

**THE WEEKLY WRAP-UP**

20th April 2018

**DOMESTIC:**

- Mahindra Trucks & Bus division breaks even after eight years
- Cipla's US subsidiary InvaGen Pharma recalls antidepressant drug in US
- UltraTech sweetens Binani bid, raises offer to Rs7,990cr
- CBI books UCO Bank ex-chief in Rs738cr loan fraud case
- Suzlon commissions 626MW wind power projects in FY18
- Sobha forays into Gujarat with an investment of over Rs500cr
- Cipla says Indore plant received observations, no data integrity issues
- Ramky Infrastructure receives provisional completion certificate for J&K project
- Glenmark Pharma to begin phase 2b clinical trial of atopic dermatitis drug
- Aditya Birla Group in talks to raise USD1bn for Idea Cellular
- Indian Hume Pipe bags work order for Rs108cr from Gujarat govt.
- AstraZeneca to invest USD90mn in India over next 5 years
- NCLT approves Vedanta's bid for Electrosteel
- Indian Hotels enters Saudi with first Taj hotel in Makkah
- Lupin receives tentative approval for Testosterone Gel, 1.62%
- Parag Milk Foods acquires Danone's manufacturing facility in Sonipat, Haryana
- Munjals and Burmans improve their offer for Fortis Healthcare
- Tata Steel likely to buy 75% holding in Bhushan Steel
- Amtek Auto sells its SMI JV stake to Nippon Steel and Sumitomo Metal Corp
- Blackstone looks to power portfolio with Kirloskar Oil Engines buy
- Ashok Leyland plans Rs1,000cr capex for FY19
- Bharat Dynamics signs licensing agreement with DRDO
- Dynamatic Tech inks MoU with Daher Aerospace
- NACL Ind enters into strategic alliance with BioWorks, Inc.
- Bharat Bijlee commissions facility

**ECONOMY:**

- WPI inflation eases to 2.47% in March
- 97% normal monsoon expected for 2018, says IMD
- IMF pegs India growth at 7.4% for FY19
- PE investments soar 76% to USD4bn Mar qtr: Report

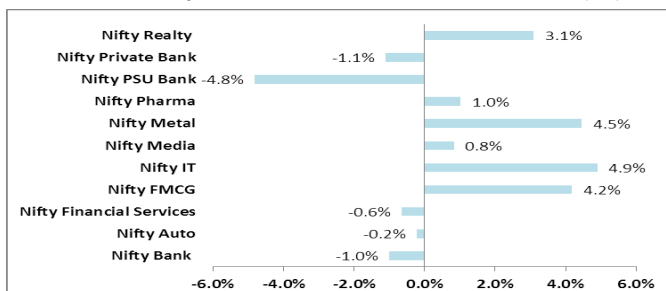
**INDUSTRY:**

- Price hikes after import duty increase to slow sales: indicate luxury car cos
- Railways to spend Rs9000cr in 3 years on new wagons

**Price Performance (%)**

Company	1M	3M	12M
Supreme Petrochem Ltd	4.9%	-10.7%	-12.4%
Shanthi Gears Ltd	3.8%	-13.6%	7.3%
Hind Rectifiers Ltd	8.3%	8.3%	52.1%
KCP Ltd	27.2%	-0.6%	17.3%
Harita Seating System Ltd	-0.5%	-3.1%	41.0%
Hester Biosciences Ltd	3.2%	2.1%	91.7%
Rallis India Ltd	4.9%	-12.2%	-8.0%
The Hi-Tech Gears Ltd	6.8%	-15.0%	22.4%
Bharat Bijlee Ltd	6.2%	18.4%	61.3%
Triveni Turbines Ltd	-6.9%	-25.1%	-28.5%
Siemens Ltd	-3.4%	-17.3%	-18.2%
Hikal Ltd	18.7%	9.6%	16.9%
Aksh Optifibre Ltd	13.0%	-10.0%	48.7%
GMM Pfäudler Ltd	4.1%	-0.9%	34.3%
Alicon Castalloy Ltd	4.3%	-8.0%	27.7%
Premier Explosives Ltd	2.3%	-20.1%	-10.5%
Gufic Biosciences Ltd	8.2%	-2.2%	81.9%
Excel Industries Ltd	45.9%	80.3%	224.6%
Vesuvius India Ltd	0.7%	9.4%	6.0%
Munjal Showa Ltd	7.9%	-18.5%	2.6%
Bharat Rasayan Ltd	23.2%	23.3%	79.2%
Alkyl Amines Chemicals Ltd	6.8%	-10.9%	26.0%
Grauer and Weil (India) Ltd	4.9%	-14.2%	42.6%
Texmaco Rails & Engineering Ltd	1.1%	-20.6%	-10.2%
Nagarjuna Agrichem Ltd	10.5%	-21.7%	54.1%
Simplex Infrastructures Ltd	25.0%	0.4%	102.7%
ITD Cementation India Ltd	5.2%	-21.6%	-4.2%
Westlife Development Ltd	27.5%	8.7%	61.1%
Federal Mogul Goetze (India) Ltd	3.7%	-19.3%	-26.0%
Dynamatic Technologies Ltd	9.8%	-3.2%	-31.2%
Hitech Corporation Ltd	3.4%	-13.9%	-26.0%
NRB Bearings Ltd	11.5%	7.4%	47.5%
Kokuyo Camlin Ltd	1.5%	-16.8%	32.5%
Timken India Ltd	-4.2%	-23.9%	-2.6%
Bigbloc Construction Ltd	7.7%	29.6%	114.4%
Morganite Crucible (India) Ltd	19.4%	37.2%	80.0%
Vardhman Special Steels Ltd	0.5%	1.9%	53.6%
Indian Hume Pipe Co. Ltd	2.8%	-19.9%	63.4%
Engineers India Ltd	-1.4%	-15.5%	80.5%
TRIL	-0.5%	-28.4%	-35.5%
Gulshan Polyols Ltd	3.7%	-17.5%	-18.9%
Nesco Limited	2.8%	-8.9%	7.4%
Castrol India Ltd	0.1%	116.1%	-6.0%

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



**The week that went by:**

Following the negative leads, the markets opened lower for the first day of the week. Amid the positive global cues the markets opened in the positive. The positivity continued mid-week opening as well. Post the correction in the previous session, the markets rebounded all around the positive global sentiments. The last day of trade for the week so a flat opening, ending the week on a slightly weaker note.

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	400	500	25.0	38.6	18.6	14.9	21.5	26.8	12.7	15.9
Shanthi Gears Ltd	BUY	107	134	200	49.3	10.9	2.8	3.1	48.6	43.4	30.7	27.0
Hind Rectifiers Ltd	BUY	69	140.8	175	24.3	2.1	-1.1	0.3	-132.8	410.8	51.9	36.7
KCP Limited	BUY	71	147.55	200	35.5	19.0	2.8	6.3	53.2	23.4	15.3	13.2
Harita Seating System Ltd	BUY	266	990.5	1150	16.1	7.7	32.4	34.5	30.5	28.7	27.9	23.3
Hester Biosciences Ltd	BUY	565	1625	2200	35.4	13.8	29.2	34.2	55.6	54.8	34.4	29.2
Rallis India Ltd	BUY	181	235	300	27.9	45.6	15.3	9.4	26.3	25.0	17.4	15.9
The Hitech Gears Ltd	BUY	298	446	600	34.7	8.4	10.9	16.5	41.0	27.5	17.6	14.5
Bharat Bijlee Ltd	BUY	787	1633	2000	22.5	9.2	34.7	41.4	47.1	39.4	59.7	30.2
Triveni Turbines Ltd	BUY	92	100	175	74.9	0.3	3.5	2.4	28.4	41.1	20.2	24.8
Siemens Ltd	BUY	1128	1073	1500	39.8	382.0	9.1	10.0	118.1	107.5	80.6	71.3
Hikal Ltd	BUY	143	247	325	31.6	20.3	8.1	8.7	30.4	28.4	12.5	11.4
Aksh Optifibre Ltd	BUY	15	37	45	23.3	5.9	13.9	1.5	2.0	18.0	6.7	10.2
GMM Pfaudler Ltd	BUY	332	725	1000	37.9	10.6	19.3	20.8	37.6	34.9	25.8	23.6
Alicon Castalloy Ltd	BUY	288	600	750	25.0	7.4	21.4	24.1	28.1	24.9	10.9	8.6
Premier Explosives Ltd	BUY	350	354	600	69.7	3.1	15.9	11.4	22.2	31.0	12.2	12.0
Gulfic Biosciences Ltd	BUY	50	124	140	13.0	9.5	1.6	2.1	79.4	59.6	37.3	27.8
Excel Industries Ltd	BUY	380	1310	800	-38.9	16.9	9.8	39.7	134.2	33.0	40.8	19.3
Vesuvius India Ltd	BUY	1165	1309	1500	14.6	26.2	49.0	62.7	26.7	20.9	14.6	11.8
Munjal Showa Ltd	BUY	191	231	350	51.5	9.2	14.2	14.6	16.2	15.9	9.7	9.3
Bharat Rasayan Ltd	BUY	2747	5450	6500	19.3	22.9	128.9	189.3	42.3	28.8	22.0	15.9
Alkyl Amines Chemicals Ltd	BUY	391	637	700	9.9	13.0	24.3	27.0	26.2	23.6	15.3	15.4
Grauer and Weil (India) Ltd	BUY	45	62.75	100	59.4	14.2	2.3	2.3	27.8	26.8	15.7	15.3
Texmaco Rails & Engineering Ltd	BUY	91	86.75	170	96.0	20.2	1.5	2.7	56.7	32.3	37.9	23.4
Nagarjuna Agrichem Ltd	BUY	29	44.3	75	69.3	6.9	1.6	0.9	27.4	51.1	14.5	13.4
Simplex Infrastructures Ltd	BUY	540	600	700	16.7	20.2	24.3	29.6	24.7	20.3	9.0	8.2
ITD Cementation India Ltd	BUY	158	168.95	225	33.2	26.2	3.1	4.8	54.5	35.2	14.2	12.8
Westlife Development Ltd	BUY	266	388	425	9.5	60.4	-0.8	0.3	-497.3	1136.4	132.3	79.8
Federal Mogul Goetze (India) Ltd	BUY	540	456.5	750	64.3	25.4	12.9	15.7	35.3	29.0	14.6	13.3
Dynamatic Technologies Ltd	BUY	2160	1900.1	3000	57.9	12.0	23.0	-9.3	48.7	-542.8	10.6	13.5
Hitech Corporation Ltd	BUY	175	151	230	52.3	2.6	6.9	3.5	21.9	43.2	8.5	9.4
NRB Bearings Ltd	BUY	138	173.9	200	15.0	16.9	5.2	5.5	33.3	31.5	18.3	17.6
Kokuyo Camlin Ltd	BUY	132	119	175	47.1	11.9	0.1	0.5	1257.5	227.5	58.7	43.2
Timken India Ltd	BUY	883	701	1200	71.2	47.7	14.3	15.1	49.0	46.3	30.1	26.2
Bigbloc Construction Ltd	BUY	120	177.5	200	12.7	2.5	2.2	2.7	82.1	64.8	26.5	23.0
Morganite Crucible (India) Ltd	BUY	1047	1440.1	1500	4.2	4.0	47.2	38.2	30.5	37.7	16.4	21.7
Vardhman Special Steels Ltd	BUY	151	153	225	47.1	5.5	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	101%
Engineers India Ltd	211	200	Bonus 1 : 1.	106	250	45%
Transformers and Rectifiers (India) Ltd	300	450	Stock Split from Rs.FV 10 to Rs.FV 1.	30	40	-8%
Gulshan Polyols Ltd	390	500	Stock Split from Rs.FV 5 to Rs.FV 1.	78	110	-8%
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	-9%

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	171	344	600	74.4	16.7	20.4	14.3	16.9	24.0	9.1	12.2
Engineers India Ltd	BUY	106	152	250	64.0	51.3	4.8	5.0	31.6	30.5	31.3	33.9
Transformers and Rectifiers (India) Ltd	BUY	30	28	40	44.7	0.4	13.9	1.5	2.0	18.0	6.7	10.2
Gulshan Polyols Ltd	BUY	78	72	110	52.6	3.4	4.6	6.4	15.7	11.3	19.8	17.5
Nesco Ltd	BUY	479	559	640	14.6	7.9	120.2	137.5	4.6	4.1	18.4	15.3
Castrol India Ltd	BUY	223	202	275	35.9	100.1	13.6	14.1	14.8	14.3	9.0	8.5

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	400	120	150	200	275	350	500	-	419%
Shanthi Gears Ltd	107	134	150	200	-	-	-	-	-	25%
Hind Rectifiers Ltd	69	141	110	140	175	-	-	-	-	104%
KCP Limited	71	148	105	150	200	-	-	-	-	108%
Harita Seating System Ltd	266	991	400	600	750	900	1150	-	-	272%
Hester Biosciences Ltd	565	1625	750	875	1150	1500	1750	2200	-	188%
Rallis India Ltd	181	235	260	300	-	-	-	-	-	30%
The Hitech Gears Ltd	298	446	450	600	-	-	-	-	-	49%
Bharat Bijlee Ltd	787	1633	1100	1500	2000	-	-	-	-	107%
Triveni Turbines Ltd	92	100	135	175	-	-	-	-	-	9%
Siemens Ltd	1128	1073	1500	-	-	-	-	-	-	-5%
Hikal Ltd	143	247	200	250	325	-	-	-	-	73%
Aksh Optifibre Ltd	15	37	24	35	45	-	-	-	-	143%
GMM Pfäudler Ltd	332	725	500	700	800	1000	-	-	-	118%
Alicon Castalloy Ltd	288	600	450	600	750	-	-	-	-	108%
Premier Explosives Ltd	350	354	450	525	-	-	-	-	-	1%
Gufic Biosciences Ltd	50	124	75	100	140	-	-	-	-	148%
Excel Industries Ltd	380	1111	550	650	800	1100	1400	-	-	192%
Vesuvius India Ltd	1165	1309	1500	-	-	-	-	-	-	12%
Munjal Showa Ltd	191	231	250	300	350	-	-	-	-	21%
Bharat Rasayan Ltd	2747	5450	3500	4250	5000	6500	-	-	-	98%
Alkyl Amines Chemicals Ltd	391	637	550	700	-	-	-	-	-	63%
Grauer and Weil (India) Ltd	45	63	65	80	100	-	-	-	-	39%
Texmaco Rails & Engineering Ltd	91	87	125	170	-	-	-	-	-	-5%
Nagarjuna Agrichem Ltd	29	44	45	60	75	-	-	-	-	53%
Simplex Infrastructures Ltd	540	600	700	-	-	-	-	-	-	11%
ITD Cementation India Ltd	158	169	225	-	-	-	-	-	-	7%
Westlife Development Ltd	266	388	350	425	-	-	-	-	-	46%
Federal Mogul Goetze (India) Ltd	540	457	750	-	-	-	-	-	-	-15%
Dynamatic Technologies Ltd	2160	1900	3000	-	-	-	-	-	-	-12%
Hitech Corporation Ltd	175	151	230	-	-	-	-	-	-	-14%
NRB Bearings Ltd	138	174	200	-	-	-	-	-	-	26%
Kokuyo Camlin Ltd	132	119	175	-	-	-	-	-	-	-10%
Timken India Ltd	883	701	1200	-	-	-	-	-	-	-21%
Bigbloc Construction Ltd	120	178	160	200	-	-	-	-	-	48%
Morganite Crucible (India) Ltd	1047	1540	1500	1750	-	-	-	-	-	47%
Vardhman Special Steels Ltd	151	153	225	-	-	-	-	-	-	1%

\*Castrol, Vesuvius, ITD Cementation– Dec Ending | Siemens—Sept ending |

Recommendations adjusted as per Corporate Actions						
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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	-9%

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

**Coverage News:**

**Indian Hume Pipe bags work order for Rs108cr from Gujarat govt.**

Indian Hume Pipe Company has secured a work order worth Rs108.19cr from Narmada Water Resources, Water Supply & Kalpsar Department, Gujarat, for a lift irrigation project entailing transmission of 100 cusecs of water from Kherva to Visnagar.

**Our comments:**

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

**Dynamatic Tech inks MoU with Daher Aerospace**

The Company has signed a Memorandum of Understanding with Daher Aerospace, world renowned Aerospace company from France. The MOU facilitates exploring possibilities of partnering together to add potential value in the global aerospace realm through collaborated efforts. Visit by Daher to Dynamatic's premises is following the visit of French delegation to Bangalore and earlier state visit by French President Emmanuel Macron during March 2018.

**Our comments:**

The visit by French delegation to India asserts the commitment of French industries to the "Make in India" policy and is expected to enable acceleration of development of the industrial ecosystem in India in the field of defence and aerospace.

**Genpact & Simplex Infra Technopark to co-develop Imagine Tech Park in Kolkata**

Genpact plans to develop Imagine Tech Park, an infrastructure project in Kolkata, West Bengal. Simplex Infra Technopark LLP, part of the Simplex Infra Group, is co-developing the new office park with Genpact in Kolkata's IT hub, Sector V. Imagine Tech Park will be a G+25, Grade 'A' modern and hi-tech commercial building suitable for IT/ITeS offices built across a sprawling 1.5 acres of land.

**Our comments:**

Both Genpact and Simplex have been looking for opportunities to build infrastructure for IT/ ITeS offices as the service industry has been increasing by leaps and bounds.

**Bharat Bijlee commissions facility**

The company has commissioned a state-of-the art facility for its Magnet Technology Machines in Navi Mumbai, at an approximate cost of Rs8cr. This new facility will help the company increase its production and service capacity and look forward to a good business opportunity in this segment over the years to come.

**Our comments:**

This is a positive move for the company indicating that it also anticipates growth going forward.

**NACL Industries enters into strategic alliance with BioWorks, Inc.**

NACL Industries has entered into, a strategic alliance agreement with BioWorks, Inc., one of the leading player in USA in Agricultural Bio-Products space. Bio-Works focuses on developing green, environment friendly solutions for pest management and nutritional requirements of various crops in Agriculture, Horticulture, Turf & ornamentals and Home gardens. BioWorks is marketing a range of Bio-Products mainly in USA, Canada.

**Our comments:**

BioWorks has entered into a long term strategic alliance with the company inter-alia providing rights to NACL to exclusively market various BioWorks products in India and other countries in South Asia.

*IHP bags order*

*Dynamatic enter MoU with  
Daher Aerospace*

*Simplex infra and Genpact*

*Development on BBL*

*Strategic Alliance for  
NACL*

*Inflation eases in March*

*Normal monsoon expected  
for 2018*

*India growth at 7.4% for  
FY19*

*Slow sales for Luxury car  
cos*

*Booster for the Railways  
sector*

#### **ECONOMY:**

##### **WPI inflation eases to 2.47% in March**

On the basis of WPI, inflation was 2.48% in Feb and 5.11% in March last year. Inflation based on wholesale prices eased marginally to 2.47% in March on cheaper food articles, especially pulses and vegetables. According to a government data released on April 16, 2018, food articles showed deflation at 0.29% in March as against 0.88% inflation in the preceding month. Retail inflation, as per data released last week, slipped to a five-month low of 4.28% in March on account of decline in food prices.

##### **Our comments:**

In its first monetary policy review for the fiscal, the RBI earlier this month maintained status-quo on interest rate citing inflationary concerns. It revised downwards forecast for retail inflation to 4.7-5.1% for April-September and 4.4% for October-March.

##### **97% normal monsoon expected for 2018, says IMD**

India will get a normal monsoon this year, with rainfall expected at 97% of the average, auguring well for agricultural output and brightening market sentiment as per the national weather office. It is going to be a very good monsoon so far as Indian agriculture is concerned. As per the IMD, quantitatively, the monsoon seasonal rainfall is likely to be 97% of the long period average (LPA) with a model error of +/- 5%.

##### **Our comments:**

The monsoon is considered normal if rainfall is between 96% and 104% of the LPA of 89 cm, which is the average between 1951 and 2000.

##### **IMF pegs India growth at 7.4% for FY19**

India's economic growth will accelerate in the current and next fiscal years, the IMF said in its latest forecast. India's economy is forecast to grow 7.4% in the current fiscal from 6.7% in FY18 and accelerate further in FY20 to 7.8%, shows the IMF's latest forecast, which is unchanged from its Oct outlook. There will be a gradual increase in India's growth rate as structural reforms raise potential output.

##### **Our comments:**

Corporate debt overhang and associated banking sector credit quality concerns have exerted a drag on investment in India, the IMF said, adding that recapitalisation will improve the banking sector's ability to support growth but more measures are needed.

#### **INDUSTRY:**

##### **Price hikes after import duty increase to slow sales: Luxury car cos**

Luxury car makers Audi, Jaguar Land Rover and Mercedes-Benz say sales in India in the ongoing fiscal will slow down due to increased prices of vehicles after hike in import duty in the Budget. The companies say overall industry sales are likely to remain either flat or in low single digit against an earlier expectation of double digit.

##### **Our comments:**

As per the companies, the effect of new pricing has not yet come in, the market is not expected to grow in a robust manner this fiscal. It may be low single digit growth because of the increase in the duty rates.

##### **Railways to spend Rs9000cr in 3 years on new wagons**

The Indian Railways will spend Rs9,000cr over the next three years to procure new wagons as it seeks to up its game in goods transportation. It aims to procure about 38,000 new wagons by 2020. Most of this procurement will be because the freight transportation by railways is gradually picking up. Some of it will be replacement as well as we plan to include higher capacity wagons to our fleet. Instead of awarding piece meal tenders, the railway ministry has decided to invite a bulk tender under the bucket filling method, which will give the lowest bidder the option to supply all the wagons in a fixed time frame. In case the lowest bidder is not able to serve, the second lowest bidder will get the chance to supply the tendered quantity.

##### **Our comments:**

The proposed move would benefit the wagon suppliers.

*Drug recall by Cipla*

**COMPANY:**

**Cipla's US subsidiary InvaGen Pharma recalls antidepressant drug in US**

As per the latest enforcement report of the USFDA, Cipla's US subsidiary, InvaGen Pharmaceuticals Inc is recalling 11 lots of antidepressant bupropion hydrochloride ER tablets from the US market. The recall is due to failed dissolution specifications as per the health regulator. This recall applies to four lots of tablets in the strength of 100 mg formulation and seven lots of the tablets in the strength of 150 mg formulation.

**Our comments:**

This is a class III recall which means that drug consumption is not likely to cause adverse health consequences.

*Order for BHEL*

**BHEL bags Rs137cr order for ESP package at Ramagundam Power Station**

Bharat Heavy Electricals Ltd has secured Rs137cr order for Renovation and Modernisation (R&M) of Electrostatic Precipitators (ESP) at Ramagundam Super Thermal Power Station (STPS) operated by NTPC in Telangana. The order includes carrying out R&M of ESPs of three units of 200MW capacity each at Stage I of the power plant. These ESPs have been in operation for more than 25 years. BHEL's scope of work in the contract includes design, engineering, manufacture, supply, dismantling, erection, testing and commissioning of the ESPs to bring down the Suspended Particulate Matter emission within the stipulated levels.

**Our comments:**

This would be addition to the order book of the company.

*Observations for the Cipla plant*

**Cipla says Indore plant received observations, no data integrity issues**

Cipla has clarified that the USFDA conducted a routine cGMP audit at its Indore formulations facility from 2-13 April 2018. According to Cipla, this was a normal course of business. At the end of the inspection, USFDA has issued form 483 observations. The company has also said that there were no data integrity and/or repeat observations. The Indore SEZ facility had received nine USFDA observations in 2015 and was cleared in 2016.

**Our comments:**

The company believes that the observations are unlikely to have any material adverse impact and will submit the response within the stipulated timeframe. Indore is a formulations manufacturing facility.

*Sobha to enter Gujarat*

**Sobha forays into Gujarat with an investment of over Rs500cr**

Sobha Group has forayed into Gujarat with a Rs500cr plus investment where it will be developing 1,000 housing units at the Gujarat International Finance Tec-City (GIFT City). GIFT City is India's first operational Smart City and International Financial Services Centre (IFSC). With this, Sobha will increase its residential footprint to 10 cities across the country.

**Our comments:**

This investment is in line with the company's focus on developing affordable housing projects in major cities across the country.

*Astrazeneca to invest in India*

**AstraZeneca to invest USD90mn in India over next 5 years**

AstraZeneca will invest USD90mn (around Rs590cr) in India over the next five years. The announcement follows signing of a bilateral innovation partnership for a sustainable future between Sweden and India. The latest investment reflects commitment to address the unmet needs in non-communicable diseases, enable high-value job creation and boost medical innovation in the country.

**Our comments:**

The company believes this investment commitment across AstraZeneca's business footprint in India will make a positive impact. It also aligns closely with the government's vision for healthcare and innovation.

*Vedanta bid for  
Electrosteel approved*

*Parag Milk to enhance  
presence*

*KOEL for Blackstone*

**COMPANY:**

**NCLT approves Vedanta's bid for Electrosteel**

Electrosteel Steels is set to become the first in an initial list of big defaulters to emerge from bankruptcy proceedings, with the National Company Law Tribunal's Kolkata bench approving a Rs5,320cr resolution plan from Vedanta Ltd for the company. This paves the way for the acquisition of Electrosteel Steels by the local unit of Vedanta Resources, the process for which is likely to be initiated shortly. The deal requires also formal clearances from the Competition Commission of India and the SEBI, which are likely to come in the next one to two months.

**Our comments:**

The Vedanta Group said it would make all efforts to turn the stressed asset around at the earliest

**Parag Milk Foods acquires Danone's manufacturing facility**

Parag Milk Foods has acquired the Danone Foods and Beverages India's manufacturing facility of Curd, Yogurt and other related products at Rai, Sonipat, Haryana near Delhi.

**Our comments:**

This acquisition would help expand the company's footprints in North India and strengthen company's fresh category distribution of Milk, Flavoured Milk, Buttermilk, Curd, Fresh Paneer and Yogurt in this region.

**Blackstone looks to power portfolio with Kirloskar Oil Engines buy**

Blackstone has emerged the front runner to buy Kirloskar Oil Engines Ltd that is in the middle of an escalating family feud. Promoters own 59.33% of Kirloskar Oil Engines (KOEL) that has a market cap of Rs4,947cr at present. As per sources, one of the proposals being suggested is splitting the company by demerging its oil engines business into a new entity, sources said. Blackstone will step in then to buy controlling stake for around Rs2,600cr or about USD400mn and follow it up with an open offer for an additional 26% stake.

**Our comments:**

Both companies upon demerger will have mirror shareholding. The cash and investments of around Rs1,000cr will be left with the old company, which in effect will become a holding company as per sources.

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