

### DOMESTIC:

- Wipro announces strategic partnership with Saxo Bank
- NTPC acquires 720-MW Barauni Thermal power station
- Glenmark Pharmaceuticals has received ANDA approval for Hydrocortisone Valerate ointment
- Welspun targets Rs1,000cr sales from new flooring business
- J Kumar Infraprojects bags order worth Rs1,349cr from NHAI
- Dr Reddy's Labs gets tentative USFDA nod for Sapropterin Dihydrochloride
- Commercial Engineers bags wagon order worth Rs152.3cr
- Glenmark Pharma announces entry into branded dermatology segment in USA
- Pfizer enters in JV with GlaxoSmithKline
- ONGC to buyback shares for Rs4,022cr
- Mother Dairy forays into the organic food segment
- IRDAI fines Iffco Tokio, Royal Sundaram Rs5lakh each
- Air India to get Rs2,300cr equity lifeline
- Mahindra to launch XUV300 in Feb to take on Vitara Brezza
- BoI eyes Rs1,200cr from exiting life insurance arm Star Union
- Indiabulls Real Estate sells 50% stake in 2 office assets for Rs464cr in Gurugram
- PVR opens a new multiplex at Ansal Plaza in Greater Noida, UP
- NDTV signs a deal with Taboola, a content discovery platform
- JSW Steel to infuse Rs63.5cr in Vardhaman Industries
- Indian Hume Pipe received Letter of Acceptance for the work of Rs502.89cr from Andhra Pradesh Drinking Water Supply Corporation (APDWSC)
- Ashoka Buildcon plans to bid for Rs400cr city gas distribution projects
- DHFL to exit mutual fund business DHFL Pramerica
- ABB sells power grids to Hitachi in USD11bn deal
- HCL Technologies and Cloudify to bring 5G network slicing to telecoms providers
- PFC board okays purchase of govt. stake in REC
- Coal India banks on 8 railway corridors to boost productivity
- Ikea to invest Rs5,000cr for store in Noida
- Vodafone Idea plans to tap global funds, pledge Indus Towers stake

### ECONOMY:

- Export growth to surge 7% in Oct-Dec: Exim Bank
- Government commits additional funds for Bank Recapitalisation
- Fed ignores Trump to raise rate, trims 2019 forecast to two hikes

### INDUSTRY:

- Agri-food start-ups raised USD1.6bn in 2013-17: Report
- Loans against property up 33%, but defaults cross 3%
- India's crude steel output falls by 1.3% in November

### Price Performance (%)

Company	1M	3M	12M
Supreme Petrochem Ltd	2.7%	-17.9%	-44.7%
Shanthi Gears Ltd	4.9%	1.6%	-22.7%
Hind Rectifiers Ltd	-1.9%	-5.3%	-6.4%
KCP Ltd	5.9%	9.5%	-31.0%
Harita Seating System Ltd	-3.7%	-10.2%	-42.0%
Hester Biosciences Ltd	2.6%	-1.2%	-30.4%
The Hi-Tech Gears Ltd	-8.0%	-25.3%	-41.3%
Bharat Bijlee Ltd	0.6%	-13.3%	-10.2%
Triveni Turbines Ltd	4.8%	12.2%	-5.3%
Siemens Ltd	8.2%	6.9%	-20.0%
Aksh Optifibre Ltd	-7.7%	-5.0%	-26.9%
GMM Pfaudler Ltd	9.80%	16.2%	62.5%
Alicon Castalloy Ltd	-3.1%	-3.8%	-0.7%
Gufic Biosciences Ltd	-2.4%	-18.6%	-22.9%
Excel Industries Ltd	-2.9%	-15.8%	131.9%
Vesuvius India Ltd	1.6%	-1.1%	-12.4%
Munjjal Showa Ltd	4.5%	-8.2%	-33.0%
Bharat Rasayan Ltd	-2.7%	-25.9%	35.8%
Alkyl Amines Chemicals Ltd	-0.5%	20.5%	19.6%
Grauer and Weil (India) Ltd	-2.5%	-9.2%	-29.6%
Texmaco Rails & Engineering Ltd	-7.4%	-14.7%	-47.3%
Nagarjuna Agrichem Ltd	5.0%	-5.5%	-48.7%
Simplex Infrastructures Ltd	-7.6%	-41.7%	-65.3%
ITD Cementation India Ltd	6.8%	-6.3%	-44.6%
Westlife Development Ltd	15.8%	10.6%	11.6%
Federal Mogul Goetze (India) Ltd	11.8%	8.7%	-11.4%
Dynomatic Technologies Ltd	-1.9%	-3.7%	-23.6%
Hitech Corporation Ltd	-29.0%	3.2%	-39.2%
NRB Bearings Ltd	4.5%	20.1%	14.5%
Kokuyo Camlin Ltd	4.1%	-20.4%	-23.5%
Timken India Ltd	9.6%	-9.7%	-36.2%
Morganite Crucible (India) Ltd	5.0%	-18.3%	65.9%
Vardhman Special Steels Ltd	-7.3%	-11.0%	-37.8%
Zen Technologies Ltd	18.3%	-2.8%	-43.8%
KSB Ltd	-5.1%	2.2%	-14.1%
Thermax Ltd	14.5%	17.8%	-5.8%
Transpek Industry Ltd	1.8%	-11.2%	1.4%
BASF India Ltd	2.2%	-14.0%	-27.3%
Artson Engineering Ltd	-3.9%	-14.5%	-47.4%
Remsons Industries Ltd	1.3%	-12.5%	-13.9%
Snowman Logistics Ltd	-2.3%	-7.1%	-37.7%
Alembic Pharmaceuticals Ltd	1.9%	-10.6%	10.3%
Indian Hume Pipe Co. Ltd	13.7%	30.4%	58.5%
Engineers India Ltd	4.2%	1.1%	28.9%
Gulshan Polyols Ltd	11.6%	12.3%	286.2%
Nesco Ltd	3.2%	-3.4%	338.1%
Castrol India Ltd	-0.8%	99.5%	50.8%
Hikal Ltd	3.2%	-12.7%	-2.8%

### The week that went by:

Amid the mixed Asian market sentiments, Indian bourses opened with a gap up, strong opening for the week. Day 2 of trade commenced with a lower start backed by IT and media stocks being the underperformers. The positive momentum continued with the markets opening on strong note midweek as well. Indian bourses commenced its day on a negative note with a gap-down opening. On the last day of trade, the markets opened on a mildly lower note amid the weak global cues.

Coverage Universe Valuations												
Company	Reco	Reco at	CMP	Tgt price	Upside	Mcap	EPS(x)		PE(x)		EV/EBITDA (x)	
		(Rs)	(Rs)	(Rs)	(%)	(Rs bn)	FY18	FY19E	FY18	FY19E	FY18	FY19E
Supreme Petrochem Ltd	BUY	77	209	500	138.8	20.2	6.6	6.4	32.0	33.1	9.8	12.0
Shanthi Gears Ltd	BUY	107	130	200	53.8	10.6	3.5	3.9	36.0	32.3	27.9	23.7
Hind Rectifiers Ltd	BUY	69	114	175	53.6	1.7	0.8	5.3	144.5	21.5	24.2	12.1
KCP Limited	BUY	71	97	200	107.1	12.4	7.0	7.0	14.0	14.0	10.4	9.2
Harita Seating System Ltd	BUY	266	548	1150	109.9	4.3	39.7	40.8	13.6	13.2	10.7	9.8
Hester Biosciences Ltd	BUY	565	1140	1750	53.5	9.7	35.9	39.8	32.2	29.0	9.7	8.7
The Hitech Gears Ltd	BUY	298	335	600	79.1	6.3	17.0	21.2	20.0	16.0	11.5	10.0
Bharat Bijlee Ltd	BUY	787	1150	2000	73.9	6.5	25.1	37.4	45.8	30.7	25.8	21.4
Triveni Turbines Ltd	BUY	92	123	150	22.1	0.4	3.0	3.1	39.8	38.0	24.9	23.8
Siemens Ltd	BUY	1128	992	1350	36.1	353.1	53.0	53.6	18.7	18.5	24.9	24.5
Aksh Optifibre Ltd	BUY	15	25	45	82.2	4.0	1.4	2.7	17.3	9.1	8.7	5.5
GMM Pfaudler Ltd	BUY	332	1198	1300	8.5	17.5	19.4	26.7	61.7	44.9	37.7	27.5
Alicon Castalloy Ltd	BUY	288	635	1000	57.5	7.8	29.0	46.6	22.2	13.8	10.1	7.4
Gufic Biosciences Ltd	BUY	50	96	175	81.5	7.4	1.9	3.1	50.2	30.1	20.9	16.2
Excel Industries Ltd	BUY	380	1450	2200	51.8	18.7	58.1	112.2	24.7	12.8	14.7	7.8
Vesuvius India Ltd	BUY	1165	1138	1500	31.8	22.8	52.3	56.3	21.9	20.4	11.0	10.6
Munjal Showa Ltd	BUY	191	187	300	60.5	7.5	19.4	21.5	9.6	8.7	6.5	5.7
Bharat Rasayan Ltd	BUY	2747	5350	9000	68.2	22.5	227.3	257.5	23.5	20.8	15.2	13.3
Alkyl Amines Chemicals Ltd	BUY	391	740	850	14.9	15.1	31.5	38.9	23.3	18.9	14.2	10.8
Grauer and Weil (India) Ltd	BUY	45	51	100	94.6	11.7	2.7	3.0	19.2	17.4	12.1	11.4
Texmaco Rails & Engineering Ltd	BUY	91	59	150	156.2	20.2	0.5	1.8	126.9	32.1	57.1	16.7
Nagarjuna Agrichem Ltd	BUY	29	29	60	109.8	4.5	0.7	0.8	39.6	34.4	13.0	12.3
Simplex Infrastructures Ltd	BUY	540	198	700	253.0	20.2	30.5	31.8	6.3	6.0	6.5	6.1
ITD Cementation India Ltd	BUY	158	113	225	98.4	17.6	8.3	9.8	13.1	11.1	7.2	6.4
Westlife Development Ltd	BUY	266	376	425	13.0	58.5	0.8	1.6	453.2	236.9	77.8	54.6
Federal Mogul Goetze (India) Ltd	BUY	540	474	750	58.2	26.4	14.9	18.0	32.9	27.2	14.6	13.3
Dynamatic Technologies Ltd	BUY	2160	1590	3000	88.7	10.1	1.1	51.1	1354.4	30.1	12.0	9.2
Hitech Corporation Ltd	BUY	175	112	230	106.3	1.9	4.5	6.4	23.9	16.9	9.1	6.8
NRB Bearings Ltd	BUY	138	202	240	18.9	19.6	8.5	10.4	25.5	20.7	14.8	12.4
Kokuyo Camlin Ltd	BUY	132	109	175	60.6	10.9	1.0	1.5	107.8	71.8	31.1	24.8
Timken India Ltd	BUY	883	568	1200	111.3	38.6	13.5	19.0	42.5	30.3	23.9	15.2
Morganite Crucible (India) Ltd	BUY	1047	1593	2300	44.4	4.5	49.6	63.9	28.9	22.4	2.9	2.5
Vardhman Special Steels Ltd	BUY	151	102	225	120.7	3.6	7.0	8.7	14.0	11.3	9.1	7.6
Zen Technologies Ltd	BUY	115	75	170	126.7	5.8	-0.1	0.8	-1272.4	79.7	-261.9	47.6
KSB Ltd	BUY	820	750	1100	46.7	26.1	18.8	21.2	41.1	36.4	17.2	15.3
Thermax Ltd	BUY	1019	1112	1230	11	132.5	22.1	26.8	49.7	41.0	35.2	30.2
Transpek Industry Ltd	BUY	1547	1405	2000	42.3	7.9	47.3	76.0	29.7	18.5	18.3	13.8
BASF India Ltd	BUY	1954	1591	2500	57.1	68.9	20.3	43.5	77.7	36.2	22.7	17.8
Artson Engineering Ltd	BUY	64	50	95	90.0	1.8	0.4	2.3	130.8	21.4	76.3	23.2
Remsons Industries Ltd	BUY	104	105	155	47.6	0.6	6.0	7.9	18.2	13.9	11.2	8.8
Snowman Logistics Ltd	BUY	33	36	55	54.9	5.9	-0.2	0.1	-161.7	239.4	15.8	13.0
Alembic Pharmaceuticals Ltd	BUY	605	580	751	29.5	109.3	22.3	26.7	26.0	21.7	18.0	15.2

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

Recommendations adjusted as per Corporate Actions						
Company	Reco	Target	Corp Action	Adj Price	Adj Tgt Price	Appreciation
IHP Ltd	341	600	Bonus 1 : 1.	171	500	105%
Engineers India Ltd	211	200	Bonus 1 : 1.	105	250	18%
Gulshan Polyols Ltd	390	500	Stock Split from Rs.FV 5 to Rs.FV 1.	78	110	-15%
Nesco Ltd	2397	3200	Stock Split from Rs.FV 10 to Rs.FV 2.	479	640	-5%
Castrol India Ltd	447	550	Bonus 1 : 1	223	200	-31%
Hikal Ltd	143	325	Bonus 1 : 2	95	216	65%

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	FY19E	FY18	FY19E	FY18	FY19E
IHP Ltd	341	171	350	500	42.7	17.0	13.6	20.1	25.7	17.4	13.4	10.3
Engineers India Ltd	211	105	124	250	102.3	41.6	6.0	7.0	19.3	16.5	17.6	14.0
Gulshan Polyols Ltd	390	78	67	110	65.4	3.1	3.9	5.1	15.6	11.9	6.2	5.0
Nesco Ltd	2397	479	454	640	41.0	6.4	25.1	23.7	18.3	19.4	15.0	15.6
Castrol India Ltd	447	223	153	200	30.8	75.6	7.1	15.6	21.1	9.6	13.9	12.5
Hikal Ltd	143	95	158	216	37.1	12.9	9.4	10.1	16.7	15.6	10.3	9.3

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Coverage Performance Sheet										
Company	Reco at (Rs)	CLS (Rs)	Target Price (Rs)							Appreciation (%)
			Target 1	Target 2	Target 3	Target 4	Target 5	Target 6	Target 7	
Supreme Petrochem Ltd	77	209	120	150	200	275	350	500	-	172%
Shanthi Gears Ltd	107	130	150	200	-	-	-	-	-	21%
Hind Rectifiers Ltd	69	114	110	140	175	-	-	-	-	65%
KCP Limited	71	97	105	150	200	-	-	-	-	36%
Harita Seating System Ltd	266	548	400	600	750	900	1150	-	-	106%
Hester Biosciences Ltd	565	1140	750	875	1150	1500	2200	1750	-	102%
The Hitech Gears Ltd	298	335	450	600	-	-	-	-	-	12%
Bharat Bijlee Ltd	787	1150	1100	1500	2000	-	-	-	-	46%
Triveni Turbines Ltd	92	123	135	150	-	-	-	-	-	34%
Siemens Ltd	1128	992	1350	-	-	-	-	-	-	-12%
Aksh Optifibre Ltd	15	25	24	35	45	-	-	-	-	65%
GMM Pfäudler Ltd	332	1198	500	700	800	1000	1300	-	-	261%
Alicon Castalloy Ltd	288	635	450	600	750	1000	-	-	-	120%
Gufic Biosciences Ltd	50	96	75	100	140	175	-	-	-	93%
Excel Industries Ltd	380	1450	550	650	800	1100	1400	1800	2200	281%
Vesuvius India Ltd	1165	1138	1500	-	-	-	-	-	-	-2%
Munjil Showa Ltd	191	187	250	300	350	300	-	-	-	-2%
Bharat Rasayan Ltd	2747	5350	3500	4250	5000	6500	9000	-	-	95%
Alkyl Amines Chemicals Ltd	391	740	550	700	850	-	-	-	-	89%
Grauer and Weil (India) Ltd	45	51	65	80	100	-	-	-	-	14%
Texmaco Rails & Engineering Ltd	91	59	125	150	-	-	-	-	-	-36%
Nagarjuna Agrichem Ltd	29	29	45	60	75	60	-	-	-	-1%
Simplex Infrastructures Ltd	540	198	700	540	-	-	-	-	-	-63%
ITD Cementation India Ltd	158	113	225	-	-	-	-	-	-	-28%
Westlife Development Ltd	266	376	350	425	-	-	-	-	-	41%
Federal Mogul Goetze (India) Ltd	540	474	750	-	-	-	-	-	-	-12%
Dynamatic Technologies Ltd	2160	1590	3000	-	-	-	-	-	-	-26%
Hitech Corporation Ltd	175	112	230	-	-	-	-	-	-	-36%
NRB Bearings Ltd	138	202	200	240	-	-	-	-	-	46%
Kokuyo Camlin Ltd	132	109	175	-	-	-	-	-	-	-17%
Timken India Ltd	883	568	1200	-	-	-	-	-	-	-36%
Morganite Crucible (India) Ltd	1047	1593	1500	1750	2300	-	-	-	-	52%
Vardhman Special Steels Ltd	151	102	225	-	-	-	-	-	-	-32%
Zen Technologies Ltd	115	75	170	-	-	-	-	-	-	-35%
KSB Ltd	820	750	1100	-	-	-	-	-	-	-9%
Thermax Ltd	1019	1112	1230	-	-	-	-	-	-	9%
Transpek Industry Ltd	1547	1405	2000	-	-	-	-	-	-	-9%
BASF India Ltd	1954	1591	2500	-	-	-	-	-	-	-18.6%
Artson Engineering Ltd	64	50	95	-	-	-	-	-	-	-22%
Remsons Industries Ltd	104	105	155	-	-	-	-	-	-	1%
Snowman Logistics Ltd	33	36	55	-	-	-	-	-	-	8%
Alembic Pharmaceuticals Ltd	605	580	751	-	-	-	-	-	-	-4%

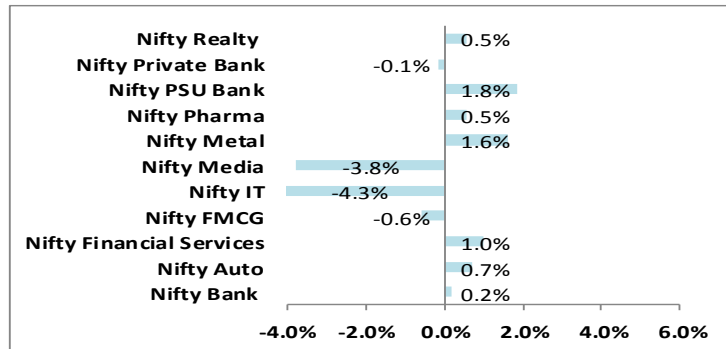
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Company	Reco	Target	Corp Action	Adj Price	Adj Tgt Price	Appreciation
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Engineers India Ltd	211	325	Bonus 1 : 1	105	250	18%
Gulshan Polyols Ltd	390	500	Stock Split from Rs.FV 5 to Rs.FV 1	78	110	-15%
Nesco Ltd	2397	3200	Stock Split from Rs.FV 10 to Rs.FV 2	479	640	-5%
Castrol India Ltd	447	550	Bonus 1 : 1	223	200	-31%
Hikal Ltd	143	325	Bonus 1 : 2	95	216	65%

Coverage Performance Sheet										
Company	Reco at (Rs)	CLS (Rs)	Target Price (Rs)							Appreciation (%)
			Target 1	Target 2	Target 3	Target 4	Target 5	Target 6	Target 7	
IHP Ltd	341	350	500	600	500	-	-	-	-	105%
Engineers India Ltd	211	124	200	250	-	-	-	-	-	18%
Gulshan Polyols Ltd	390	67	110	-	-	-	-	-	-	-15%
Nesco Ltd	2397	454	640	-	-	-	-	-	-	-5%
Castrol India Ltd	223	153	275	250	200	-	-	-	-	-31%
Hikal Ltd	143	158	200	250	325	216	-	-	-	65%

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



**COVERAGE NEWS:**

**Fundamental Pick: Alembic Pharmaceuticals Ltd:**

Tracing the history to 1907, Alembic Pharmaceuticals Limited (APL) is a leading player in the Indian pharmaceutical industry. It is the flagship company of the Alembic Group. (In 2011, APL was de-merged from Alembic Ltd to provide more thrust to formulations and insulate this business from the vagaries of commoditised APIs). The Company's competencies include branded formulations, international generics and API. With its diversified product basket; APL is contributing to find solutions for some of the major health challenges being faced. APL is also known as a market leader in macrolides segment of anti-infective drugs in India. It has manufacturing facilities in Panelav in Gujarat, Karakhadi in Vadodara, Sikkim and R&D centres at Vadodara, Hyderabad and US. Along with pharmaceuticals, Alembic group has significant presence in various industries such as Glass, Chemicals, Real Estate, Engineering, Education and Healthcare. The current generation-led by Pranav Amin and Shaunak Amin have transformed the enterprise into a modern maker of generic drugs, with major presence in the US market through its own front-end and inorganic growth.

**Outlook and Valuations:**

There has been a transformation in the business of the company with renewed efforts from the management towards domestic growth coupled with exports expansions as well. The company is making earnest efforts to improve on the product mix in the domestic markets to favour chronic as that is the key to improving cash flow generation. Ramp up through own front-end operations in US and working on key launches is the requisite being catered. This is all complimented with the R&D efforts and expansions being undertaken by the company. There has been improvement seen in the profitability as well as the return ratio which is here to stay. We feel that the rerating that the stock has been receiving is well justified through the performance of the company. We initiate Buy on the stock with a target of Rs751 over a 12 months horizon.

**Shanthy Gears Limited: Dividend and Buyback Update:**

The company has informed BSE that a Board Meeting of the company is scheduled on 26th December, 2018 to consider and approve the following proposals:

- Declaration of interim dividend on the equity shares of the company for FY18-19
- Buyback of the fully paid-up equity shares of the company of face value of Rs1 each

**Alembic Pharmaceuticals Limited: Inspection Update:**

After the successful inspection done by the USFDA, the company has received zero observations under Form 483 for its API facility Panelav in Gujarat.

**Our comments:**

This is a positive outcome for the company with regard to the expansion into the US markets.

*Fundamental Pick Of The Month*

*Dividend and Buyback: Shanthy Gears*

*Zero Observation: Alembic*

*IHP: Letter Of  
Acceptance*

*Texmaco Bags Orders*

*Borrowing Costs Raised  
By Fed*

*Focus On Monitoring  
Risk*

*Expectations From New  
Business*

**COVERAGE NEWS:**

**Indian Hume Pipe Co. Ltd: Letter of Acceptance Update:**

The Company has received Letter of Acceptance for the work of Rs.502.89cr (excluding GST) from Andhra Pradesh Drinking Water Supply Corporation (APDWSC), Vijayawada, Andhra Pradesh for the work of Construction of Drinking Water Supply Projects in Guntur District. The project is to be completed within 24 months.

**Texmaco Rail & Engineering Ltd: Wagons Order Update:**

Against the recent Railway tender for wagons issued by the Indian Railways, part quantity of which has been finalised till now, the Company has received an order for 1621 wagons valuing Rs500cr approximately.

**Our comments:**

This would be an add on to the order book of the company.

**ECONOMY:**

**Fed ignores Trump to raise rate, trims 2019 forecast to two hikes**

The Federal Reserve raised borrowing costs for the fourth time this year, ignoring a stock-market selloff and defying pressure from President Donald Trump, while dialing back projections for interest rates and economic growth in 2019. By trimming the number of rate hikes they foresee in 2019, to two from three, policy makers signalled they may soon pause their monetary tightening campaign. Officials had a median projection of one move in 2020.

**Our comments:**

The Federal Open Market Committee will continue to monitor the global economic and financial developments and assess their implications for the economic outlook. A unanimous decision of 10-0 lifted the target range for the federal funds rate to 2.25% to 2.5%.

**INDUSTRY:**

**Loans against property up 33%, but defaults cross 3%**

Loan against property (LAP), one of the fastest growing segment in personal loans in CY18 across banks and finance companies has recorded the biggest increase in delinquencies (which are defined as loans with over dues of more than 90 days), as per the analysis by Trans Union (TU) CIBIL. LAP clocked a 33% increase in accounts till September end 2018, while credit cards came in at 32% growth rate.

**Our comments:**

Being in the midst of a robust Indian consumer credit market expansion leading to an immense growth in both the number of accounts and balances for most credit products, including credit cards and personal loans, the lenders must judiciously monitor the risk management processes.

**COMPANY:**

**Welspun targets Rs1,000cr sales from new flooring business**

Welspun Flooring, an integrated and independent flooring vertical of the Welspun Group, is optimistic on its new flooring venture to clock a turnover of Rs1,000cr in the next 3-4 years backed by its new modular solutions. Initially, the company would offer stone polymer composite luxury performance tiles, carpet tiles, wall to wall carpets and artificial grass and is also in the process to set up Rs1,150cr manufacturing facility spread over 600 acres in Hyderabad, wherein it will produce items for residential, hospitality and commercial applications.

**Our comments:**

The company targets to achieve a turnover of Rs1,000cr in the next 3-4 years and is of the opinion that the renovation segment would grow significantly.



*Glenmark's Entry Into  
The Derma Space*

**COMPANY:**

**Glenmark Pharma announces entry into branded dermatology segment in USA**

Glenmark Pharmaceuticals announced its foray into the branded dermatology segment in the United States. The branded portfolio for the US market will be developed and commercialized by Glenmark Therapeutics Inc., USA, which is a wholly owned subsidiary of Glenmark Holding, SA. This represents an important step in the company's long-term strategy to build a robust branded business in the US, alongside the company's existing and successful generics business. In support of this new business, Glenmark Therapeutics recently acquired the rights to seven branded dermatology products from Exeltis USA, Inc. The acquisition includes Ecoza (econazole nitrate) topical foam, 1%, an antifungal medicine indicated for the treatment of interdigital tinea pedis or athlete's foot, and Recedo topical gel, a leading prescription product for scar management. The cumulative sales of the seven acquired brands were USD9mn.

**Our comments:**

The company has been committed to the area of dermatology globally for more than two decades. With significant presence in the generic dermatology market in the US, this acquisition will give the company a leading edge as it enters into a new segment of branded products. It will also serve as the foundation for commercialization of future branded assets in the US.

*Pfizer-GSK Enters Into  
JV*

**Pfizer enters in JV with GlaxoSmithKline**

The companies have unveiled the plan to combine their consumer healthcare businesses into a new world leading JV worth around USD9.8bn. This deal would give GSK a majority controlling equity interest of 68% and Pfizer with a 32% stake. Within three years of closing the transaction, GSK intends to separate the JV via a demerger of its equity interest and a listing of GSK Consumer Healthcare on the UK equity market and in the meanwhile, GSK will substantially complete the integration and is of the opinion to make contained progress in strengthening the pharmaceutical business and the R&D pipeline.

**Our comments:**

This new consumer healthcare company along with its more durable cash flows will support higher leverage levels and GSK's future capital planning and further investment in their pharmaceutical pipeline.

*Exit From MF Business*

**DHFL to exit mutual fund business DHFL Pramerica**

Housing finance firm DHFL will sell its entire stake in MF business DHFL Pramerica Asset Managers Pvt. Ltd to its joint venture partner US-based Prudential Financial Inc., and would also sell the 50% stake which the company holds in DHFL Pramerica Trustees Pvt. Ltd.

**Our comments:**

The company and the acquirer have entered into a binding term sheet on 18 December 2018. The proposed transaction is subject to definitive documentation, applicable regulatory and other approvals and certain other conditions. The announcement to exit the mutual fund business comes in the wake of the liquidity crunch in India's NBFC and HFC space, which has impacted the stock price of many private sector lenders.

## WEEKLY REPORT

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