

DOMESTIC:

- BHEL wins Rs100cr EPC order for 25MW solar power plant
- Sun Pharma launches Ezallor Sprinkle (rosuvastatin) in the US
- Allahabad Bank reports USD259mn alleged fraud by Bhushan Power & Steel
- Punjab & Sind Bank reported over Rs238cr fraud by Bhushan Power and Steel
- Ashok Leyland temporarily shuts Pantnagar plant
- Hero Electric looks at fivefold expansion in output capacity
- Aditya Birla Fashion acquires 51% stake in Finesse International for Rs60cr
- Tata Sons mopping up USD500mn via foreign loans
- Cipla EU and Jiangsu Acebright enter into joint venture
- FDA warns Strides Pharma for uncontrolled document shredding
- KNR Constructions wins orders worth Rs1,055cr
- BHEL gets contract termination notice from NMDC
- NTPC commissions first unit of Nabinagar Plant
- Govt. mulling splitting GAIL; to sell pipeline business to strategic investor
- L&T InfoTech has signed a definitive agreement to acquire Lymbyc Solutions Private Limited
- L&T Construction-led JV bags significant order for desalination plant from GIDC
- Vakrangee to set up EV charging infrastructure across India
- GIC begins talks with GVK Power to buy its stake in Indian Hotels joint venture
- JSW Steel lines up Rs419cr to step up its tinplate capacity
- Dilip Buildcon bags EPC project for construction of extra-dosed bridge in Karnataka
- GeM, SAIL ink pact to set up project management unit
- USFDA classifies inspection at Torrent Pharma's Dahej facility as OAI
- Dr Reddy launches generic version of Allegra D in US

ECONOMY:

- India's exports fall 9.7% to USD25bn in June as key sectors fare poorly
- India needs to tap into foreign capital to trigger investment and growth: CEA Subramanian

INDUSTRY:

- Wi-Fi on the go: Government pushes to keep Bharat connected
- Real estate developers at risk as stress in credit market dries up funding
- BSVI petrol, diesel likely to pinch more due to higher refining costs
- Dip in rural demand to slow FMCG growth in 2019: Nielsen
- Get LOC or pay in advance for power supply: Power Ministry to Discoms

Price Performance

| Company | 1M | 3M | 12M |
|-----------------------------------|--------|--------|--------|
| Supreme Petrochem Ltd | -0.6% | -10.2% | -26.5% |
| Shanthi Gears Ltd | -8.0% | -17.9% | -20.3% |
| Hind Rectifiers Ltd | -3.6% | -9.2% | 19.2% |
| KCP Ltd | -10.5% | -13.0% | -22.7% |
| Hester Biosciences Ltd | -1.0% | 16.2% | 45.2% |
| The Hi-Tech Gears Ltd | -19.3% | -30.3% | -49.7% |
| Bharat Bijlee Ltd | -7.7% | -9.2% | -5.2% |
| Triveni Turbines Ltd | -3.3% | -5.0% | -13.1% |
| Siemens Ltd | -6.0% | 2.5% | 25.9% |
| Aksh Optifibre Ltd | -4.9% | -41.6% | -61.5% |
| GMM Pfaunder Ltd | -5.5% | 7.4% | 58.1% |
| Alicon Castalloy Ltd | -11.7% | -17.6% | -10.8% |
| Gufic Biosciences Ltd | -3.9% | -19.8% | -39.1% |
| Excel Industries Ltd | -7.5% | -18.4% | -30.5% |
| Vesuvius India Ltd | -2.4% | -4.50% | -11.6% |
| Munjal Showa Ltd | -5.7% | -16.3% | -40.7% |
| Bharat Rasayan Ltd | 2.7% | -6.1% | -38.3% |
| Alkyl Amines Chemicals Ltd | -2.6% | -10.8% | 27.4% |
| Grauer and Weil (India) Ltd | -7.9% | 1.8% | 9.2% |
| Texmaco Rail & Engineering Ltd | -24.5% | -22.4% | -11.3% |
| Nagarjuna Agrichem Ltd | -5.9% | -5.2% | 1.4% |
| Simplex Infrastructures Ltd | -27.1% | -47.3% | -80.3% |
| ITD Cementation India Ltd | -14.5% | -30.0% | -26.9% |
| Westlife Development Ltd | 3.1% | -24.0% | -16.3% |
| Federal Mogul Goetze (India) Ltd | 3.8% | -5.3% | 30.1% |
| Dynamatic Technologies Ltd | -6.3% | -11.3% | -18.3% |
| Hitech Corporation Ltd | -52.5% | -27.7% | -46.6% |
| NRB Bearings Ltd | -20.5% | -34.7% | -20.6% |
| Kokuyo Camlin Ltd | -9.3% | -23.8% | -22.1% |
| Timken India Ltd | 5.6% | 20.2% | -2.9% |
| Morganite Crucible (India) Ltd | 2.4% | -11.3% | 5.0% |
| Vardhman Special Steels Ltd | -8.0% | -23.8% | -31.4% |
| Zen Technologies Ltd | -20.9% | -25.8% | -29.4% |
| KSB Ltd | -5.6% | -4.2% | -13.7% |
| Thermax Ltd | 4.0% | 12.8% | 7.7% |
| Transpek Industry Ltd | -10.3% | -17.5% | 4.1% |
| BASF India Ltd | -15.7% | -20.0% | -38.3% |
| Artson Engineering Ltd | 24.1% | 24.8% | -18.3% |
| Remsons Industries Ltd | -5.1% | -0.5% | 9.4% |
| Snowman Logistics Ltd | 3.1% | -5.7% | -21.3% |
| Alembic Pharmaceuticals Ltd | 10.4% | -7.6% | 0.91% |
| SKF India Ltd | -2.7% | -4.2% | 15.1% |
| HFCL Ltd | 0.2% | -11.6% | -18.8% |
| Sudarshan Chemical Industries Ltd | 3.3% | -2.1% | -26.4% |
| Huhtamaki PPL Ltd | -1.8% | 10.5% | 0.7% |
| Mishra Dhatu Nigam Ltd | -7.9% | -11.8% | -14.0% |
| Indian Hume Pipe Co. Ltd | 5.7% | 2.0% | 121.6% |
| Engineers India Ltd | -6.3% | -7.2% | 77.4% |
| Gulshan Polyols Ltd | -12.6% | -28.3% | -25.2% |
| Nesco Ltd | -0.2% | 10.4% | 11.9% |
| Castrol India Ltd | -9.4% | -20.9% | 59.9% |
| Hikal Ltd | -8.2% | -13.6% | 64.4% |

The week that went by:

The benchmark indices opened the week on a positive note led by the sharp upmove in the IT sector, Infosys playing the key post the results. Day 2 of trade had a flat opening with a negative bias. Markets commenced in the midweek on a steady note. Following the Asian peers, the markets opened in the negative with IT and Pharma underperforming after a sharp move. Although the markets opened on a steady note, it did not sustain early gains slipping into the red led by the Banking and Auto sector.

| Coverage Universe Valuations | | | | | | | | | | | | |
|-----------------------------------|------|-----------------|-------------|-------------------|---------------|-----------------|--------|-------|---------|-------|---------------|------|
| Company | Reco | Reco at (Rs) | CMP (Rs) | Tgt price (Rs) | Upside (%) | Mcap (Rs bn) | EPS(x) | | PE(x) | | EV/EBITDA (x) | |
| | | | | | | | FY18 | FY19 | FY18 | FY19 | FY18 | FY19 |
| Supreme Petrochem Ltd | BUY | 77 | 199 | 275 | 38.2 | 19.2 | 6.6 | 6.4 | 30.1 | 31.1 | 9.2 | 11.2 |
| Shanthi Gears Ltd | BUY | 107 | 105 | 200 | 90.5 | 8.6 | 3.5 | 3.9 | 30.0 | 26.9 | 23.3 | 19.7 |
| Hind Rectifiers Ltd | BUY | 69 | 119 | 175 | 47.1 | 1.8 | 0.8 | 5.3 | 150.9 | 22.5 | 25.0 | 12.5 |
| KCP Limited | BUY | 71 | 78 | 150 | 92.3 | 10.1 | 7.0 | 7.0 | 11.2 | 11.2 | 8.8 | 7.8 |
| Hester Biosciences Ltd | BUY | 566 | 1691 | 2250 | 33.1 | 14.4 | 35.9 | 39.8 | 47.1 | 42.5 | 13.9 | 12.4 |
| The Hitech Gears Ltd | BUY | 298 | 202 | 500 | 147.5 | 3.8 | 17.0 | 21.2 | 11.9 | 9.5 | 7.8 | 6.8 |
| Bharat Bijlee Ltd | BUY | 787 | 975 | 2000 | 105.1 | 5.5 | 25.1 | 37.4 | 38.8 | 26.1 | 22.8 | 19.0 |
| Triveni Turbines Ltd | BUY | 92 | 102 | 150 | 47.1 | 0.3 | 3.0 | 3.1 | 34.3 | 32.7 | 21.4 | 20.5 |
| Siemens Ltd | BUY | 1128 | 1193 | 1500 | 25.7 | 424.7 | 53.0 | 53.6 | 22.5 | 22.2 | 30.4 | 29.9 |
| Aksh Optifibre Ltd | BUY | 15 | 10 | 30 | 200.0 | 1.6 | 1.4 | 2.7 | 7.0 | 3.7 | 5.2 | 3.3 |
| GMM Pfaudler Ltd | BUY | 332 | 1285 | 1600 | 24.5 | 18.8 | 19.4 | 26.7 | 66.2 | 48.2 | 40.4 | 29.6 |
| Alicon Castalloy Ltd | BUY | 288 | 513 | 850 | 65.7 | 6.3 | 29.0 | 46.6 | 17.7 | 11.0 | 8.5 | 6.2 |
| Gufic Biosciences Ltd | BUY | 50 | 69 | 150 | 117.4 | 5.3 | 1.9 | 3.1 | 37.0 | 22.2 | 15.9 | 12.4 |
| Excel Industries Ltd | BUY | 380 | 881 | 1800 | 104.3 | 11.4 | 58.1 | 112.2 | 15.2 | 7.9 | 9.0 | 4.8 |
| Vesuvius India Ltd | BUY | 1165 | 1098 | 1500 | 36.6 | 22.0 | 52.3 | 56.3 | 21.0 | 19.5 | 10.5 | 10.1 |
| Munjal Showa Ltd | BUY | 191 | 134 | 250 | 86.6 | 5.4 | 19.4 | 21.5 | 6.9 | 6.2 | 4.6 | 4.1 |
| Bharat Rasayan Ltd | BUY | 2747 | 4039 | 5000 | 23.8 | 17.0 | 227.3 | 257.5 | 17.8 | 15.7 | 11.6 | 10.2 |
| Alkyl Amines Chemicals Ltd | BUY | 391 | 792 | 1000 | 26.3 | 16.2 | 31.5 | 38.9 | 25.1 | 20.4 | 15.2 | 11.6 |
| Grauer and Weil (India) Ltd | BUY | 45 | 50 | 65 | 30.0 | 11.3 | 2.7 | 3.0 | 18.7 | 16.9 | 11.8 | 11.1 |
| Texmaco Rail & Engineering Ltd | BUY | 91 | 54 | 150 | 177.8 | 20.2 | 0.5 | 1.8 | 117.8 | 29.8 | 54.0 | 15.9 |
| Nagarjuna Agrichem Ltd | BUY | 29 | 29 | 45 | 55.2 | 4.5 | 0.7 | 0.8 | 42.3 | 36.7 | 13.6 | 12.9 |
| Simplex Infrastructures Ltd | BUY | 540 | 89 | 300 | 237.1 | 20.2 | 30.5 | 31.8 | 2.9 | 2.8 | 5.7 | 5.4 |
| ITD Cementation India Ltd | BUY | 158 | 89 | 180 | 102.2 | 13.8 | 8.3 | 9.8 | 10.7 | 9.1 | 6.2 | 5.4 |
| Westlife Development Ltd | BUY | 266 | 304 | 525 | 72.7 | 47.3 | 0.8 | 1.6 | 366.4 | 191.6 | 63.3 | 44.5 |
| Federal Mogul Goetze (India) Ltd | BUY | 540 | 544 | 750 | 37.9 | 30.3 | 14.9 | 18.0 | 36.5 | 30.1 | 16.1 | 14.7 |
| Dynamatic Technologies Ltd | BUY | 2160 | 1311 | 2750 | 109.8 | 8.3 | 1.1 | 51.1 | 1154.7 | 25.7 | 10.9 | 8.3 |
| Hitech Corporation Ltd | BUY | 175 | 75 | 150 | 100.0 | 1.3 | 4.5 | 6.4 | 16.6 | 11.8 | 7.5 | 5.7 |
| NRB Bearings Ltd | BUY | 138 | 125 | 240 | 92.0 | 12.1 | 8.5 | 10.4 | 14.8 | 12.0 | 9.0 | 7.5 |
| Kokuyo Camlin Ltd | BUY | 132 | 71 | 175 | 146.5 | 7.1 | 1.0 | 1.5 | 72.5 | 48.3 | 22.1 | 17.6 |
| Timken India Ltd | BUY | 883 | 697 | 1000 | 43.5 | 47.4 | 13.5 | 19.0 | 51.5 | 36.7 | 29.0 | 18.5 |
| Morganite Crucible (India) Ltd | BUY | 1047 | 1375 | 2000 | 45.5 | 3.9 | 49.6 | 63.9 | 27.7 | 21.5 | 2.7 | 2.4 |
| Vardhman Special Steels Ltd | BUY | 151 | 79 | 140 | 77.2 | 2.8 | 7.0 | 8.7 | 11.3 | 9.1 | 8.0 | 6.7 |
| Zen Technologies Ltd | BUY | 115 | 56 | 170 | 203.6 | 4.3 | -0.1 | 0.8 | -1110.8 | 69.6 | -228.1 | 41.6 |
| KSB Ltd | BUY | 820 | 659 | 1100 | 66.9 | 22.9 | 18.8 | 21.2 | 37.0 | 32.8 | 15.5 | 13.8 |
| Thermax Ltd | BUY | 1019 | 1099 | 1230 | 12 | 131.0 | 22.1 | 26.8 | 49.7 | 41.0 | 35.3 | 30.2 |
| Transpek Industry Ltd | BUY | 1547 | 1300 | 2000 | 53.8 | 7.3 | 47.3 | 76.0 | 27.5 | 17.1 | 17.2 | 12.9 |
| BASF India Ltd | BUY | 1954 | 1121 | 2000 | 78.4 | 48.5 | 20.3 | 43.5 | 55.2 | 25.7 | 16.9 | 13.4 |
| Artson Engineering Ltd | BUY | 64 | 49 | 95 | 93.9 | 1.8 | 0.4 | 2.3 | 130.8 | 21.4 | 76.3 | 23.2 |
| Remsons Industries Ltd | BUY | 104 | 93 | 155 | 66.7 | 0.5 | 6.0 | 7.9 | 15.4 | 11.7 | 10.0 | 7.8 |
| Snowman Logistics Ltd | BUY | 33 | 31 | 55 | 77.4 | 5.2 | -0.2 | 0.1 | -145.5 | 215.4 | 14.5 | 11.9 |
| Alembic Pharmaceuticals Ltd | BUY | 605 | 517 | 751 | 45.3 | 97.5 | 22.3 | 26.7 | 23.2 | 19.4 | 16.1 | 13.7 |
| SKF India Ltd | BUY | 1942 | 1919 | 2620 | 36.5 | 98.5 | 57.6 | 60.7 | 33.3 | 31.6 | 22.6 | 21.0 |
| HFCL Ltd | BUY | 25 | 20 | 35 | 75.0 | 24.9 | 1.3 | 1.7 | 15.8 | 11.9 | 10.4 | 7.5 |
| Sudarshan Chemical Industries Ltd | BUY | 372 | 325 | 500 | 53.8 | 25.8 | 12.4 | 13.8 | 26.2 | 23.6 | 12.9 | 11.4 |
| Huhtamaki PPL Ltd | BUY | 254 | 250 | 320 | 28.0 | 18.9 | 4.6 | 11.2 | 54.1 | 22.3 | 10.1 | 8.0 |
| Mishra Dhatu Nigam Ltd | BUY | 123 | 115 | 160 | 39.1 | 23.0 | 6.7 | 7.0 | 17.3 | 16.5 | 11.3 | 11.5 |

*Castrol, Vesuvius – 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 | 67% |
| Engineers India Ltd | 211 | 200 | Bonus 1 : 1. | 105 | 200 | 1% |
| Gulshan Polyols Ltd | 390 | 500 | Stock Split from Rs.FV 5 to Rs.FV 1. | 78 | 110 | -50% |
| Nesco Ltd | 2397 | 3200 | Stock Split from Rs.FV 10 to Rs.FV 2. | 479 | 640 | 16% |
| Castrol India Ltd | 447 | 550 | Bonus 1 : 1 | 223 | 200 | -44% |
| Hikal Ltd | 143 | 325 | Bonus 1 : 2 | 95 | 216 | 57% |

| 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 | FY19 | FY18 | FY19 | FY18 | FY19 |
| IHP Ltd | 341 | 171 | 286 | 500 | 74.8 | 13.9 | 13.6 | 20.1 | 21.0 | 14.2 | 11.3 | 8.7 |
| Engineers India Ltd | 211 | 105 | 106 | 200 | 88.7 | 35.7 | 6.0 | 7.0 | 17.7 | 15.2 | 16.2 | 12.8 |
| Gulshan Polyols Ltd | 390 | 78 | 39 | 78 | 100.0 | 1.8 | 3.9 | 5.1 | 10.0 | 7.7 | 4.7 | 3.8 |
| Nesco Ltd | 2397 | 479 | 554 | 640 | 15.5 | 7.8 | 25.1 | 23.7 | 22.1 | 23.4 | 18.1 | 18.8 |
| Castrol India Ltd | 447 | 223 | 125 | 200 | 60.0 | 61.8 | 7.1 | 15.6 | 17.7 | 8.0 | 11.6 | 10.5 |
| Hikal Ltd | 143 | 95 | 150 | 216 | 44.0 | 12.3 | 9.4 | 10.1 | 16.0 | 14.9 | 9.9 | 8.9 |

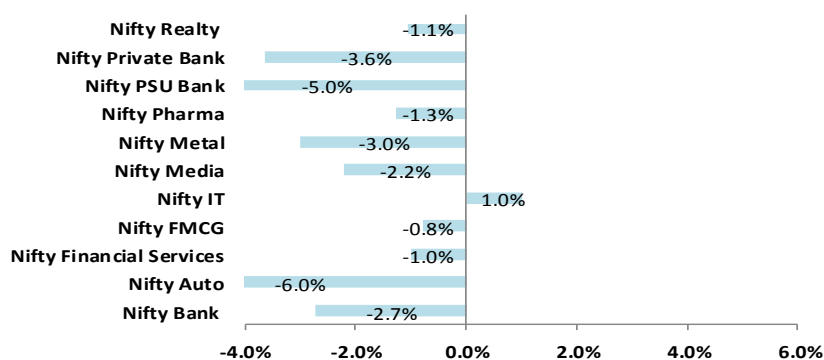
| Coverage Performance Sheet | | | | | | | | | | | |
|-----------------------------------|---------|------|-------------------|----------|----------|----------|----------|----------|----------|----------|--------------|
| Company | Reco at | CLS | Target Price (Rs) | | | | | | | | Appreciation |
| | (Rs) | (Rs) | Target 1 | Target 2 | Target 3 | Target 4 | Target 5 | Target 6 | Target 7 | Target 8 | |
| Supreme Petrochem Ltd | 77 | 199 | 120 | 150 | 200 | 275 | 350 | 500 | 275 | - | 158% |
| Shanthi Gears Ltd | 107 | 105 | 150 | 200 | - | - | - | - | - | - | -2% |
| Hind Rectifiers Ltd | 69 | 119 | 110 | 140 | 175 | - | - | - | - | - | 72% |
| KCP Limited | 71 | 78 | 105 | 150 | 200 | 150 | - | - | - | - | 10% |
| Hester Biosciences Ltd | 566 | 1691 | 750 | 875 | 1150 | 1500 | 2200 | 1750 | 2250 | - | 199% |
| The Hitech Gears Ltd | 298 | 202 | 450 | 600 | 500 | - | - | - | - | - | -32% |
| Bharat Bijlee Ltd | 787 | 975 | 1100 | 1500 | 2000 | - | - | - | - | - | 24% |
| Triveni Turbines Ltd | 92 | 102 | 135 | 150 | - | - | - | - | - | - | 11% |
| Siemens Ltd | 1128 | 1193 | 1500 | 1350 | 1500 | - | - | - | - | - | 6% |
| Aksh Optifibre Ltd | 15 | 10 | 24 | 35 | 45 | 30 | - | - | - | - | -33% |
| GMM Pfaudler Ltd | 332 | 1285 | 500 | 700 | 800 | 1000 | 1300 | 1600 | - | - | 287% |
| Alicon Castalloy Ltd | 288 | 513 | 450 | 600 | 750 | 1000 | 850 | - | - | - | 78% |
| Gufic Biosciences Ltd | 50 | 69 | 75 | 100 | 140 | 175 | 150 | - | - | - | 38% |
| Excel Industries Ltd | 380 | 881 | 550 | 650 | 800 | 1100 | 1400 | 1800 | 2200 | 1800 | 132% |
| Vesuvius India Ltd | 1165 | 1098 | 1500 | - | - | - | - | - | - | - | -6% |
| Munjali Showa Ltd | 191 | 134 | 250 | 300 | 350 | 300 | 250 | - | - | - | -30% |
| Bharat Rasayan Ltd | 2747 | 4039 | 3500 | 4250 | 5000 | 6500 | 9000 | 5000 | - | - | 47% |
| Alkyl Amines Chemicals Ltd | 391 | 792 | 550 | 700 | 850 | 1000 | - | - | - | - | 103% |
| Grauer and Weil (India) Ltd | 45 | 50 | 65 | 80 | 100 | 65 | - | - | - | - | 11% |
| Texmaco Rail & Engineering Ltd | 91 | 54 | 125 | 150 | - | - | - | - | - | - | -41% |
| Nagarjuna Agrichem Ltd | 29 | 29 | 45 | 60 | 75 | 60 | 45 | - | - | - | 0% |
| Simplex Infrastructures Ltd | 540 | 89 | 700 | 540 | 300 | - | - | - | - | - | -84% |
| ITD Cementation India Ltd | 158 | 89 | 225 | 180 | - | - | - | - | - | - | -44% |
| Westlife Development Ltd | 266 | 304 | 350 | 425 | 525 | - | - | - | - | - | 14% |
| Federal Mogul Goetze (India) Ltd | 540 | 544 | 750 | - | - | - | - | - | - | - | 1% |
| Dynamatic Technologies Ltd | 2160 | 1311 | 3000 | 2750 | - | - | - | - | - | - | -39% |
| Hitech Corporation Ltd | 175 | 75 | 230 | 180 | 150 | - | - | - | - | - | -57% |
| NRB Bearings Ltd | 138 | 125 | 200 | 240 | - | - | - | - | - | - | -9% |
| Kokuyo Camlin Ltd | 132 | 71 | 175 | - | - | - | - | - | - | - | -46% |
| Timken India Ltd | 883 | 697 | 1200 | 1000 | - | - | - | - | - | - | -21% |
| Morganite Crucible (India) Ltd | 1047 | 1375 | 1500 | 1750 | 2300 | 2000 | - | - | - | - | 31% |
| Vardhman Special Steels Ltd | 151 | 79 | 225 | 140 | - | - | - | - | - | - | -48% |
| Zen Technologies Ltd | 115 | 56 | 170 | - | - | - | - | - | - | - | -51% |
| KSB Ltd | 820 | 659 | 1100 | - | - | - | - | - | - | - | -20% |
| Thermax Ltd | 1019 | 1099 | 1230 | - | - | - | - | - | - | - | 7.9% |
| Transpek Industry Ltd | 1547 | 1300 | 2000 | - | - | - | - | - | - | - | -16.0% |
| BASF India Ltd | 1954 | 1121 | 2500 | 2000 | - | - | - | - | - | - | -42.6% |
| Artson Engineering Ltd | 64 | 49 | 95 | - | - | - | - | - | - | - | -23% |
| Remsons Industries Ltd | 104 | 93 | 155 | - | - | - | - | - | - | - | -11% |
| Snowman Logistics Ltd | 33 | 31 | 55 | - | - | - | - | - | - | - | -6.1% |
| Alembic Pharmaceuticals Ltd | 605 | 517 | 751 | - | - | - | - | - | - | - | -15% |
| SKF India Ltd | 1942 | 1919 | 2620 | - | - | - | - | - | - | - | -1.18% |
| HFCL Ltd | 25 | 20 | 35 | - | - | - | - | - | - | - | -20% |
| Sudarshan Chemical Industries Ltd | 372 | 325 | 500 | - | - | - | - | - | - | - | -12.7% |
| Huhtamaki PPL Ltd | 254 | 250 | 320 | - | - | - | - | - | - | - | -2% |
| Mishra Dhatu Nigam Ltd | 123 | 115 | 160 | - | - | - | - | - | - | - | -6.5% |

*Castrol, Vesuvius - 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 | 67% |
| Engineers India Ltd | 211 | 325 | Bonus 1 : 1 | 105 | 200 | 1% |
| Gulshan Polyols Ltd | 390 | 500 | Stock Split from Rs.FV 5 to Rs.FV 1 | 78 | 110 | -50% |
| Nesco Ltd | 2397 | 3200 | Stock Split from Rs.FV 10 to Rs.FV 2 | 479 | 640 | 16% |
| Castrol India Ltd | 447 | 550 | Bonus 1 : 1 | 223 | 200 | -44% |
| Hikal Ltd | 143 | 325 | Bonus 1 : 2 | 95 | 216 | 57% |

| 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 | |
| IHP Ltd | 341 | 286 | 500 | 600 | 500 | - | - | - | - | - | 67% |
| Engineers India Ltd | 211 | 106 | 200 | 250 | 200 | - | - | - | - | - | 1% |
| Gulshan Polyols Ltd | 390 | 39 | 110 | 78 | - | - | - | - | - | - | -50% |
| Nesco Ltd | 2397 | 554 | 640 | - | - | - | - | - | - | - | 16% |
| Castrol India Ltd | 223 | 125 | 275 | 250 | 200 | - | - | - | - | - | -44% |
| Hikal Ltd | 143 | 150 | 200 | 250 | 325 | 216 | - | - | - | - | 57% |

Weekly Sectoral Gainers & Losers in (%)



TERM OF THE WEEK:

Call Protection: Generally, some bonds have a feature that gives the issuer the right to buy back/call the bonds after a certain period of time. Companies will usually call back bonds when prevailing interest rates in the market decrease. To give investors/bondholders some time to take advantage of any appreciation in the value of the bonds, callable bonds have a provision known as a Call protection. This is protective provision of a callable security prohibiting the issuer from calling back the security for a specified period of time and is extremely beneficial to the bondholders when interest rates are falling because it prevents the issuer from forcing early redemption in the life of a security.

COVERAGE NEWS:

Thermax wins Rs471cr order for two Flue Gas Desulphurisation (FGD) systems

Thermax has concluded an order of Rs471cr from an Indian government power company to set up two flue gas desulphurisation systems at their thermal power plant in the state of Jharkhand. The scope of supply includes design, engineering, manufacturing, civil work, construction and commissioning of the FGD systems.

Our comments:

The delivery of the project is scheduled over 30 months.

Gufic Biosciences to launch Botulinum Neuromedicine

Gufic Biosciences announced launch of Botulinum Neurotoxin in India in collaboration with USA based Company Prime Bio, Inc., led by Dr. Bal Ram Singh. It has received regulatory approval to manufacture and market the same. Neurotoxin is used in therapeutic and aesthetic procedures. The company is an indigenous manufacturing company to launch such project in India with a robust and inherent world class infrastructure which will help bring the cost effective option of this toxin to India and expand them to Middle East, East and Southeast Asia.

Our comments:

This is a positive development for Gufic with regard to exposure to new therapeutic offering as well as future collaboration for the US markets.

ECONOMY:

India's exports fall 9.7% to USD25bn in June as key sectors fare poorly

Export growth hit a 41 month low in June, 2019 as poor performance afflicted all the major foreign exchange earners including petroleum oil, gems and jewellery and engineering goods. Imports also dipped by 9.06%, a 34 month low in June. Consequently, the trade deficit went down by nearly 8% to USD15.28bn in June, a three-month low. As per the data released by the Commerce and Industry Ministry, exports stood at USD25.01bn in the month of June. While average exports in June have been around USD22-23bn since 2015-16, the exports in June, 2018 were relatively quite high at USD27.7bn.

Our comments:

The government has blamed this on a high base effect and overwhelming global trading conditions.

Order For Thermax

Gufic To Launch Botulinum

Fall In Exports

India To Trigger Growth

ECONOMY:

India needs to tap into foreign capital to trigger investment and growth: CEA Subramanian

Chief Economic Advisor KV Subramanian is of the view that India needs to encourage foreign capital in order to grow at 8%. Additionally he also said that apart from sovereign bond issue, we also need to be tapping into foreign capital to trigger this virtuous cycle. Once this virtuous cycle is triggered, then other parts start moving, then we get investment with enhanced productivity, exports and jobs, which leads to demand and thereby creates investment again. It is this triggering which is actually important.

Our comments:

The goal is a bit of a stretch, achieving USD5tn economy by 2024-25 is possible. The Indian economy reached to the level of USD1tn in 55 years and added USD1mn in last 5 years to USD2.75tn by March 2019.

Preparing For BSVI

INDUSTRY:

BSVI petrol, diesel likely to pinch more due to higher refining costs

Customers may have to shell out more for petrol and diesel from April, as fuel retailers are looking to pass on the higher cost of producing BSVI-compliant fuel. The refiners are estimated to have spent more than Rs30,000cr to improve their facilities, with India set to implement BSVI emission norms, the equivalent of Euro VI, from 1st April, 2020. The price increase could be anywhere between a few paise to a maximum of Rs2, which is likely to be charged in the form of a special cess or duty. The Auto Fuel Vision and Policy, 2025 in June 2014 had recommended a 75paise cess to regain additional investments projected for producing cleaner fuels. With prices set to rise, some automakers are rejigging their portfolio by either discontinuing diesel-powered vehicles or those which have low sales volume.

Our comments:

In order to ensure a smooth transition to the proposed change in the emission norms, the industry along with SIAM has requested the fuel retailers to provide BSVI grade fuel at least 30-45 days ahead of the April, 2020 deadline.

FMCG Slowdown

Dip in rural demand to slow FMCG growth in 2019: Nielsen

A report by Nielsen stated that India's fast-moving consumer goods sector is slowing down as households continue to squeeze spending and rural growth is losing steam. It said that the value growth in the FMCG space dropped 10% in the April-June FY19 quarter, the third consecutive quarter of a slowdown. The Q2FY19 growth numbers follow softening from the third quarter of last year when the sector grew 16.2%. After analysis of key factors, a revised forecast for the year-end of 2019 estimates all-India FMCG growth to be in the 9-10% range. Sales in urban areas are also impacted but the decline is almost twice in rural areas.

Our comments:

Nielsen has indicated four key factors impacting growth namely macroeconomic, government policies, monsoons and a low base effect. These are to be closely watched to see the impact on the FMCG going forward.

Bhushan Steel Creates Troubles

COMPANY:

Allahabad Bank reports USD259mn alleged fraud by Bhushan Power & Steel

Allahabad Bank became the second Indian state-owned bank to report a major alleged fraud by bankrupt steelmaker Bhushan Power & Steel Ltd. Allahabad Bank reported to RBI that it had identified a fraud worth USD259mn in Bhushan's accounts. It also said that it has been observed that the company has misappropriated bank funds, manipulated books of accounts to raise funds from consortium lender banks. The bank had made provisions of about USD131mn against the bank's exposure.

Our comments:

The case is at NCLT at an advanced stage and the bankers expect good recovery.

*Sun Pharma's Ezallor
Launch*

COMPANY:

Sun Pharma launches Ezallor Sprinkle (rosuvastatin) in the US

Sun Pharma announced the U.S. launch of Ezallor Sprinkle (rosuvastatin) capsules. These are for the treatment of three types of elevated lipid disorders in people who have difficulty swallowing, a problem that is estimated to affect approximately 30-35% of long-term care residents. This formulation will help in administering medication for patients with common types of elevated lipid disorders, especially in the geriatric population.

Our comments:

Sun Pharma continues our commitment of providing a portfolio of alternative formulation products to address the needs of people who have difficulty swallowing, which is especially prevalent among residents in long-term care facilities.

KNR Bags Orders

KNR Constructions wins orders worth Rs1,055cr

The company has bagged an order worth Rs135cr from Karnataka Road Development Corporation. It has also bagged Hybrid Annuity Project (HAM) with bid project cost of Rs920cr and 1st year O&M cost of Rs3cr from National Highways Authority of India (NHAI). The work includes four laning of Oddanchatram - Madathukulam section of NH - 209 under Bharatmala Pariyojna Phase - I under the category of Residual Works of NHDP on HAM in the State of Tamil Nadu with a concession period of 17 years including construction period of 2 Years from the appointed date.

Our comments:

This is an addition to the order book of the company.

*Contract Termination
Notice For BHEL*

BHEL gets contract termination notice from NMDC

BHEL has received a notice of termination of contract from NMDC for the Chhattisgarh project. The notice has been sent for not completing in time a contract to set up a raw material handling system (RMHS) at the miner's under-construction integrated steel plant at Nagarnar. The value for the project was Rs1,395cr and date of completion was February 28, 2014. BHEL said that it has already completed major portion of contractual scope of work and is in constant dialogue with NMDC to resolve the above issue.

Our comments:

BHEL proposes to take up the matter through the redressal mechanism available for dispute resolution between CPSEs.

*L&T Construction Bags
Order*

L&T Construction-led JV bags significant order for desalination plant from GIDC

Larsen & Toubro's arm L&T Construction-led joint venture has bagged contract for desalination of 100 MLD plant from Gujarat Industrial Development Corporation (GIDC). The orders fall under "significant" category which ranges between Rs1,000cr and Rs2,500cr as per its classification of contracts. L&T Construction will be the lead in this project. As a part of the contract, the JV will operate and maintain the plant for 10 years, post completion.

Our comments:

This is positive for the company.

*Strides Pharma In
Limelight*

USFDA finds "significant violations" at India's Strides plant

The USFDA found adulteration and "significant violations" of CGMP regulations at Strides Pharma Sciences Ltd's plant in Puducherry in South India. Strides was caught trying to dispose quality-control records. As per the USFDA, the investigator observed discarded CGMP documents and evidence of uncontrolled shredding of documents. The destruction of quality-control paperwork and a lack of adequate documentation that its medicines are safe "raise questions about the effectiveness" of Strides's quality unit." Additionally, FDA also said that the company did not adequately investigate OOS test results for one of its APIs and closed investigations "without adequate scientific justification."

Our comments:

Strides would have to correct the violations and must provide an assessment of the extent of data integrity deficiencies at the facility, as well as an assessment of the potential effects of those deficiencies had on drug quality.

Orders For BHEL

COMPANY:

BHEL wins Rs750cr order for Emission Control System

BHEL won an order for emission control equipment from Bhartiya Rail Bijlee Company Limited (BRBCL), a joint venture of NTPC Ltd. and Indian Railways. The order is valued at about Rs750cr, the order involves supply and installation of FGD system at 4x250 MW Nabinagar project of BRBCL in Aurangabad district of Bihar. BHEL's scope of work includes design, engineering, civil works, supply, erection and commissioning of wet FGD system along with auxiliaries including limestone and gypsum handling system and wet stack on full EPC basis.

Our comments:

With this order, BHEL is presently executing FGD systems for 27 units of NTPC and its JVs.

DRL Launches Allegra D

Dr Reddy launches generic version of Allegra D in US

Dr Reddy has launched Fexofenadine HCl 60 mg and Pseudoephedrine HCl 120 mg extended-release tablets, USP, an over-the-counter store-brand equivalent of Allegra-D 12 HR Allergy and Congestion extended-release tablets, in the United States market, as approved by the USFDA. It is used to relieve symptoms caused by the common cold, flu or allergies.

Our comments:

Allegra-D 12 HR Allergy and Congestion extended-release tablets brand and generic had US sales of approximately USD44mn as of May 2019.

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Registered Office Address:
Progressive Share Brokers Pvt. Ltd,
122-124, Laxmi Plaza, Laxmi Ind Estate,
New Link Rd, Andheri West,
Mumbai-400053;
www.progressiveshares.com
Contact No.:022-40777500.

Compliance Officer:
Mr. Shyam Agrawal,
Email Id: compliance@progressiveshares.com,
Contact No.:022-40777500.