

## THE WEEKLY WRAP-UP

22nd December 2017

### DOMESTIC:

- Warburg close to buying 49% stake in CAMS
- Aurobindo, Dr Reddy's Laboratories frontrunners to buy out bankrupt Orchid Pharma
- Raymond sets up Rs250cr linen manufacturing plant in Maharashtra
- PVR to open first screen in Sri Lanka in 2 years
- Govt. approves Dish TV merger with Videocond2h
- Sterlite Power bags USD800mn transmission project in Brazil
- Suzlon Energy wins 252MW wind power projects
- Dr Reddy's arm settles case with US govt for USD5mn
- CCI clears IndusInd-Bharat Financial merger
- KEC International wins new orders worth Rs2,424cr
- Tata Steel sets eyes on raising Rs12,800cr via rights issue
- NCLT orders insolvency proceedings against Ruchi Soya
- Edelweiss in talks to buy Religare's broking arm
- HDFC sells 6.3% in CAMS to Warburg Pincus arm for Rs210cr
- Indian Hume Pipe bags orders worth Rs257.26cr
- TCS wins record USD2.25bn Nielsen outsourcing contract
- Dalmia Bharat to acquire bankrupt Murli Industries
- Sun Pharma recalls two batches of diabetic drug from US market
- IVRCL to sell 2 road assets for Rs725cr
- ABB India wins Rs134cr order from railways
- Dilip Buildcon bags two EPC projects worth Rs518cr
- Havells makes debut in water purifier segment
- Reliance Jio Infocomm emerge as front runner to acquire the assets of RCom
- HDFC Bank to raise Rs24000cr
- Canara Bank to sell 4% stake in Canfin Homes
- Zydus Pharma gets USFDA nod for hypertension drug

### ECONOMY:

- Indian Economy will benefit from global upswing: Arun Jaitley
- RBI's Financial Stability Report: 'NPAs may rise to 10.8% in March 2018, 11.1% by Sept'

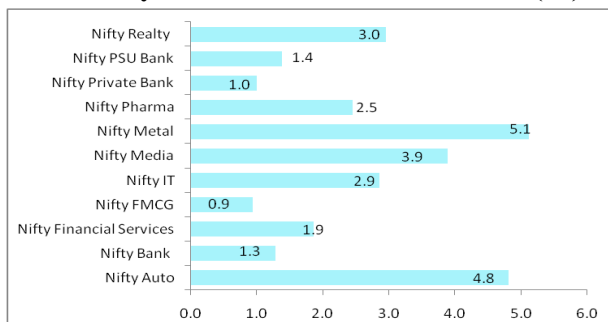
### INDUSTRY:

- Auto industry seeks two GST rates for passenger vehicles
- NPPA notifies prices of 65 essential formulations
- Govt may allow 100% FDI in telecom via automatic route
- SIAM proposes to sell only electric vehicles in India
- 2G Scam: No Evidence. No Scam. No one Guilty
- Railways revises down rail tender to 4.87 LT; SAIL to provide remaining quantity

### Price Performance (%)

| Company                          | 1M    | 3M     | 12M    |
|----------------------------------|-------|--------|--------|
| Supreme Petrochem Ltd            | 4.9%  | -0.7%  | 105.5% |
| Shanthi Gears Ltd                | 15.9% | 26.4%  | 49.3%  |
| Hind Rectifiers Ltd              | 7.0%  | -0.2%  | 50.2%  |
| KCP Ltd                          | 13.2% | 18.5%  | 68.1%  |
| Harita Seating System Ltd        | 1.1%  | 22.9%  | 40.9%  |
| Hester Biosciences Ltd           | 48.3% | 57.8%  | 125.0% |
| Rallis India Ltd                 | 12.8% | 19.3%  | 32.1%  |
| The Hi-Tech Gears Ltd            | 39.7% | 64.4%  | 93.4%  |
| Bharat Bijlee Ltd                | 33.9% | 19.2%  | 78.6%  |
| TNPL                             | 18.9% | 21.2%  | 29.7%  |
| Triveni Turbines Ltd             | -7.7% | -1.3%  | 12.1%  |
| Siemens Ltd                      | 3.4%  | -9.7%  | 13.3%  |
| Hikal Ltd                        | -1.3% | 10.8%  | 15.6%  |
| Aksh Optifibre Ltd               | 9.2%  | 43.5%  | 47.4%  |
| GMM Pfäudler Ltd                 | 25.2% | 19.1%  | 39.2%  |
| Alicon Castalloy Ltd             | 5.3%  | 17.4%  | 84.3%  |
| Premier Explosives Ltd           | 7.1%  | 2.2%   | 32.0%  |
| Gulfic Biosciences Ltd           | 39.7% | 67.6%  | 125.6% |
| Excel Industries Ltd             | 4.1%  | 51.3%  | 90.8%  |
| Vesuvius India Ltd               | 10.3% | 8.5%   | 24.3%  |
| Munjal Showa Ltd                 | 6.0%  | 10.1%  | 51.3%  |
| Bharat Rasayan Ltd               | 22.2% | 38.7%  | 121.8% |
| Alkyl Amines Chemicals Ltd       | 8.4%  | 49.6%  | 121.6% |
| Grauer and Weil (India) Ltd      | 14.7% | 8.9%   | 128.8% |
| Texmaco Rails & Engineering Ltd  | 0.0%  | 11.3%  | -1.6%  |
| Nagarjuna Agrichem Ltd           | 28.6% | 36.0%  | 165.6% |
| Simplex Infrastructures Ltd      | 3.2%  | 22.5%  | 94.6%  |
| Sadhana Nitrochem Ltd            | 48.0% | 35.7%  | 228.4% |
| ITD Cementation India Ltd        | 1.1%  | 26.4%  | 46.4%  |
| Westlife Development Ltd         | 16.7% | 42.0%  | 120.2% |
| Federal Mogul Goetze (India) Ltd | 5.7%  | 6.5%   | 12.7%  |
| Cupid Limited                    | 13.8% | 7.1%   | -0.7%  |
| Dynamatic Technologies Ltd       | 5.6%  | -1.0%  | -22.5% |
| Hitech Corporation Ltd           | 5.0%  | -1.1%  | 16.6%  |
| NRB Bearings Ltd                 | 24.6% | 42.1%  | 60.7%  |
| Kokuyo Camlin Ltd                | 37.2% | 54.2%  | 76.4%  |
| Timken India Ltd                 | 4.6%  | 18.7%  | 52.7%  |
| Indian Hume Pipe Co. Ltd         | -2.3% | -13.0% | 155.2% |
| Engineers India Ltd              | 12.8% | 33.8%  | 29.6%  |
| TRIL                             | 34.9% | 35.0%  | 25.6%  |
| Gulshan Polyols Ltd              | 5.2%  | 7.3%   | 12.7%  |
| Nesco                            | 2.9%  | 0.1%   | 39.7%  |
| Castrol India Ltd                | 3.8%  | 7.3%   | 11.0%  |

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



### The week that went by:

The week started sharply lower on indications that BJP was leading in elections but with small margins. After the knee jerk, there was recovery seen in the markets ending on a positive note. The rally continued the next day of trade as well backed by positive global cues. There was volatility witnessed midweek with a positive and negative swing seen. After the negative moves, the last day of the week saw a positive opening for the markets.



| 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      | 380  | 120               | 150      | 200      | 275      | 350      | 500      | -        | 394%         |
| Shanthi Gears Ltd                 | 107     | 167  | 150               | 200      | -        | -        | -        | -        | -        | 56%          |
| Hind Rectifiers Ltd               | 69      | 127  | 110               | 140      | 175      | -        | -        | -        | -        | 84%          |
| KCP Limited                       | 71      | 138  | 105               | 150      | -        | -        | -        | -        | -        | 95%          |
| Harita Seating System Ltd         | 266     | 950  | 400               | 600      | 750      | 900      | 1150     | -        | -        | 257%         |
| Hester Biosciences Ltd            | 565     | 1630 | 750               | 875      | 1150     | 1500     | -        | -        | -        | 188%         |
| Rallis India Ltd                  | 181     | 258  | 260               | 300      | -        | -        | -        | -        | -        | 43%          |
| The Hitech Gears Ltd              | 298     | 570  | 450               | 600      | -        | -        | -        | -        | -        | 91%          |
| Bharat Bijlee Ltd                 | 787     | 1361 | 1100              | 1500     | 2000     | -        | -        | -        | -        | 73%          |
| Tamil Nadu Newsprint & Papers Ltd | 224     | 430  | 350               | 450      | -        | -        | -        | -        | -        | 92%          |
| Triveni Turbines Ltd              | 92      | 130  | 135               | 175      | -        | -        | -        | -        | -        | 41%          |
| Siemens Ltd                       | 1128    | 1231 | 1500              | -        | -        | -        | -        | -        | -        | 9%           |
| Hikal Ltd                         | 143     | 243  | 200               | 250      | 325      | -        | -        | -        | -        | 70%          |
| Aksh Optifibre Ltd                | 15      | 35   | 24                | 35       | 45       | -        | -        | -        | -        | 136%         |
| GMM Pfaudler Ltd                  | 332     | 732  | 500               | 700      | 800      | -        | -        | -        | -        | 121%         |
| Alicon Castalloy Ltd              | 288     | 627  | 450               | 600      | 750      | -        | -        | -        | -        | 118%         |
| Premier Explosives Ltd            | 350     | 445  | 450               | 525      | -        | -        | -        | -        | -        | 27%          |
| Gufic Biosciences Ltd             | 50      | 125  | 75                | 100      | -        | -        | -        | -        | -        | 150%         |
| Excel Industries Ltd              | 380     | 640  | 550               | 650      | 800      | -        | -        | -        | -        | 68%          |
| Vesuvius India Ltd                | 1165    | 1299 | 1500              | -        | -        | -        | -        | -        | -        | 11%          |
| Munjal Showa Ltd                  | 191     | 283  | 250               | 300      | -        | -        | -        | -        | -        | 48%          |
| Bharat Rasayan Ltd                | 2747    | 3870 | 3500              | 4250     | -        | -        | -        | -        | -        | 41%          |
| Alkyl Amines Chemicals Ltd        | 391     | 644  | 550               | 700      | -        | -        | -        | -        | -        | 65%          |
| Grauer and Weil (India) Ltd       | 45      | 72   | 65                | 80       | -        | -        | -        | -        | -        | 59%          |
| Texmaco Rails & Engineering Ltd   | 91      | 111  | 125               | 170      | -        | -        | -        | -        | -        | 22%          |
| Nagarjuna Agrichem Ltd            | 29      | 59   | 45                | 60       | -        | -        | -        | -        | -        | 104%         |
| Simplex Infrastructures Ltd       | 540     | 576  | 700               | -        | -        | -        | -        | -        | -        | 7%           |
| Sadhana Nitrochem Ltd             | 67      | 94   | 100               | -        | -        | -        | -        | -        | -        | 40%          |
| ITD Cementation India Ltd         | 158     | 209  | 225               | -        | -        | -        | -        | -        | -        | 33%          |
| Westlife Development Ltd          | 266     | 337  | 350               | 425      | -        | -        | -        | -        | -        | 27%          |
| Federal Mogul Goetze (India) Ltd  | 540     | 536  | 750               | -        | -        | -        | -        | -        | -        | -1%          |
| Cupid Limited                     | 286     | 291  | 340               | -        | -        | -        | -        | -        | -        | 2%           |
| Dynamatic Technologies Ltd        | 2160    | 2148 | 3000              | -        | -        | -        | -        | -        | -        | -1%          |
| Hitech Corporation Ltd            | 175     | 181  | 230               | -        | -        | -        | -        | -        | -        | 3%           |
| NRB Bearings Ltd                  | 138     | 172  | 200               | -        | -        | -        | -        | -        | -        | 25%          |
| Kokuyo Camlin Ltd                 | 132     | 141  | 175               | -        | -        | -        | -        | -        | -        | 7%           |
| Timken India Ltd                  | 883     | 892  | 1200              | -        | -        | -        | -        | -        | -        | 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       | 600           | 163%         |  |
| Engineers India Ltd                               | 211  | 200    | Bonus 1 : 1.                          | 106       | 200           | 93%          |  |
| Transformers and Rectifiers (India) Ltd           | 300  | 450    | Stock Split from Rs.FV 10 to Rs.FV 1. | 30        | 45            | 42%          |  |
| Gulshan Polyols Ltd                               | 390  | 500    | Stock Split from Rs.FV 5 to Rs.FV 1.  | 78        | 140           | 12%          |  |
| Nesco Ltd   | 2397 | 3200   | Stock Split from Rs.FV 10 to Rs.FV 2. | 479       | 640           | 9%           |  |
| Castrol India Ltd                                 | 447  | 550    | Bonus 1 : 1.                          | 223       | 275           | -10%         |  |

| Calls Closed                   |      |         |              |                            |      |         |              |
|--------------------------------|------|---------|--------------|----------------------------|------|---------|--------------|
| Company                        | Reco | Reco at | Closed price | Company                    | Reco | Reco at | Closed price |
|                                |      | (Rs)    | (Rs)         |                            |      | (Rs)    | (Rs)         |
| KEC International Ltd          | BUY  | 140     | 240          | Mukand Engineers Ltd       | BUY  | 33      | 56           |
| Rajoo Engineers Ltd            | BUY  | 15      | 30           | Camlin Fine Chemicals Ltd  | BUY  | 111     | 87           |
| Omkar Speciality Chemicals Ltd | BUY  | 162     | 90           | West Coast Paper Mills Ltd | BUY  | 67      | 187          |
| Navneet Education Ltd          | BUY  | 96      | 159          | GEE Limited                | BUY  | 33      | 44.5         |
| MM Forgings Limited            | BUY  | 607     | 856          |                            |      |         |              |

\*Omkar: Spin off

*Positive revisions for Rallis*

*Orders for IHP*

*Target Price Revisions*

*Fundamental pick of the month*

**Coverage News:**

**Rallis India gets revision in ratings for bank facilities**

Rallis India announced that CRISIL has assigned CRISIL AA+/Stable long term rating for the Company's bank facilities of Rs180.5cr. This is an upgrade from the CRISIL AA/ Positive rating assigned earlier. The short term rating for the bank facilities of Rs179.5cr remains at CRISIL A1+.

**Our comments:**

This would be a positive indication for the company.

**Indian Hume Pipe bags orders worth Rs257.26cr**

Indian Hume Pipe Company has secured 3 work orders aggregating to Rs257.26cr from Bengaluru Water Supply and Sewerage Board under Atal Mission for Rejuvenation and Urban Transformation (AMRUT). The company's order book to get boost with this order and would provide revenue visibility and improve its cash flows over coming years.

**Our comments:**

With the government focus on water supply, irrigation and infrastructure spending, the company stands strong to bag more such orders going forward.

**Target Price Revision: Hester Biosciences Limited:**

We had initiated Buy on the stock with a target price of Rs1500 which has been achieved. We recommend booking 20% of profits and further revise the target to Rs1750 over a 12 months horizon.

**Target Price Revision: Transformers and Rectifiers (India) Limited:**

We had initiated Buy on the stock with the adjusted target price of Rs40 which has been achieved. We further revise the target to Rs55 over a 12 months horizon.

**Fundamental Pick of the month:**

**Timken India Limited:**

Timken India Limited (Timken) was incorporated in 1987 as Tata Timken Limited (TTL), a joint venture between Tata Iron and Steel Company (TISCO) and The Timken Company of USA, a world leader in tapered roller bearings. Both the companies held 40% stake in the Joint Venture, however in 1999, The Timken Company of USA acquired the stake from TISCO and changed the name of the company to Timken India Limited. Timken India Limited (Timken), subsidiary of Timken Company is a market leader in tapered roller bearings and components in India and holds the distinction of being the only indigenous manufacturer of freight application bearings for railways in the listed entity. It provides roller bearings which are used in locomotives, engines, wagons, passenger coaches and wheels. The manufacturing facility of the company is at Jamshedpur with the extended service footprint in Raipur. Timken has led the industry with significant breakthroughs in the bearing technology. Timken offers friction management solutions that maximize performance, fuel-efficiency and equipment life. Wherever parts move and turn, Timken products and services can make things run a little smoother, safer and more efficiently. The company has Mr. Sanjay Koul as the Chairman and Managing director.

**Outlook and recommendations:**

The rising government spending in the railway space, healthy balance sheet and improving profitability are some of the strong positives for the company. With the ramp up in production capacity and acquisition of ABC bearing, the company is well placed and equipped to tap the demand in the sectors of railways and commercial vehicles. Further with IRIS certification, company is well poised to cater to European rail. On the basis of peer comparison, company is trading at 2.6 times of its Price to Book as against industry average of 4.3 times. At CMP of Rs883, the stock is trading at 58.3x FY18E earnings. Betting on the anticipated growth in the industry and opportunities which Timken serves, we initiate a BUY on the stock with a target price of Rs1200 with a 12 months perspective.

*Castrol Ex-Bonus*

**Castrol India**

The Board of Directors of Castrol India at its meeting held on 07 November 2017 had recommended issue of Bonus Shares 1:1 to the shareholders of the Company. The same has been approved by the shareholders through postal ballot on 16th December, 2017. The ex-date and record date has been fixed as 21st & 23rd December, 2017 respectively.

**Our comments**

The price has been adjusted for Bonus on 21st December, 2017. We therefore adjust our initiation price to Rs224 and target price to Rs275.

*Positivity for the Indian Economy*

**ECONOMY:**

**Indian Economy will benefit from global upswing: Arun Jaitley**

Finance Minister Arun Jaitley exuded confidence that the upward movement of the global economy will also help India which has been growing at the "new normal" growth rate of 7-8%. The global economy is expected to grow by 3.6% in 2017 and 3.7% next year. Jaitley further said during the last three-and-half years, the government has been able to bring down the fiscal deficit, current account deficit, contain inflation and stabilise exchange rate.

**Our comments:**

Observing that India no more suffers from policy paralysis and fear of being part of the 'fragile five' global economies, Jaitley said "India is a bright spot, sweet spot, fastest growing major economy in the world".

*RBI's FSR*

**RBI's Financial Stability Report**

A macro stress test carried out by the banking regulator indicates that under the baseline scenario, gross non-performing assets (GNPAs) might rise from 10.2% of gross advances in September 2017 to 10.8% in March 2018 and further to 11.1% by September 2018, as per the Reserve Bank of India's (RBI) Financial Stability Report (FSR). The banking stability indicator (BSI) shows that the risks remain at an elevated level weighed down by further asset quality deterioration.

**Our comments:**

The overall risks to the banking sector remained elevated due to asset quality concerns.

*Two GST rates for PVs*

**INDUSTRY:**

**Auto industry seeks two GST rates for passenger vehicles**

Automobile industry body SIAM is seeking two tax rates for passenger vehicles under the GST regime instead of multiple rates levied currently, as part of its wish list for the upcoming budget. The industry body has also sought from the Finance Minister Arun Jaitley a special tax rate of 12% for electric and hydrogen fuel cell powered vehicles. The automotive industry has been suggesting two rates for cars in place of multiple tax rates, and requests the government to keep only two rates for vehicles under the GST regime.

**Our comments:**

One needs to see how much of this is considered for the Auto sector.

*NPPA on the move*

**NPPA notifies prices of 65 essential formulations**

National drug pricing regulator NPPA said it has notified prices of 65 essential formulations, including those used for the treatment of diabetes, infections, pain and high blood pressure. NPPA has fixed/revised ceiling prices/Retail Prices of 65 scheduled formulations under Drugs (Prices Control) Order, 2013. In respect of medicines that are not under price control, manufacturers are allowed to increase the maximum retail price by 10% annually.

**Our comments:**

These measures are mainly for monitoring the prices of controlled and decontrolled drugs.

*Orchid Pharma on target*

*Raymond sets up  
manufacturing plant*

*New contracts for JMC  
Projects*

*Dish TV Videocon d2h  
merger approved*

*Orders for Suzlon*

**COMPANY:**

**Aurobindo, Dr Reddy's Laboratories frontrunners to buy out bankrupt Orchid Pharma**

Aurobindo Pharma Ltd. and Dr Reddy's Laboratories Ltd. are emerging as the frontrunners to buy out bankrupt Orchid Pharma Ltd. as they seek to expand their capacities. Lakshmi Vilas Bank referred Chennai-based Orchid Pharma to the National Company Law Tribunal for defaulting on repayments to the tune of Rs50cr. The company owes more than Rs3,500cr to a group of lenders led by the State Bank of India. It was on the Reserve Bank of India's second list of 28 defaulters that had to be referred to the NCLT before December 31 if no resolution was found by Dec 13.

**Our comments:**

As per the company, several parties have submitted their interest. Things will become clearer when the company receives binding bids and hopefully at good valuations.

**Raymond sets up Rs250cr linen manufacturing plant in Maharashtra**

Raymond launched its first ever Rs250cr linen manufacturing plant at Amravati that will cater to the company's own brands, domestic and international markets. The facility is expected to produce 1,200 tonnes of linen yarns and 4.8 million meters of linen and blended fabrics per annum. The new greenfield linen manufacturing facility is under the company's subsidiary Raymond Luxury Cottons Ltd.

**Our comments:**

This is the initial investment by the company. It had indicated total investment of Rs1400cr in phased manner.

**JMC Projects secures new contracts worth Rs790cr**

JMC Projects (India) Ltd has secured new orders of Rs790cr. The secured orders consist of one water pipeline and one micro irrigation project in the state of Madhya Pradesh totalling to Rs451cr. One residential and one commercial project in Western and Southern India respectively totalling to Rs339cr. The total order book of JMC Projects as on September 30, 2017 amounts to Rs6,569cr.

**Our comments:**

The water pipeline and irrigation segment of the company continues to build on with new orders and strengthens revenue growth guidance of the company for FY18E.

**Govt. approves Dish TV merger with Videocon d2h**

Dish TV India Limited (Dish TV) has received the final approval for closing of the merger of Videocon d2h with DishTV. The Ministry of Information and Broadcasting (MIB) had approved the requests made by the company for completion of the transaction for the creation of the largest listed media company in India taking into consideration the last reported revenue and EBITDA numbers of the two DTH players on a pro-forma basis. Following the amalgamation, the combined entity will be renamed as Dish TV Videocon Limited.

**Our comments:**

The combined entity is expected to provide better synergies and growth opportunities through deeper after-sales, distribution and technology capabilities and will also become a more effective partner for TV content providers in India.

**Suzlon Energy wins 252MW wind power projects**

Suzlon Energy has received 252 MW wind power projects from leading Global Utility. This project is won by the utility through SECI II auction held recently. The company will execute the entire project on a turnkey basis and will also provide operation and maintenance services. With this order, Suzlon has secured combined orders of 502 MW across SECI- I and SECI- II auctions.

**Our comments:**

The order is a booster to the trust and confidence in the technologically advanced products of the company.

*Orders for Sterlite Power*

*New orders for KEC  
international*

*Tata Steel approves rights  
issue*

*Drug recall by Sun  
Pharma*

**COMPANY:**

**Sterlite Power bags USD800mn transmission project in Brazil**

Sterlite Power bagged a contract worth USD800mn to construct 1800 km transmission project in Brazil. The project will be executed in north of Brazil with more than 1800 km of transmission lines. The project will be part of the North-Southeast and North-Northeast inter-connections.

**Our comments:**

Sterlite has demonstrated its international competitiveness by winning the largest lot on offer in the auction. With this project, Sterlite, which had won two projects earlier in April this year, consolidates its presence in Brazil reaching a total of USD1bn of investment, the largest ever done by an Indian company in Latin America.

**KEC International wins new orders worth Rs2,424cr**

KEC International (KEC) has secured new orders worth Rs2,424cr across all its business units. The Transmission & Distribution (T&D) Business secured orders of Rs1,636cr across India (Rs117cr), SAARC (Rs1,058cr), Africa & Americas (Rs461cr). With these orders, the company has strengthened its international T&D and Railways portfolio and improved its international order book.

**Our comments:**

Improving order inflows in the T&D business, led by TBCB and substation orders, reinstates the positive stance on the T&D business of the company.

**Tata Steel board approves up to USD2bn rights issue**

Tata Steel Ltd has approved a rights issue to raise up to Rs128bn (USD2bn) to fund capacity expansion at a plant in the eastern state of Odisha, and to cut debt. The company's Kalinganagar plant will be expanded by 5 million tonnes per annum (tpa) to 8 million tpa, entailing a total investment of Rs235bn. The expansion is expected to meet growing demands from the automotive and general engineering segments. The project, which is expected to be completed in 4 years, will be funded through a combination of equity and debt.

**Our comments:**

The fund raising is for the different organic and inorganic growth plans of the company.

**Sun Pharma recalls two batches of diabetic drug from US market**

Sun Pharmaceutical Industries has started recalling two batches of Riomet (metformin hydrochloride) Oral Solution voluntarily from the US market due to microbial contamination. According to a notification put up by the US Food and Drug Administration on its website, the recall was initiated by the firm under 'Class-II' classification. The notification did not mention the quantity that is being recalled.

**Our comments:**

According to the USA health regulator, Class II recall is a situation in which use of or exposure to a violative product may cause temporary or medically reversible adverse health consequences or where the probability of serious adverse health consequences is remote.

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