMESTIC:

- SAIL strikes deal with Posco for technical expertise
- Finolex Industries eye USD1bn sales by 2020, to double capacity
- Zee to acquire 9X Media, its arms for Rs160cr
- Tata to shutdown telecom services soon
- L&T to supply 5 million smart electricity meters to EESL
- Lupin gets USFDA nod to market hypertension treatment tablets
- ONGC may sell IOC stake to LIC in block deal
- Tech Mahindra to set up dedicated centre for Terumo BCT
- Indian Oil willing to buy GAIL or Oil India
- Kalpataru Power Transmission Limited bags Rs1,057cr orders
- Reliance Commercial Finance inks agreement with IREDA for Rs300cr loan
- M&M in talks with Karnataka for investments to expand EV unit
- Biocon says USFDA issues complete response letter for Pegfilgrastim
- Suven Life Sciences secures a product patent in New Zealand
- PSP Projects has been awarded contract valued at Rs1,575cr
- Reliance Infrastructure, Adani Power up Mumbai unit sale talks
- Tata Steel acquires Rio Tinto smelter tech to cut cost, emission
- Sun Pharma gets EIR for Dadra formulation facility
- L&T to sell subsidiary EWAC Alloys for Rs522cr
- Lupin acquires US firm Symbiomix for USD150mn
- L&T Hydrocarbon Engg bags Rs1,150cr mandate from ONGC
- Shapoorji Pallonji, Liberty House, M&M in race to buy ABG Shipyard
- Sun Pharma to raise stake in Ranbaxy Malaysia

ECONOMY:

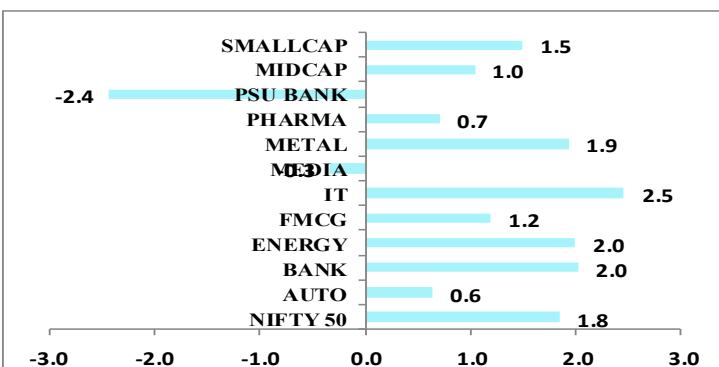
- IMF trims India's growth forecast to 6.7%
- GST has put Indian economy on a stronger track, says Jaitley
- India's IIP in August highest in 9 months, inflation unchanged

INDUSTRY:

- Cement prices jump Rs12 per bag in Q2 FY18: Report
- Big Pharma gets a boost as China speeds up New Drug approvals
- Companies plan mega investments on e-vehicles, batteries & charging infrastructure
- No respite for Indian banks as bad loans hit record USD146bn
- PM Modi meets global oil chiefs, targets more energy reforms

Price Performance (%)			
Company	1M	3M	12M
Supreme Petrochem Ltd	-2.8%	0.1%	61.0%
Shanthi Gears Ltd	-9.1%	-14.7%	3.0%
Hind Rectifiers Ltd	31.0%	35.0%	27.7%
KCP Ltd	-2.8%	11.0%	12.6%
Harita Seating System Ltd	4.2%	2.4%	52.8%
Hester Biosciences Ltd	13.8%	-4.1%	44.1%
Rallis India Ltd	4.9%	-5.1%	4.3%
The Hi-Tech Gears Ltd	-7.1%	-10.5%	-8.5%
Bharat Bijlee Ltd	0.9%	-16.7%	47.7%
Castrol India Ltd	-5.7%	-9.1%	-21.1%
TNPL	-1.4%	0.3%	-8.9%
Triveni Turbines Ltd	-8.3%	-17.9%	3.4%
Siemens Ltd	-7.2%	-8.5%	1.2%
Hikal Ltd	13.2%	21.3%	21.9%
Aksh Optifibre Ltd	0.2%	14.3%	18.8%
GMM Pfäudler Ltd	1.1%	2.8%	53.1%
Alicon Castalloy Ltd	-6.1%	0.8%	49.6%
Premier Explosives Ltd	-5.4%	-13.7%	31.4%
Gufic Biosciences Ltd	24.3%	19.0%	155.6%
Excel Industries Ltd	6.6%	10.7%	7.6%
Vesuvius India Ltd	-4.2%	10.8%	23.1%
Munjal Showa Ltd	1.0%	38.5%	32.4%
Bharat Rasayan Ltd	-3.1%	-20.7%	74.7%
Alkyl Amines Chemicals Ltd	24.1%	32.6%	82.5%
Grauer and Weil (India) Ltd	15.7%	46.9%	82.6%
Texmaco Rails & Engineering Ltd	14.3%	12.8%	3.0%
Nagarjuna Agrichem Ltd	-1.7%	19.7%	107.3%
Simplex Infrastructures Ltd	-0.6%	-11.7%	38.3%
Sadhana Nitrochem Ltd	-7.1%	-6.4%	165.2%
ITD Cementation India Ltd	0.8%	-0.9%	20.8%
Westlife Development Ltd	2.4%	3.3%	19.7%
Federal Mogul Goetze (India) Ltd	-7.5%	-12.3%	2.0%
Cupid Limited	0.7%	-0.7%	-4.7%
Indian Hume Pipe Co. Ltd	-6.0%	-0.7%	51.8%
Engineers India Ltd	-4.2%	-3.2%	19.7%
Nesco Ltd	-4.1%	4.3%	43.8%
TRIL	-1.6%	-18.6%	-9.3%
Gulshan Polyols Ltd	-0.5%	-22.2%	13.4%

Weekly Sectoral Gainers & Losers in (%)



The week that went by:

Despite the positive Asian cues the equity markets opened flat for the first day of trade. The markets opened positive backed by healthcare, metals and selective banking stocks. The markets maintained the positive trend ahead of the earnings season. After a sell off, the markets rebounded and opened slightly higher. For the last day of the week, the markets maintained the positive trend.

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	370	500	35.0	35.7	18.6	19.9	0.0	0.0	1.2	1.1
Shanhi Gears Ltd	BUY	107	131	200	52.7	10.7	2.8	3.1	47.5	42.5	30.0	26.4
Hind Rectifiers Ltd	BUY	69	118	175	48.3	1.8	-4.5	0.5	-111.3	232.3	44.8	30.2
KCP Limited	BUY	71	121	150	23.9	15.6	3.6	4.6	53.4	33.2	12.9	11.2
Harita Seating System Ltd	BUY	266	819	900	9.9	6.4	32.4	34.5	25.2	23.7	23.1	19.3
Hester Biosciences Ltd	BUY	565	1045	1500	43.6	8.9	29.2	34.2	35.7	35.3	22.3	19.0
Rallis India Ltd	BUY	181	236	300	26.9	46.0	15.3	11.2	26.5	21.0	17.6	14.8
The Hitech Gears Ltd	BUY	298	332	450	35.5	6.2	10.9	11.1	30.6	30.4	13.6	12.2
Bharat Bijlee Ltd	BUY	787	1117	2000	79.1	6.3	34.7	39.3	32.2	28.4	43.6	26.3
Castrol India Ltd	BUY	447	368	600	63.1	182.0	14.4	14.9	25.6	24.9	15.9	15.6
Tamil Nadu Newsprint & Papers Ltd	BUY	224	342	450	31.5	23.7	38.2	36.6	8.9	9.4	19.5	18.6
Triveni Turbines Ltd	BUY	92	127	175	38.3	0.4	3.5	3.6	36.2	35.1	25.7	24.1
Siemens Ltd	BUY	1128	1238	1500	21.1	440.8	9.1	10.0	136.2	124.0	41.7	93.0
Hikal Ltd	BUY	143	249	325	30.7	20.4	8.1	8.7	30.6	28.6	12.5	11.5
Aksh Optifibre Ltd	BUY	15	26	35	35.1	4.2	3.4	5.5	7.6	4.7	5.1	3.7
GMM Pfäudler Ltd	BUY	332	627	700	11.7	9.2	19.3	21.1	32.5	29.7	22.3	20.4
Alicon Castalloy Ltd	BUY	288	540	750	38.9	6.6	21.4	24.1	25.3	22.4	10.0	9.0
Premier Explosives Ltd	BUY	350	440	600	36.4	3.9	16.6	15.3	26.5	28.8	14.9	12.1
Gufic Biosciences Ltd	BUY	50	86	100	15.9	6.6	1.5	2.0	58.6	43.2	26.5	20.2
Excel Industries Ltd	BUY	380	463	650	40.5	6.0	35.8	25.1	12.9	18.4	15.3	9.8
Vesuvius India Ltd	BUY	1230	1327	1500	13.1	26.5	49.0	65.0	27.1	20.4	14.8	11.9
Munjal Showa Ltd	BUY	191	275	300	9.1	11.0	14.1	15.1	19.4	18.2	11.6	11.1
Bharat Rasayan Ltd	BUY	2747	2840	4250	49.6	11.9	128.1	141.2	22.2	20.1	12.0	10.7
Alkyl Amines Chemicals Ltd	BUY	391	568	700	23.3	11.6	24.3	29.2	23.3	19.5	13.7	13.1
Grauer and Weil (India) Ltd	BUY	45	62	80	30.0	14.0	2.3	2.3	27.2	26.3	15.4	15.0
Texmaco Rails & Engineering Ltd	BUY	91	106	125	17.9	20.2	1.5	2.7	69.3	39.4	45.1	27.8
Nagarjuna Agrichem Ltd	BUY	29	46	60	31.9	7.1	2.3	0.9	19.6	51.9	14.8	13.7
Simplex Infrastructures Ltd	BUY	540	473	700	48.0	20.2	24.3	30.5	19.5	15.5	5.4	4.7
Sadhana Nitrochem Ltd	BUY	67	64	100	57.1	0.6	2.5	5.5	25.8	11.5	10.1	8.1
ITD Cementation India Ltd	BUY	158	169	225	33.1	26.2	4.8	2.9	35.3	57.9	12.8	18.0
Westlife Development Ltd	BUY	266	237	350	47.7	36.9	-0.8	0.3	-303.8	694.1	82.3	49.7
Federal Mogul Goetze (India) Ltd	BUY	540	498	750	50.5	27.7	12.9	15.7	38.5	31.7	15.9	14.4
Cupid Limited		286	282	340	20.6	3.1	18.5	23.4	15.2	12.1	9.1	7.7

*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	197%
Engineers India Ltd	211	200	Bonus 1 : 1.		106	200	41%
Transformers and Rectifiers (India) Ltd	300	450	Stock Split from Rs.FV 10 to Rs.FV 1.		30	45	4%
Gulshan Polyols Ltd	390	500	Stock Split from Rs.FV 5 to Rs.FV 1.		78	140	5%
Nesco Ltd	2397	3200	Stock Split from Rs.FV 10 to Rs.FV 2.		479	640	13%

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
IHP Ltd	BUY	341	529	600	13.4	25.6	18.4	25.5	28.8	20.7	33.4	36.1
Engineers India Ltd	BUY	211	152	200	31.6	51.2	4.8	4.7	31.5	32.4	9.4	16.3
Transformers and Rectifiers (India) Ltd	BUY	300	30	450	1400.0	0.4	2.4	2.3	3.1	2.0	2.4	2.3
Gulshan Polyols Ltd	BUY	390	86	140	62.8	4.0	5.9	6.4	14.5	13.4	23.2	20.6
Nesco Ltd	BUY	2397	527	3200	507.2	7.4	120.2	137.5	4.4	3.8	17.3	14.5

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	370	120	150	200	275	350	500	-	381%
Shanthi Gears Ltd	107	131	150	200	-	-	-	-	-	22%
Hind Rectifiers Ltd	69	118	110	140	175	-	-	-	-	71%
KCP Limited	71	121	105	150	-	-	-	-	-	71%
Harita Seating System Ltd	266	819	400	600	750	900	-	-	-	208%
Hester Biosciences Ltd	565	1045	750	875	1150	1500	-	-	-	85%
Rallis India Ltd	181	236	260	300	-	-	-	-	-	31%
The Hitech Gears Ltd	298	332	450	-	-	-	-	-	-	11%
Bharat Bijlee Ltd	787	1117	1100	1500	2000	-	-	-	-	42%
Castrol India Ltd	447	368	600	-	-	-	-	-	-	-18%
Tamil Nadu Newsprint & Papers Ltd	224	342	350	450	-	-	-	-	-	53%
Triveni Turbines Ltd	92	127	135	175	-	-	-	-	-	38%
Siemens Ltd	1128	1238	1500	-	-	-	-	-	-	10%
Hikal Ltd	143	249	200	250	325	-	-	-	-	74%
Aksh Optifibre Ltd	15	26	24	35	-	-	-	-	-	73%
GMM Pfaudler Ltd	332	627	500	700	-	-	-	-	-	89%
Alicon Castalloy Ltd	288	540	450	600	750	-	-	-	-	88%
Premier Explosives Ltd	350	440	450	525	600	-	-	-	-	26%
Gufic Biosciences Ltd	50	86	75	100	-	-	-	-	-	73%
Excel Industries Ltd	380	463	550	650	-	-	-	-	-	22%
Vesuvius India Ltd	1230	1327	1500	-	-	-	-	-	-	8%
Munjal Showa Ltd	191	275	250	300	-	-	-	-	-	44%
Bharat Rasayan Ltd	2747	2840	3500	4250	-	-	-	-	-	3%
Alkyl Amines Chemicals Ltd	391	568	550	700	-	-	-	-	-	45%
Grauer and Weil (India) Ltd	45	62	65	80	-	-	-	-	-	37%
Texmaco Rails & Engineering Ltd	91	92	125	-	-	-	-	-	-	1%
Nagarjuna Agrichem Ltd	29	46	45	60	-	-	-	-	-	57%
Simplex Infrastructures Ltd	540	473	700	-	-	-	-	-	-	-12%
Sadhana Nitrochem Ltd	67	64	100	-	-	-	-	-	-	-5%
ITD Cementation India Ltd	158	169	225	-	-	-	-	-	-	7%
Westlife Development Ltd	266	237	350	-	-	-	-	-	-	-11%
Federal Mogul Goetze (India) Ltd	540	498	750	-	-	-	-	-	-	-8%
Cupid Limited	286	282	340	-	-	-	-	-	-	-1%

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

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Nesco Ltd	2397	3200	Stock Split from Rs.FV 10 to Rs.FV 2.		479	640	13%

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				

*Omkar: Spin off

Fundamental Pick of the Month

Target Revision

Fundamental Call Closed

India's growth forecast trimmed

Coverage News:

Fundamental Pick of the Month: Cupid Limited:

Cupid Limited (Cupid) is one of the few companies that manufacture male and female rubber contraceptives. It is one out of the four major players in the world which manufactures female condoms. Cupid is the second company in the world to get pre-qualification from WHO for the female condoms. In September 2016, Cupid became the first company in the world to have been pre-qualified by WHO (World Health Organization)/UNFPA (United Nations Population Fund) for supplying both male and female condoms. The company has established its brand name as a renowned manufacturer, exporter and supplier of male condoms and female condoms across the globe. Nearly 80% of the products are exported, while only 20% are used for local distributions in India. The company has expanded exports to nearly 40 countries (FY17-18) which were nearly 32 countries (in FY16-17). Cupid was featured in Forbes Asia's 200 best under a billion list which was again a rare achievement for an Indian company. The company is chaired by Mr. Omprakash Garg and its state of the art plant is located in Nasik in Maharashtra.

Outlook and Recommendations:

Cupid will continue its strategy in evaluating new growth opportunities (through organic and inorganic route). Some of the key initiatives planned by the company for the next couple of years include the launch of unique patented male condom, develop second generation hi-tech version of cupid female condom, foray into hand sanitizers, manufacture and launch vaginal creams, develop wipes that are used to slow down premature ejaculation. All these factors will help maintain growth in revenues and margins. Considering the strong growth with sound fundamentals, we recommend a Buy on the stock with a target price of Rs340 over a horizon of 12 months.

Target Revision:

Alkyl Amines Chemicals Limited:

We had initiated coverage on the company with the target of Rs550 which has been achieved. We further revise the target to Rs700 with a 12 months horizon.

Fundamental Call Closed:

We had initiated BUY on the stock at the price of Rs607 (coverage initiated on 27th April 2017) for a target of Rs750. During the week under reference, the target was achieved and further revised to Rs850 (the stock has hit a high of Rs887 on 12th October, 2017). Having achieved our revised target price; we hereby close the call and those invested on our recommendation can book profits. We would not hesitate to reinitiate coverage once we see valuations in place for the company as per our expected numbers.

Recommendation:

We close the call and recommend to book profits on the same.

ECONOMY:

IMF trims India's growth forecast to 6.7%

The International Monetary Fund has raised its projection for economic growth of major economies, but it drastically scaled down the one for India by 0.5 percentage points to a four-year low of 6.7% for 2017-18 due to demonetisation and the goods and services tax (GST). At this rate, India will lose the tag of the fastest-growing major economy. India's economy grew 5.7% in the first quarter of the year, which means that the economy has to roughly grow at over 7% in the next three quarters to even achieve the growth rate the IMF had predicted for the entire 2017-18.

Our comments:

As per the IMF, the growth projection for 2017-18 has been revised down to 6.7%, reflecting still lingering disruptions associated with the currency exchange initiative introduced in November 2016, as well as transition costs related to the launch of the GST in July 2017.

IIP in August on an uptrend

India's IIP in August highest in 9 months, inflation unchanged

India's industrial production improved at high pace of 4.3% in August 2017 over August 2016, while showing sharp improvement in growth from 0.9% increase in July 2017. The manufacturing sectors production improved 3.1% in August 2017, snapping decline in output for last two straight months. Industrial production rose 2.2% in April-August FY2018, compared with 6% growth in the corresponding period last year. The manufactured product sector output improved 1.6%, while the mining and electricity generation moved up 3.3% and 6.1% in April-August FY2018.

Our comments:

With the rise in the factory output and the retail inflation remaining unchanged, it is indeed taken as a double boost to the economy.

INDUSTRY:

Big Pharma gets a boost as China speeds up New Drug Approvals

Beijing announced new rules that will speed up approvals of medicines and medical devices, easing bottlenecks in introducing new treatments. The move is also a growth opportunity for international and local drug-makers in the world's second biggest pharmaceutical market. Under the new rules, data from overseas clinical trials can be used for drug registrations in China. That removes the need for manufacturers to conduct added tests in China after receiving overseas approvals and will likely cut delays in the launch of new drugs by several years.

Our comments:

China is revamping its drug regulatory system as demand for new therapies surges due to an aging population and rising incidence of diseases such as cancer and diabetes.

Companies plan mega investments on e-vehicles, batteries & charging infrastructure

India Inc. is preparing plans for mega investments for the electric vehicle mission including charging infrastructure worth thousands of crores in cities, batteries and purchase of three-wheelers and cars. Government officials said they have held extensive discussions with more than 50 companies, domestic and foreign, for setting up charging infrastructure, a vital requirement of the country's ambitious e-vehicle plan. As per a top official involved in the government's e-vehicle's programme said Tata Power, ABB, Acme Industries, and few Dutch firms are actively considering setting up vehicle charging stations, while Exide Industries, Amron Batteries and Microtek have held discussions with officials about supplying batteries and setting up bulk shops for motorists to swap drained out batteries with charged ones.

Our comments:

In order to cut costs and promote electric vehicles, the government is considering sale of two-wheelers, three-wheelers and city buses without batteries to cut costs. The batteries will be leased at a specified cost and can be swapped with recharged ones at charging stations. The government plans to shift to an all-electric fleet by 2030.

COMPANY:

Tata to shutdown telecom services soon

Tata Teleservices has informed the government that the company will soon shut down its services. Tata is one the oldest in the telecom industry with 21 years in phone services venture. The company has over Rs28,000cr loan and is looking at options including sale of tower stake, fibre & enterprise businesses to partly cover the payback.

Our comments:

The process is expected to start in a month once officially the initiatives are in place.

China speeds up on NDAs

Electric vehicle mission in for mega investments

Tata to shut telecom services

L&T bags order

COMPANY:

L&T to supply 5 million smart electricity meters to EESL

Larsen and Toubro Ltd (L&T) has won a Rs1,361cr contract to supply 5 million smart electricity meters, according to state-owned Energy Efficiency Services Ltd (EESL), which is procuring the devices. The contract to supply smart electricity meters at Rs2,722 apiece, the lowest bid, is about 40-50% lower than the current market rate. These smart electricity meters will be deployed over three years in Uttar Pradesh and Haryana.

Our comments:

The government has been offering large procurement contracts in the energy sector enabling businesses to leverage scale and achieve economy to bring down prices.

USFDA nod for Lupin

Lupin gets USFDA nod to market hypertension treatment tablets

Lupin said it has received final approval from the US health regulator to market generic Nadolol tablets, used for treatment of hypertension, in the American market. The company has received final approval to market its Nadolol tablets USP, 20mg, 40mg and 80mg from the USFDA. The product is a generic version of US WorldMeds LLC's Corgard tablets in the same strengths. The tablets are indicated for management of patients with angina pectoris and for the treatment of hypertension.

Our comments:

As per IMS MAT June 2017 data, Nadolol tablets USP in the three strengths had annual sales of around USD109.8mn in the US.

*Dedicated centre for
Terumo BCT*

Tech Mahindra to set up dedicated centre for Terumo BCT

Tech Mahindra said it has become one of the tech partners of US-based medical devices company, Terumo BCT. As Terumo's global Innovation and Development (I&D) partner, Tech Mahindra will provide medical device engineering services out of a dedicated Offshore Development Centre (ODC) at its Bengaluru campus. This partnership extends Tech Mahindra's existing relationship with Terumo BCT.

Our comments:

This initiative with Tech Mahindra is designed to complement and extend Terumo BCT's global development capabilities with a particular focus on the India market. No financial details of the partnership were disclosed.

Orders for KPTL

KPTL bags Rs1,057cr orders

Kalpataru Power Transmission Limited (KPTL) secured new orders and notification of award of Rs1,057cr. A company statement said the firm bagged two orders totalling Rs913cr for design, supply and construction of 500 kV and 225/90 kV transmission lines in Thailand and Africa. It won an order for pipeline installation and associated terminal works of KSPPL for Rs144cr.

Our comments:

These orders in Southeast Asia and Africa help in building a solid base for growth in our International business. The order in the pipeline business highlights the confidence of our clients on us to deliver.

*PSP Projects awarded
contract*

PSP Projects has been awarded contract valued at Rs1,575cr

PSP Projects has received letter of intent from Surat Diamond Bourse for main contract works at Surat Diamond Bourse, Khajod, Surat, Gujarat. The contract is valued at Rs1,575cr. The project schedule is 30 months.

Our comments:

The letter of intent has been received with discussions on the approvals of other items of agenda, financial assistance to follow. Overall it is a positive for the overall workings of the company.

CRL for Biocon

COMPANY:

Biocon says USFDA issues complete response letter for Pegfilgrastim

The USFDA has issued a Complete Response Letter (CRL) for Mylan's Biologics License Application (BLA) for MYL-1401H, a proposed biosimilar pegfilgrastim. This product is a part of the biosimilars portfolio being developed jointly by Biocon and Mylan. The CRL relates to the pending update of the BLA with certain CMC data from facility requalification activities post recent plant modifications. The CRL did not raise any questions on biosimilarity, pharmacokinetic/ pharmacodynamic data, clinical data or immunogenicity.

Our comments:

As per the company, it expects that this CRL should not impact the commercial launch timing of biosimilar pegfilgrastim in the US. It further said that it is committed to working with the agency to resolve the issues stated in the CRL expeditiously.

EIR for Sun Pharma

Sun Pharma gets EIR for Dadra formulation facility

Sun Pharma received an establishment inspection report (EIR) from USFDA for the company's Dadra formulation facility. EIR indicates closure of plant inspection by the US regulatory agency. USFDA, which inspected the plant in April this year made 11 Form 483 observations raising compliance issues that include incomplete laboratory records, failure to create accurate duplicates of key records, failure to properly investigate drug batches that didn't meet specifications, as well as some additional quality control issues.

Our comments:

The closure of the Dadra inspection by USFDA comes as a huge relief for Sun Pharma, which is trying to resolve a warning letter issued to Halol facility in Gujarat. The company has completed remediation and is awaiting USFDA re-inspection for Halol facility.

L&T to sell subsidiary

L&T to sell subsidiary EWAC Alloys for Rs522cr

Larsen and Toubro Ltd (L&T) announced the sale of unlisted subsidiary EWAC Alloys Ltd as part of its strategy to exit non-core businesses. The company indicated that it has entered into a definitive agreement with ESAB Holdings Ltd, a company registered in the UK, to sell EWAC Alloys for Rs522cr.

Our comments:

As per the company, subject to customary closing conditions, the sale is expected to be completed within 90 days from the date of execution of the share sale and purchase agreement.

Lupin acquires Symbiomix

Lupin acquires US firm Symbiomix for USD150mn

Lupin has acquired US-based Symbiomix Therapeutics LLC for USD150mn (about Rs980cr), including USD50mn as upfront and other time-based payments. Earlier this year, Lupin had entered into an option to acquire privately-held Symbiomix, a company that looks at innovative therapies for gynaecological infections with serious health consequences. The latest transaction involving Symbiomix was closed and provided for through internal funds, the company said, adding that there would be other sales-based contingent payments.

Our comments:

The acquisition of Symbiomix and its Solosec brands immediately expands Lupin's US women's health specialty business into the highly-complementary gynaecological infection sector.

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