

DOMESTIC:

- Dr Reddy's Labs receives zero observations from USFDA for Srikakulum plant unit II
- ICICI Bank to raise Rs25,000cr via issue of NCDs and FIS
- Air India eyes Rs6,100cr from aircraft sale, leaseback
- Binani Cement: A wholly-owned subsidiary of UltraTech w.e.f 20th November,2018
- Zydus receives tentative approval from the USFDA for Deferasirox Tablets
- Reliance Industries planning expansion of Jamnagar refinery
- Alembic Pharmaceutical gets USFDA approval for Vardenafil Hydrochloride Orally Disintegrating Tablet
- Thomas Cook to invest Rs300mn by 2020 to expand the footprint in India
- Aurobindo Pharma to launch oncology, respiratory products in US by 2021
- HDFC Bank to acquire Bank of Baroda's (BOB) stake in Clearing Corporation
- Dr. Reddy's receives favourable ruling in patent litigation
- Indiabulls Housing raises Rs23,615cr past two months
- Maruti ramps up production of Vitara Brezza
- Housing Finance Companies may have to report liquidity status
- Maruti Suzuki launched the next generation 'Ertiga' for Rs7.44 lakh (ex-Delhi)
- NHAI to raise Rs10Kcr via bonds, may offer 8.5-9%
- Glenmark Pharma gets USFDA approval for Antimicrobial Drug
- Atos India won a deal to build Supercomputers for India
- Jio to replace Airtel as Service Provider for Indian Railways
- DHFL sells Rs7,400cr loans, repays Rs14,000cr debt in past two months

ECONOMY:

- RBI-Government tussle: Outcome of the board meeting
- GDP growth may ease to 7.2% in July-September on sluggish economy
- India set to overtake Brazil as world's biggest sugar producer
- SEBI forms panel to review rules for proxy advisory companies

INDUSTRY:

- Indian Ayurveda industry expected to grow to USD4.4bn by the end of 2018
- ISMA: Sugar production in India was 11.63lakh tonnes till mid-November
- Railways to float fresh global tender for 4.5lakh metric ton rails worth Rs2700cr
- Half of existing ATMs may shut down across India by March 2019: ATM body
- CRISIL cuts passenger vehicles sales growth forecast by 200bps

Price Performance (%)

Company	1M	3M	12M
Supreme Petrochem Ltd	-16.1%	-22.8%	-42.7%
Shanthi Gears Ltd	9.8%	-5.4%	-14.6%
Hind Rectifiers Ltd	1.8%	-14.4%	-1.4%
KCP Ltd	-2.9%	-10.2%	-26.1%
Harita Seating System Ltd	-1.4%	-13.5%	-39.5%
Hester Biosciences Ltd	-2.0%	-9.8%	5.1%
The Hi-Tech Gears Ltd	-0.4%	-12.2%	-12.5%
Bharat Bijlee Ltd	2.6%	-15.9%	9.7%
Triveni Turbines Ltd	16.8%	-3.9%	-17.6%
Siemens Ltd	4.2%	-11.4%	-22.9%
Aksh Optifibre Ltd	3.3%	-10.0%	-18.3%
GMM Pfaudler Ltd	14.09%	3.8%	85.5%
Alicon Castalloy Ltd	11.9%	9.0%	10.8%
Gufic Biosciences Ltd	-3.3%	-25.9%	7.5%
Excel Industries Ltd	-1.1%	-17.6%	141.3%
Vesuvius India Ltd	10.2%	-9.6%	-4.0%
Munjial Showa Ltd	1.6%	-15.9%	-31.8%
Bharat Rasayan Ltd	-2.5%	-21.9%	73.8%
Alkyl Amines Chemicals Ltd	26.0%	12.3%	23.5%
Grauer and Weil (India) Ltd	4.3%	4.1%	-13.3%
Texmaco Rails & Engineering Ltd	11.7%	-16.2%	-44.0%
Nagarjuna Agrichem Ltd	-7.3%	-29.1%	-43.1%
Simplex Infrastructures Ltd	2.1%	-50.4%	-61.6%
ITD Cementation India Ltd	-6.2%	-22.6%	-50.1%
Westlife Development Ltd	2.3%	-16.0%	14.9%
Federal Mogul Goetze (India) Ltd	2.0%	-6.8%	-16.7%
Dynamatic Technologies Ltd	18.0%	1.0%	-18.8%
Hitech Corporation Ltd	-27.3%	-12.2%	-33.7%
NRB Bearings Ltd	24.2%	8.9%	39.6%
Kokuyo Camlin Ltd	-9.4%	-24.6%	2.1%
Timken India Ltd	-4.1%	-27.7%	-40.1%
Morganite Crucible (India) Ltd	-17.2%	-19.1%	47.0%
Vardhman Special Steels Ltd	1.4%	-21.6%	-39.0%
Zen Technologies Ltd	4.5%	-26.0%	-34.8%
KSB Ltd	6.7%	0.6%	-6.6%
Thermax Ltd	-0.1%	-2.5%	-6.0%
Transpek Industry Ltd	-0.4%	-9.7%	4.7%
BASF India Ltd	-7.0%	-22.8%	-24.1%
Artson Engineering Ltd	0.0%	-12.4%	-33.7%
Remsons Industries Ltd	-11.9%	8.9%	49.9%
Indian Hume Pipe Co. Ltd	27.8%	12.4%	38.0%
Engineers India Ltd	5.2%	-6.3%	28.4%
Gulshan Polyols Ltd	10.2%	4.0%	263.6%
Nesco Ltd	0.7%	-13.2%	333.2%
Castrol India Ltd	6.3%	86.7%	-23.2%
Hikal Ltd	5.5%	11.0%	-5.5%

The week that went by:

The markets opened in the positive on a firm note backed by majorly the Pharma sector. Day 2 of the markets opened on a flat note. The Indian markets outperformed the other Asian markets starting the day in the green. The markets opened on a positive note on the last day of trade with outperformance in the IT and Energy space.

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	FY18E
Supreme Petrochem Ltd	BUY	77	208	500	140.8	20.0	18.6	14.9	11.2	13.9	6.4	8.0
Shanthi Gears Ltd	BUY	107	123	200	62.6	10.0	2.8	3.1	44.7	39.9	28.2	24.8
Hind Rectifiers Ltd	BUY	69	117	175	49.6	1.8	-1.1	0.3	-110.3	341.3	44.5	31.2
KCP Limited	BUY	71	90	200	121.7	11.6	2.8	6.3	32.5	14.3	10.1	8.7
Harita Seating System Ltd	BUY	266	569	1150	102.1	4.4	32.4	34.5	17.5	16.5	16.1	13.5
Hester Biosciences Ltd	BUY	565	1155	1750	51.5	9.8	29.2	34.2	39.5	39.0	24.6	20.9
The Hitech Gears Ltd	BUY	298	357	600	67.9	6.7	10.9	16.5	32.9	22.1	14.5	12.1
Bharat Bijlee Ltd	BUY	787	1114	2000	79.5	6.3	34.7	41.4	32.1	26.9	43.5	22.2
Triveni Turbines Ltd	BUY	92	116	150	29.3	0.4	3.5	2.4	33.0	47.6	23.4	28.7
Siemens Ltd	BUY	1128	917	1350	47.2	326.5	9.1	10.0	100.9	91.9	68.9	60.9
Aksh Optifibre Ltd	BUY	15	27	45	69.8	4.3	13.9	1.5	1.2	10.5	4.7	7.1
GMM Pfaudler Ltd	BUY	332	1085	1300	19.8	15.8	19.3	20.8	56.2	52.2	38.6	35.3
Alicon Castalloy Ltd	BUY	288	659	1000	51.7	8.1	21.4	24.1	30.9	27.3	11.7	9.3
Gufic Biosciences Ltd	BUY	50	96	175	81.8	7.4	1.6	2.1	61.7	46.3	29.4	22.0
Excel Industries Ltd	BUY	380	1484	2200	48.2	19.2	9.8	39.7	152.0	37.4	46.1	21.8
Vesuvius India Ltd	BUY	1165	1130	1500	32.7	22.6	49.0	62.7	23.1	18.0	12.4	10.0
Munjal Showa Ltd	BUY	191	182	300	64.8	7.3	14.2	14.6	12.8	12.5	7.6	7.3
Bharat Rasayan Ltd	BUY	2747	5505	9000	63.5	23.1	128.9	189.3	42.7	29.1	22.2	16.1
Alkyl Amines Chemicals Ltd	BUY	391	734	850	15.9	15.0	24.3	27.0	30.2	27.2	17.4	17.4
Grauer and Weil (India) Ltd	BUY	45	54	100	84.7	12.3	2.3	2.3	24.0	23.1	13.5	13.1
Texmaco Rails & Engineering Ltd	BUY	91	62	150	140.6	20.2	1.5	2.7	40.7	23.2	28.7	17.8
Nagarjuna Agrichem Ltd	BUY	29	26	60	129.4	4.1	1.6	0.9	16.2	30.2	9.8	9.1
Simplex Infrastructures Ltd	BUY	540	214	700	226.5	20.2	24.3	29.6	8.8	7.2	6.3	5.7
ITD Cementation India Ltd	BUY	158	103	225	118.0	16.0	3.1	4.8	33.3	21.5	9.0	8.3
Westlife Development Ltd	BUY	266	332	425	28.1	51.6	-0.8	0.3	-425.1	971.3	113.6	68.6
Federal Mogul Goetze (India) Ltd	BUY	540	422	750	77.6	23.5	12.9	15.7	32.6	26.8	13.5	12.3
Dynamatic Technologies Ltd	BUY	2160	1651	3000	81.7	10.5	23.0	-9.3	42.4	-471.8	9.6	12.2
Hitech Corporation Ltd	BUY	175	114	230	101.5	2.0	6.9	3.5	16.6	32.6	6.7	7.8
NRB Bearings Ltd	BUY	138	193	200	3.8	18.7	5.2	5.5	36.9	35.0	20.1	19.3
Kokuyo Camlin Ltd	BUY	132	105	175	66.7	10.5	0.1	0.5	1109.6	200.7	52.2	38.4
Timken India Ltd	BUY	883	511	1200	134.8	34.7	14.3	15.1	35.7	33.7	21.9	19.1
Morganite Crucible (India) Ltd	BUY	1047	1470	2300	56.4	4.1	47.2	38.2	31.2	38.4	16.7	22.1
Vardhman Special Steels Ltd	BUY	151	107	225	110.3	3.8	10.3	6.4	10.4	16.6	10.5	10.1
Zen Technologies Ltd	BUY	115	62	170	173.1	4.8	0.9	0.2	67.0	292.2	40.0	109.8
KSB Ltd	BUY	820	770	1100	42.9	26.8	19.5	18.8	39.6	40.9	24.9	20.6
Thermax Ltd	BUY	1019	970	1230	27	115.6	23.3	22.1	41.6	43.9	30.9	31.1
Transpek Industry Ltd	BUY	1547	1400	2000	42.9	7.8	53.7	47.3	26.1	29.6	16.2	18.4
BASF India Ltd	BUY	1954	1521	2500	64.4	65.8	-7.2	20.3	-211.5	74.9	29.4	22.0
Artson Engineering Ltd	BUY	64	53	95	79.2	2.0	7.4	0.4	7.2	141.5	49.1	81.7
Remsons Industries Ltd	BUY	104	108	155	43.6	0.6	-1.4	6.0	-79.1	17.9	34.6	11.1

*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	86%
Engineers India Ltd	211	200	Bonus 1 : 1.	105	250	11%
Gulshan Polyols Ltd	390	500	Stock Split from Rs.FV 5 to Rs.FV 1.	78	110	-23%
Nesco Ltd	2397	3200	Stock Split from Rs.FV 10 to Rs.FV 2.	479	640	-8%
Castrol India Ltd	447	550	Bonus 1 : 1	223	200	-33%
Hikal Ltd	143	325	Bonus 1 : 2	95	216	62%

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	FY18E
IHP Ltd	341	171	318	500	57.1	15.4	20.4	14.3	15.6	22.2	8.5	11.4
Engineers India Ltd	211	105	117	250	114.2	39.3	4.8	5.0	24.2	23.3	23.9	25.8
Gulshan Polyols Ltd	390	78	60	110	82.1	2.8	4.6	6.4	13.1	9.4	16.9	14.9
Nesco Ltd	2397	479	441	640	45.1	6.2	120.2	137.5	3.7	3.2	14.5	12.1
Castrol India Ltd	447	223	149	200	34.1	73.7	13.6	14.1	10.9	10.6	6.4	6.1
Hikal Ltd	143	95	155	216	39.4	12.7	5.4	5.8	28.6	26.8	11.9	10.9

Please Turn Over

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	208	120	150	200	275	350	500	-	170%
Shanthi Gears Ltd	107	123	150	200	-	-	-	-	-	15%
Hind Rectifiers Ltd	69	117	110	140	175	-	-	-	-	69%
KCP Limited	71	90	105	150	200	-	-	-	-	27%
Harita Seating System Ltd	266	569	400	600	750	900	1150	-	-	114%
Hester Biosciences Ltd	565	1155	750	875	1150	1500	2200	1750	-	104%
The Hitech Gears Ltd	298	357	450	600	-	-	-	-	-	20%
Bharat Bijlee Ltd	787	1114	1100	1500	2000	-	-	-	-	42%
Triveni Turbines Ltd	92	116	135	150	-	-	-	-	-	26%
Siemens Ltd	1128	917	1350	-	-	-	-	-	-	-19%
Aksh Optifibre Ltd	15	27	24	35	45	-	-	-	-	77%
GMM Pfäudler Ltd	332	1085	500	700	800	1000	1300	-	-	227%
Alicon Castalloy Ltd	288	659	450	600	750	1000	-	-	-	129%
Gufic Biosciences Ltd	50	96	75	100	140	175	-	-	-	93%
Excel Industries Ltd	380	1484	550	650	800	1100	1400	1800	2200	291%
Vesuvius India Ltd	1165	1130	1500	-	-	-	-	-	-	-3%
Munjal Showa Ltd	191	182	250	300	350	300	-	-	-	-5%
Bharat Rasayan Ltd	2747	5505	3500	4250	5000	6500	9000	-	-	100%
Alkyl Amines Chemicals Ltd	391	734	550	700	850	-	-	-	-	88%
Grauer and Weil (India) Ltd	45	54	65	80	100	-	-	-	-	20%
Texmaco Rails & Engineering Ltd	91	62	125	150	-	-	-	-	-	-31%
Nagarjuna Agrichem Ltd	29	26	45	60	75	60	-	-	-	-10%
Simplex Infrastructures Ltd	540	214	700	540	-	-	-	-	-	-60%
ITD Cementation India Ltd	158	103	225	-	-	-	-	-	-	-35%
Westlife Development Ltd	266	332	350	425	-	-	-	-	-	25%
Federal Mogul Goetze (India) Ltd	540	422	750	-	-	-	-	-	-	-22%
Dynamatic Technologies Ltd	2160	1651	3000	-	-	-	-	-	-	-24%
Hitech Corporation Ltd	175	114	230	-	-	-	-	-	-	-35%
NRB Bearings Ltd	138	193	200	-	-	-	-	-	-	40%
Kokuyo Camlin Ltd	132	105	175	-	-	-	-	-	-	-20%
Timken India Ltd	883	511	1200	-	-	-	-	-	-	-42%
Morganite Crucible (India) Ltd	1047	1470	1500	1750	2300	-	-	-	-	40%
Vardhman Special Steels Ltd	151	107	225	-	-	-	-	-	-	-29%
Zen Technologies Ltd	115	62	170	-	-	-	-	-	-	-46%
KSB Ltd	820	770	1100	-	-	-	-	-	-	-6%
Thermax Ltd	1019	970	1230	-	-	-	-	-	-	-5%
Transpek Industry Ltd	1547	1400	2000	-	-	-	-	-	-	-10%
BASF India Ltd	1954	1521	2500	-	-	-	-	-	-	-22.2%
Artson Engineering Ltd	64	53	95	-	-	-	-	-	-	-17%
Remsons Industries Ltd	104	108	155	-	-	-	-	-	-	4%

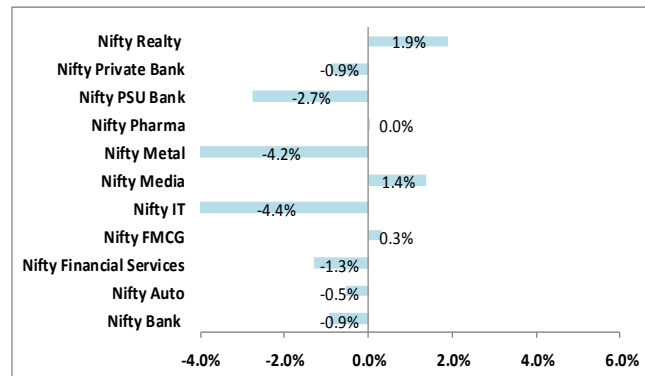
*Castrol, Vesuvius, ITD Cementation- Dec Ending | Siemens-Sept ending |

Recommendations adjusted as per Corporate Actions						
Company	Reco	Target	Corp Action	Adj Price	Adj Tgt Price	Appreciation
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Nesco Ltd	2397	3200	Stock Split from Rs.FV 10 to Rs.FV 2	479	640	-8%
Castrol India Ltd	447	550	Bonus 1 : 1	223	200	-33%
Hikal Ltd	143	325	Bonus 1 : 2	95	216	62%

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	318	500	600	500	-	-	-	-	86%
Engineers India Ltd	211	117	200	250	-	-	-	-	-	11%
Gulshan Polyols Ltd	390	60	110	-	-	-	-	-	-	-23%
Nesco Ltd	2397	441	640	-	-	-	-	-	-	-8%
Castrol India Ltd	223	149	275	250	200	-	-	-	-	-33%
Hikal Ltd	143	155	200	250	325	216	-	-	-	62%

Please Turn Over

Weekly Sectoral Gainers & Losers in (%)



Coverage News:

Fundamental Pick of the month: Remsons Industries Ltd

Remsons Industries Limited (Remsons) was incorporated in 1971 as Remsons Cable Private Limited (RCPL). RCPL took over the auto component trading business of Remsons India, a partnership concern, which was initially a proprietorship concern of Mr. V. Harlalka, in May 1984. Subsequently, RCPL was converted into a public limited company in October 1986 and renamed as Remsons Industries Limited in November 1986. Further, Daman Auto Industries Ltd., Rems Auto Engineers Ltd, and Remsons Auto Industries Pvt. Ltd. were amalgamated with the company with effect from April 2005. Remsons is engaged in the manufacturing of auto components such as auto control cables, flexible shafts, gear shift systems and push pull cables. Automobile industry accounts for ~97% of the company's sales while the non-automotive sectors like marine and electrical sectors account for the rest. The company has six manufacturing plants across Gurgaon (Haryana), Daman (Daman and Diu; four plants) and Pardi (Gujarat).

Outlook and Recommendation:

Considering the Auto sector, there are various pros and cons being noticed affecting the overall growth picture. There are certain key points that need to be addressed by the Auto sector which could lead to a volatile scenario over the next 6-18 months. However, the confidence portrayed by the different players in the sector to sail through, gives the confidence to the immediate beneficiary industry of auto components. Remsons, our pick from this space has been a less-known stock in the auto components. It was at the crossroads till FY17 but then a turnaround happened on back of various reasons of improved product mix and an uptick in prices of few of its products which was reflected in FY18 numbers. Tapping the right market, right products gives the zone of comfort for the company. We feel that the future plans chalked if executed well should take the company to the next level of growth. We initiate a BUY on the stock with a target price of Rs155 over a 12 months horizon.

Excel Industries: CRISIL Upgrade:

CRISIL upgraded rating on long term bank loan facilities of the company to A+/Stable from A/Stable and reaffirmed rating on short term bank loan facilities at CRISIL A1. The rating on fixed deposits has been withdrawn as the company has discontinued acceptance and renewal of the fixed deposits.

Simplex Infrastructures Limited: Target Revision

After the recent quarterly results and the conference call, the Management has toned down its revenue guidance for FY2019 and hence we too have reduced our target price to Rs540 from the earlier price of Rs700.

Dynamatic Technologies Ltd: Divestment of Auto Division at Chennai

The company has executed a definitive sales agreement on 22nd November 2018, with Hi-Tech Arai Private Limited, along with substantial advance payment. The business transfer is expected to be executed during December 2018.

Fundamental Pick Of The Month

Excel Industries: Ratings Upgrade

Target Revision: Simplex

Divestment Of Auto Division

*Growth Momentum
Continues*

More Or Less Flat

*RBI-Government Board
Meeting*

Result Update:

Siemens Limited:

The net sales for the quarter under review came in at Rs39,392mn as compared to Rs31,418mn, growth of 25.4%. Ebitda margins improved to 10.6% from 10.1% in the same quarter last year. Profit before exceptional items and tax came in at Rs2,792mn as compared to Rs635mn in the corresponding period last year. The exceptional items include: (i) for year ended 30 September 2017- profit on sale of wind power business forming part of Power and Gas segment of the company amounting to Rs72mn (excluding tax impact Rs16mn) and (ii) quarter and year ended 30 September 2017, includes profit on sale of property located at Worli, Mumbai amounting to Rs5603mn (excluding tax impact Rs1,373mn). The net profit for the quarter under review came in at Rs2,792 as compared to Rs6,238 in the corresponding period last year. EPS for the quarter ending September 2018 stood at Rs7.8 For the full year under review, net sales came in at Rs1,27,251mn as compared to Rs1,13,483mn, growth of 12.1%. Ebitda margins came in at 10.3% as compared to 14.2%. Profit before exceptional items and tax came in at Rs8,939mn as compared to Rs5,661mn in the corresponding period last year. The net profit for the year ending came in at Rs8,939mn as compared to Rs11,336mn. EPS for the full year ending September 2018 stood at Rs25.1 as compared to Rs19.8.

Outlook and Recommendation:

As per the Management commentary in the recent press release, all the divisions have performed well. Order inflow in the base business continues to grow along with profitability and cash from operations becoming strong. Moreover, the agenda for digitalization too has gained some momentum. The private Capex too has started picking up as customers have started realizing the benefits of implementing digitalization. The company will continue to focus on profitable growth going forward. We maintain our target price of Rs1,350 over a 12 months perspective.

Simplex Infrastructures Limited:

The net sales for the quarter stood at Rs14,791mn as compared to Rs12,460mn, growth of 18.7%. The EBITDA margins stood at 11.9%. The net profit dropped by 12% to Rs244mn as against Rs278mn in the comparative quarter. The EPS for the quarter is Rs4.3. On the segmental front, the construction segment grew by 17% while the segment related to the division named as others grew by 103%.

Outlook and Recommendation:

The company has reported more or less flat numbers for the quarter under review. In the recent conference call, the Management has toned down its revenue guidance for the financial year 2019; thus we too reduce our target price to Rs540 with a horizon of 12 months.

ECONOMY:

RBI Government meeting outcome:

RBI Board meeting ended on a cordial note. Key decisions taken were:

- RBI will inject Rs8000cr liquidity via OMOs
- RBI to form a panel to review its Reserves' framework
- Retaining capital buffer for banks at 9% (expectation was 8%), however, with an extended time limit of one year
- Restructuring of loans of upto Rs25cr for MSMEs
- Existing panel to review PCA norms
- Liquidity norms to be eased for financial sector increase in credit to small businesses
- Liquidity and Governance issue will be discussed in the next meeting to be held on Dec 14, 2018

Dip In The GDP Growth Rate

Growth Momentum In Ayurveda Industry

Slowdown In ATM Industry

Muted Sales Growth: Auto Sector

Tentative Approval For Zydus

ECONOMY:

GDP growth may ease to 7.2% in July-September on sluggish economy

After the strong upswing in April-June quarter, GDP growth for July-September is expected to dip to 7.2% due to sluggishness in agriculture and industry. It can be noted that the GDP had grown by a higher than expected 8.2% in the first quarter of the fiscal as compared to the year-ago period. The dip in the growth number will be largely on account of a pull down from industry where growth is expected to slow down to 7.1% in the September quarter as compared to 10.3% in June and the farm sector, which may slow down to 3.5% from 5.3%.

Our comments:

Higher fuel prices and the weak rupee were pointed out as the primary factors dragging the industrial growth, while an uneven and sub-par monsoon, flooding in some areas amid a late withdrawal of the monsoon rains and instances of crop damage and pest attacks will impact the farm sector.

INDUSTRY:

Indian Ayurveda industry expected to grow to USD4.4bn by the end of 2018

As per the study by the Confederation of Indian Industry (CII), they expect the Ayurveda sector in the country would achieve a gross market size of USD4.4bn, roughly Rs30,000cr by the end of 2018, clocking a projected CAGR of 16% until 2025. The USD4bn domestic market comprises ethical, classical, over-the-counter, personal care and beauty products and medical and medical tourism services.

Our comments:

On account of ageing Indian population and on the other hand a rising health conscious young population, would drive the growth of this sector in the coming years.

Half of existing ATMs may shut down across India by March 2019: ATM body

According to the Confederation of ATM Industry (CATMi), service providers may be forced to closed down almost 1.13lakh ATMs across the country by March 2019. These numbers include approximately one lakh off-site ATMs and a little over 15,000 white label ATMs (set-up, owned & operated by non-bank entities). Currently, India has approximately 2.38lakh installed ATMs.

Our comments:

This move would severely impact millions of beneficiaries registered under the government's Pradhan Mantri Jan Dhan Yojana (PMJDY) scheme, who withdraw their subsidies in the form of cash via ATMs.

CRISIL cuts passenger vehicles sales growth forecast by 200bps

On account of disappointing festive season sales and inventory stockpiling with dealers, CRISIL cut down its growth forecast for the Indian passenger vehicles by 200bps. Generally, Diwali and Dussehra which accounts for a fifth of the annual automobile sales, observed a muted consumer response this year. Consequently, the ratings agency has recalibrated its sales growth forecast to 7-9% from 9-11%.

Our comments:

The factors that has contributed to the muted performance includes, the sharp rise in fuel prices, rising interest rates, increase in insurance premium and the market expectations to demand for new product launch.

COMPANY:

Zydus receives tentative approval from the USFDA for Deferasirox Tablets

Zydus Cadila has received a tentative approval from USFDA to market Deferasirox Tablets, 90mg, 180mg and 360mg (US RLD Exjade Tablets). It will be manufactured at the group's formulations manufacturing facility at SEZ, Ahmedabad. The tablet is used to treat ongoing high levels of iron in the body caused by multiple blood transfusions.

Our comments:

This would be an addition to the offerings of the company.

Fund Raising: ICICI Bank

COMPANY:

ICICI Bank to raise Rs25,000cr via issue of NCDs and FIS

India's second largest private bank, intends to raise as much as Rs25,000cr in order to fill the vacuum left by NBFCs who are currently facing the liquidity crunch. This funding is planned via the issue of Non-Convertible Debentures (NCDs) and other Fixed-Income Securities (FIS) in the year ahead as per an official document sent to the shareholders after its AGM. This in turn is an opportune time for the NBFCs who are finding it difficult to borrow money from banks (up to 60% received from banks) and mutual funds (around 30-35% from this segment).

Our comments:

The lenders move by this fund raising is aimed at capitalizing the growth opportunity in order to deploy the money towards roads, power and infrastructure projects, the space that is being dominated by the NBFCs.

Vitara's Production Ramp-Up

Maruti ramps up production of Vitara Brezza

The company has ramped up the production of utility vehicle: Vitara Brezza in order to meet the demand. The production has increased by 10% to 94,000 units in the first seven months of the ongoing fiscal year. Maruti Suzuki sold over 1.48 lakh units of Vitara Brezza last fiscal.

Our comments:

The company is confident that with the reduced waiting period it would be able to enhance the car buying and ownership experience of its customers.

Expansion Of Oil Refinery Plant

Reliance Industries planning expansion of Jamnagar refinery

The company is planning to boost its oil refining capacity thereby enabling the proposed plant at Jamnagar to process as much as 30mn tonnes of crude a year. The company is looking to process the dirtiest and heaviest crude and may also focus on producing feedstock for petrochemicals.

Our comments:

The company has already begun the discussions with the global refinery process licensors and equipment vendors for the new refining train at Jamnagar complex, costing around USD10bn. The expansion plan is under process and discussion yet to be finalized. Once the final investment decision is undertaken by the company, it expects to start working on the same in 2020.

Efforts To Maintain Liquidity: Indiabulls

Indiabulls Housing raises Rs23,615cr past two months

Indiabulls Housing Finance (NBFC) has raised Rs23,615cr in the past two months, comprising a mixture of debt instruments and loan portfolio sales in order to maintain high levels of cash. It had raised this amount since 21st September, 2018. Indiabulls has sold long-term debt papers in order to raise nearly 75% of the total amount at Rs17,410cr.

Our comments:

The amount of fund raising is in line with the company's objective of maintaining high liquidity and sustainable growth.

Stake Acquisition

HDFC Bank to acquire Bank of Baroda's (BOB) stake in Clearing Corporation

The most valued lender, HDFC Bank has agreed to buy state-run BOB's 4% stake for Rs124cr (USD17.3mn) in Clearing Corporation of India Ltd. The deal will increase HDFC Bank's stake in Clearing Corporation to 9%. Apart from HDFC Bank and Bank of Baroda, other key shareholders of Clearing Corp are State Bank of India, STCI Finance Ltd, ICICI Bank and Life Insurance Corporation of India (LIC).

Our comments:

An RBI approval would be required for the transaction and is likely to get completed by the end of December.

WEEKLY REPORT

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