

THE WEEKLY WRAP-UP

23rd March 2018

DOMESTIC:

- Reliance Communications moves Supreme Court for asset sale relief
- IOC, BPCL may buy 26% stake each in GAIL
- Orchid gets three final bids at par with liquidation value
- Shilpa Medicare Ltd receives EIR from USFDA for formulations manufacturing facility
- Ashoka Buildcon emerges lowest bidder for NHAI project
- Thermax wins Rs503cr EPC order
- Videocon to exit insurance biz, sell entire stake to Diamond Dealtrade & Enam
- Arvind Ltd aims Rs10,000cr business from textiles in 4-5 years
- Bhel commissions 1st unit of Kishanganga hydro project in J&K
- Suzlon wins two wind power projects in Gujarat
- BGR Energy Systems bags Rs87.68cr order from TANTRANSCO
- IRB Infra bags road project worth Rs2,043cr from NHAI in Gujarat
- Lupin gets USFDA nod for psoriasis treatment spray
- Cipla says eight observations by USFDA for Goa unit are procedural
- GE Power bags first order for FDG system from NTPC for its unit in Telangana
- Sterlite Power acquires Rs1,500cr Goa-Tamnar
- Suzlon Energy commissions largest wind turbine in India
- Granules India gets first ANDA approval in three months
- Sterlite Power acquires Rs1,500cr Goa-Tamnar
- ITD Cementation loses Bandra-Versova Sea Link project
- Sadbhav Infrastructure bags 2 road projects worth Rs1,567.92cr from NHAI
- Tildra approval to give sentimental push to Sun Pharma
- Dilip Buildcon receives orders worth Rs677cr
- Coal India allocated 11 mines, annual output to increase by 225mn tonnes
- Zensar to acquire Cynosure for USD33mn

ECONOMY:

- What does US Fed interest rate hike mean for Indian markets?
- Trump hits China with tariffs, heightening concerns of global trade war

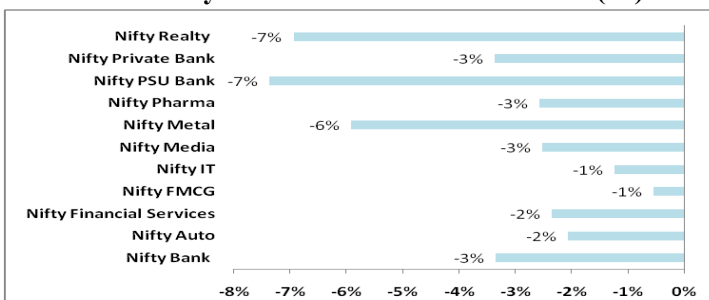
INDUSTRY:

- Anti-dumping duty imposed on Ofloxacin import from China
- Steel prices may firm up by 6-10%, bridge the discount
- India scraps sugar export tax
- US dumping duty on Indian stainless steel

Price Performance (%)

Company	1M	3M	12M
Supreme Petrochem Ltd	-12.3%	-18.4%	0.6%
Shanthi Gears Ltd	-10.6%	-22.4%	15.7%
Hind Rectifiers Ltd	-4.2%	-4.6%	67.3%
KCP Ltd	-12.3%	-19.1%	14.1%
Harita Seating System Ltd	4.6%	3.0%	41.2%
Hester Biosciences Ltd	-0.3%	-18.0%	108.1%
Rallis India Ltd	-4.9%	-15.8%	-11.4%
The Hi-Tech Gears Ltd	-10.4%	-29.5%	33.3%
Bharat Bijlee Ltd	2.7%	9.7%	77.3%
Triveni Turbines Ltd	-14.4%	-25.9%	-20.4%
Siemens Ltd	-6.5%	-11.6%	-12.0%
Hikal Ltd	-12.0%	-15.6%	2.5%
Aksh Optifibre Ltd	-19.8%	-14.0%	38.4%
GMM Pfäudler Ltd	-7.5%	-20.1%	29.1%
Alicon Castalloy Ltd	-9.6%	-9.2%	36.5%
Premier Explosives Ltd	-16.2%	-24.7%	-3.3%
Gufic Biosciences Ltd	-7.8%	-10.7%	65.8%
Excel Industries Ltd	6.1%	39.3%	148.8%
Vesuvius India Ltd	-6.8%	3.6%	2.5%
Munjjal Showa Ltd	-10.2%	-27.4%	-4.1%
Bharat Rasayan Ltd	-5.9%	7.9%	56.8%
Alkyl Amines Chemicals Ltd	-5.1%	-10.0%	52.7%
Grauer and Weil (India) Ltd	-10.3%	-20.2%	38.6%
Texmaco Rails & Engineering Ltd	-12.7%	-27.8%	-8.2%
Nagarjuna Agrichem Ltd	-8.1%	-30.7%	52.5%
Simplex Infrastructures Ltd	-19.5%	-18.6%	59.1%
ITD Cementation India Ltd	-14.7%	-26.8%	0.0%
Westlife Development Ltd	-7.8%	-7.5%	45.2%
Federal Mogul Goetze (India) Ltd	-12.5%	-19.1%	-14.2%
Dynamatic Technologies Ltd	-12.7%	-23.8%	-42.4%
Hitech Corporation Ltd	-10.7%	-24.2%	-10.9%
NRB Bearings Ltd	-7.1%	-14.2%	43.5%
Kokuyo Camlin Ltd	-8.2%	-19.5%	21.3%
Timken India Ltd	-13.1%	-19.8%	17.3%
Bigbloc Construction Ltd	25.4%	14.9%	162.6%
Morganite Crucible (India) Ltd	15.2%	19.3%	39.0%
Vardhman Special Steels Ltd	-15.8%	-18.5%	21.8%
Indian Hume Pipe Co. Ltd	-20.9%	-33.7%	60.8%
Engineers India Ltd	-11.6%	-25.6%	105.7%
TRIL	-13.8%	-36.0%	-33.4%
Gulshan Polyols Ltd	-16.5%	-25.7%	-14.5%
Nesco Limited	-9.1%	1.7%	14.5%
Castrol India Ltd	3.3%	101.3%	-4.8%

Weekly Sectoral Gainers & Losers in (%)



The week that went by:

The week opened on a positive note amidst the high volatility and mixed Asian cues. The opening trade was negative again due to weak global markets. The midweek saw positive markets led by short covering and leads from global peers. The markets opened flat following the weak sentiments post the US Fed reserves raised rates and 2019 GDP projections. The indices opened lower tracking the fall in global peers due to US China trade war worries.

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	310	500	61.3	29.9	18.6	14.9	16.7	20.7	9.7	12.2
Shanthi Gears Ltd	BUY	107	128	200	55.8	10.5	2.8	3.1	46.5	41.5	29.3	24.7
Hind Rectifiers Ltd	BUY	69	132	175	32.4	2.0	-1.1	0.3	-124.6	385.8	49.2	34.7
KCP Limited	BUY	71	115	200	74.1	14.8	2.8	6.3	41.4	18.2	12.4	9.6
Harita Seating System Ltd	BUY	266	980	1150	17.3	7.6	32.4	34.5	30.2	28.4	27.6	24.0
Hester Biosciences Ltd	BUY	565	1575	2200	39.7	13.4	29.2	34.2	53.9	53.1	33.3	28.3
Rallis India Ltd	BUY	181	217	300	38.2	42.2	15.3	9.4	24.4	23.1	16.1	14.7
The Hitech Gears Ltd	BUY	298	398	600	50.8	7.5	10.9	16.5	36.6	24.6	15.9	13.2
Bharat Bijlee Ltd	BUY	787	1474	2000	35.7	8.3	34.7	41.4	42.5	35.6	54.7	27.7
Triveni Turbines Ltd	BUY	92	100	175	74.7	0.3	3.5	2.4	28.4	41.1	20.2	24.8
Siemens Ltd	BUY	1128	1095	1500	37.0	389.9	9.1	10.0	120.5	109.7	82.2	72.7
Hikal Ltd	BUY	143	204	325	59.7	16.7	8.1	8.7	25.0	23.4	10.7	9.8
Aksh Optifibre Ltd	BUY	15	31	45	46.8	5.0	13.9	1.5	1.9	17.5	6.6	10.0
GMM Pfaudler Ltd	BUY	332	665	1000	50.4	9.7	19.3	20.8	34.4	32.0	23.6	21.6
Alicon Castalloy Ltd	BUY	288	558	750	34.4	6.9	21.4	24.1	26.1	23.1	10.3	8.1
Premier Explosives Ltd	BUY	350	329	600	82.6	2.9	15.9	11.4	20.6	28.8	11.4	11.2
Gulfic Biosciences Ltd	BUY	50	111	140	26.3	8.5	1.6	2.1	71.1	53.3	33.6	25.0
Excel Industries Ltd	BUY	380	874	800	-8.5	11.3	9.8	39.7	89.5	22.0	27.7	13.1
Vesuvius India Ltd	BUY	1165	1240	1500	21.0	24.8	49.0	62.7	25.3	19.8	13.7	11.1
Munjal Showa Ltd	BUY	191	205	350	71.1	8.2	14.2	14.6	14.4	14.0	8.6	8.3
Bharat Rasayan Ltd	BUY	2747	4302	6500	51.1	18.1	128.9	189.3	33.4	22.7	17.6	12.7
Alkyl Amines Chemicals Ltd	BUY	391	598	700	17.1	12.2	24.3	27.0	24.6	22.1	14.4	14.5
Grauer and Weil (India) Ltd	BUY	45	56	100	77.3	12.8	2.3	2.3	25.0	24.1	14.0	13.7
Texmaco Rails & Engineering Ltd	BUY	91	82	170	107.1	20.2	1.5	2.7	53.7	30.5	36.1	22.4
Nagarjuna Agrichem Ltd	BUY	29	40	75	86.3	6.3	1.6	0.9	24.9	46.5	13.4	12.4
Simplex Infrastructures Ltd	BUY	540	471	700	48.6	20.2	24.3	29.6	19.4	15.9	8.1	7.4
ITD Cementation India Ltd	BUY	158	157	225	43.3	24.4	3.1	4.8	50.6	32.8	13.3	12.0
Westlife Development Ltd	BUY	266	304	425	39.6	47.3	-0.8	0.3	-390.2	891.5	104.6	63.2
Federal Mogul Goetze (India) Ltd	BUY	540	425	750	76.6	23.6	12.9	15.7	32.8	27.0	13.6	12.4
Dynamatic Technologies Ltd	BUY	2160	1688	3000	77.7	10.7	23.0	-9.3	43.3	-482.2	9.8	12.4
Hitech Corporation Ltd	BUY	175	139	230	64.9	2.4	6.9	3.5	20.2	39.9	8.0	8.9
NRB Bearings Ltd	BUY	138	151	200	32.7	14.6	5.2	5.5	28.9	27.3	16.2	15.5
Kokuyo Camlin Ltd	BUY	132	111	175	57.9	11.1	0.1	0.5	1170.8	211.8	54.9	40.4
Timken India Ltd	BUY	883	714	1200	68.1	48.5	14.3	15.1	49.9	47.1	30.7	26.7
Bigbloc Construction Ltd	BUY	120	168	200	19.0	2.4	2.2	2.7	77.7	61.3	25.2	21.9
Morganite Crucible (India) Ltd	BUY	1047	1175	1500	27.7	3.3	47.2	38.2	24.9	30.7	13.0	17.5
Vardhman Special Steels Ltd	BUY	151	141	225	59.1	5.0	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	75%
Engineers India Ltd	211	200	Bonus 1 : 1.	106	250	43%
Transformers and Rectifiers (India) Ltd	300	450	Stock Split from Rs.FV 10 to Rs.FV 1.	30	40	-10%
Gulshan Polyols Ltd	390	500	Stock Split from Rs.FV 5 to Rs.FV 1.	78	110	-14%
Nesco Ltd	2397	3200	Stock Split from Rs.FV 10 to Rs.FV 2.	479	640	12%
Castrol India Ltd	447	550	Bonus 1 : 1	223	275	-11%

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	300	600	100.0	14.5	20.4	14.3	14.7	20.9	8.1	10.8
Engineers India Ltd	BUY	106	151	250	66.0	50.7	4.8	5.0	31.2	30.1	31.0	33.5
Transformers and Rectifiers (India) Ltd	BUY	30	27	40	48.7	0.4	13.9	1.5	1.9	17.5	6.6	10.0
Gulshan Polyols Ltd	BUY	78	67	110	64.2	3.1	4.6	6.4	0.0	0.0	2.0	1.6
Nesco Ltd	BUY	479	537	640	19.2	7.6	120.2	137.5	0.0	0.0	0.0	0.0
Castrol India Ltd	BUY	223	199	275	37.9	98.6	13.6	14.1	15.1	14.6	9.2	8.7

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	310	120	150	200	275	350	500	-	302%
Shanthi Gears Ltd	107	128	150	200	-	-	-	-	-	20%
Hind Rectifiers Ltd	69	132	110	140	175	-	-	-	-	92%
KCP Limited	71	115	105	150	200	-	-	-	-	62%
Harita Seating System Ltd	266	980	400	600	750	900	1150	-	-	268%
Hester Biosciences Ltd	565	1575	750	875	1150	1500	1750	2200	-	179%
Rallis India Ltd	181	217	260	300	-	-	-	-	-	20%
The Hitech Gears Ltd	298	398	450	600	-	-	-	-	-	34%
Bharat Bijlee Ltd	787	1474	1100	1500	2000	-	-	-	-	87%
Triveni Turbines Ltd	92	100	135	175	-	-	-	-	-	9%
Siemens Ltd	1128	1095	1500	-	-	-	-	-	-	-3%
Hikal Ltd	143	204	200	250	325	-	-	-	-	42%
Aksh Optifibre Ltd	15	31	24	35	45	-	-	-	-	104%
GMM Pfäudler Ltd	332	665	500	700	800	1000	-	-	-	100%
Alicon Castalloy Ltd	288	558	450	600	750	-	-	-	-	94%
Premier Explosives Ltd	350	329	450	525	-	-	-	-	-	-6%
Gufic Biosciences Ltd	50	111	75	100	140	-	-	-	-	122%
Excel Industries Ltd	380	874	550	650	800	-	-	-	-	130%
Vesuvius India Ltd	1165	1240	1500	-	-	-	-	-	-	6%
Munjal Showa Ltd	191	205	250	300	350	-	-	-	-	7%
Bharat Rasayan Ltd	2747	4302	3500	4250	5000	6500	-	-	-	57%
Alkyl Amines Chemicals Ltd	391	598	550	700	-	-	-	-	-	53%
Grauer and Weil (India) Ltd	45	56	65	80	100	-	-	-	-	25%
Texmaco Rails & Engineering Ltd	91	82	125	170	-	-	-	-	-	-10%
Nagarjuna Agrichem Ltd	29	40	45	60	75	-	-	-	-	39%
Simplex Infrastructures Ltd	540	471	700	-	-	-	-	-	-	-13%
ITD Cementation India Ltd	158	157	225	-	-	-	-	-	-	-1%
Westlife Development Ltd	266	304	350	425	-	-	-	-	-	14%
Federal Mogul Goetze (India) Ltd	540	425	750	-	-	-	-	-	-	-21%
Dynamatic Technologies Ltd	2160	1688	3000	-	-	-	-	-	-	-22%
Hitech Corporation Ltd	175	139	230	-	-	-	-	-	-	-20%
NRB Bearings Ltd	138	151	200	-	-	-	-	-	-	9%
Kokuyo Camlin Ltd	132	111	175	-	-	-	-	-	-	-16%
Timken India Ltd	883	714	1200	-	-	-	-	-	-	-19%
Bigbloc Construction Ltd	120	168	160	200	-	-	-	-	-	40%
Morganite Crucible (India) Ltd	1047	1175	1500	-	-	-	-	-	-	12%
Vardhman Special Steels Ltd	151	141	225	-	-	-	-	-	-	-6%

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Nesco Ltd	2397	3200	Stock Split from Rs.FV 10 to Rs.FV 2.	479	640	12%
Castrol India Ltd	447	550	Bonus 1 : 1	223	275	-11%

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

ITD loses on a project for second time

Coverage News:

ITD Cementation loses Bandra-Versova Sea Link project

ITD Cementation lost out to Reliance Infrastructure on the Bandra-Versova Sea Link project. This is the second loss that ITD Cementation has faced in quick succession after they lost the Mumbai Trans Harbour Link earlier. The company bids for the project in joint venture with Hyundai, which is a globally reputed infrastructure company.

Our comments:

As per the company the price it had quoted was the right price.

Fundamental Pick of the month

Fundamental Pick of the month: Vardhman Special Steels Limited

Vardhman Special Steels Limited (VSSL) was demerged from Vardhman Textiles into a listed Company Vardhman Special Steels Ltd. VSSL, headquartered in Ludhiana, Punjab, is one of India's leading producers of special steels and caters to diverse requirements of the Engineering, Automotive, Tractor, Bearing and Allied Industries. The company also caters to the steel requirements of customers for forging applications in international markets of Thailand, Taiwan, Turkey, Russia and Spain to mention a few. The company had entered the Steel industry back in the year 1973 and since then, has expanded its operations on all fronts. It incorporates some of the most advanced manufacturing facilities with equally reliable support facilities. The product basket comprises of billets, steel bars, rods and bright bars of various categories of special and alloy steels. With leveraging state-of-the-art manufacturing facilities and vast experience in the domain, the company has an extensive client list which includes globally renowned corporations such as Toyota, Hero Moto Corp, Caterpillar, Hino Motors, Maruti, Bajaj and Hyundai. The company has Mr. Sachit Jain as Chairman and Managing Director.

Outlook and recommendations:

In comparison to its peers, the company stands strong in terms of manufacturing methodology, technology, clientele base as well as capacity utilizations. We find VSSL to be an apt candidate in the sector with strong growth prospects going forward. We initiate BUY on the stock with a target price of Rs225 over a 12 months horizon.

Fed interest rate hike

ECONOMY:

What does US Fed interest rate hike mean for Indian markets?

The US Federal Reserve officials raised the benchmark lending rate a quarter-point. Policy makers continued to project a total of three interest rate hikes this year. In the forecasts, Fed officials projected a median federal funds rate of 2.9% by the end of 2019, implying three rate hikes next year, compared with two moves seen in the last round of forecasts in Dec. Higher interest rates in the US generally lead to outflow of foreign funds from emerging markets considered to be riskier assets.

Our comments:

As per analysts, history has shown that unless the real interest rates rise beyond 2.5% the markets can very well take these hikes into stride. So nothing as such to worry by the three hikes in 2019.

Trade war in focus

Trump hits China with tariffs, heightening concerns of global trade war

Donald Trump launched the next salvo in his widening war on Chinese trade abuses, this time taking aim at China's unfair seizure of US intellectual property. Trump directed the US trade representative to level tariffs on about USD50bn worth of Chinese imports following a seven-month investigation into the intellectual property theft. In addition to tariffs, the US also plans to impose new investment restrictions, take action against China at the World Trade Organization and the Treasury Department also will propose additional measures.

Our comments:

Trump signalled the tariffs would affect "about USD60bn" of Chinese imports, but administration officials said the figure would be closer to USD50bn.

Anti dumping on Ofloxacin

INDUSTRY:

Anti-dumping duty imposed on Ofloxacin import from China

India has imposed anti-dumping duty on import of Chinese pharma product, used in treatment of certain infections, to protect domestic producers from below-cost shipments. The duty on import of 'Ofloxacin' from China will be in the range of USD2.58 to USD9.48 per kilogram for three years, as per a notification issued by the revenue department in the finance ministry. The levy has been slapped following the recommendations of the Directorate General of Anti-Dumping and Allied Duties (DGAD). Aarti Drugs had approached the DGAD for initiation of anti-dumping investigation and imposition of the duty concerning imports of Ofloxacin, originating in or exported from China.

Our comments:

After a probe into the imports, the Authority concluded that the product has been exported to India from China below its normal value resulting in dumping. The domestic industry has suffered material injury due to dumping of the product the DGAD said while recommending the levy.

Dumping duty on stainless steel

US dumping duty on Indian stainless steel

The US has decided to slap an anti-dumping duty on stainless steel flanges from India and China after it found in its preliminary probe that both the countries provided subsidies to the exporters. The department of commerce has found that exporters from China and India have sold stainless steel flanges in the US at 257.11% and 18.10-145.25% less than fair value, respectively, according to an official statement.

Our comments:

The enforcement of the US trade law is a prime focus of the Trump administration. Commerce is scheduled to announce the final determinations in these investigations on or about June 5, 2018.

Ashoka Buildcon emerges lowest bidder

COMPANY:

Ashoka Buildcon emerges lowest bidder for NHAI project

Ashoka Buildcon has been declared as lowest bidder for project by the NHAI. The company's subsidiary Ashoka Concessions (ACL) has emerged as the lowest bidder for a project on hybrid annuity mode. The subsidiary had submitted its bid to National Highways Authority of India (NHAI) for the project for construction of 8 lane Vadodara Kim expressway in the state of Gujarat under NHDP Phase - VI on Hybrid Annuity mode (Phase IA-Package IV).

Our comments:

The company quoted bid project cost at Rs1687cr and stands to benefit to add to its order book.

Order for Thermax

Thermax wins Rs503cr EPC order

Thermax has bagged Rs503cr from a leading public-sector fertilizer company to set up 3 natural gas-based EPC co-generation power plants of 20MW capacity each. The scope of supply includes design, engineering, manufacturing, construction and commissioning of the co-generation plants. The project is to be completed in 22 months.

Our comments:

As indicated by the company, strong growth in order book would further improve the revenue visibility for FY19-20E. Also, green shoots in the cement and steel sectors will aid sales growth. Further, emerging opportunities for emission norms for power plants (De-Sox & De-NOx) offer new growth avenues for Thermax.

USFDA nod for Lupin

COMPANY:

Lupin gets USFDA nod for psoriasis treatment spray

Lupin has received approval from the US health regulator to market Desoximetasone Topical spray, used for treatment of plaque psoriasis, in the American market. It is a generic version of Taro Pharmaceuticals USA Inc.'s Topicort Topical Spray, 0.25%. The approval has been granted to the product in the size of 30 ml, 50 ml, and 100 ml.

Our comments:

As per IQVIA MAT data of January 2018, the product had annual sales of around USD19.5mn in the US.

USFDA observations for Cipla

Cipla says eight observations by USFDA for Goa unit are procedural

Cipla Ltd received eight observations regarding manufacturing practices at its Goa plant that contributes a quarter of the drug maker's sales in the U.S. The facility was inspected from Jan 22 -25, according to a Form 483 issued by the USFDA.

Goa is one of the largest plants for Cipla catering to the U.S. market. Close to 50% of Cipla's America revenues come from its U.S. subsidiary Invagen and the rest from the facilities in Goa, Indore, Madhya Pradesh and Patalganga, Maharashtra.

Our comments:

As per the company CEO, the inspection was product-specific and not plant-specific. The observations are procedural. Cipla is hopeful of a resolution soon.

Acquisition by Sterlite Power

Sterlite Power acquires Rs1,500cr Goa-Tamnar

Sterlite Power has acquired the Rs1,500cr Goa-Tamnar Transmission Project. The project will deliver an incremental 400kV feed to Goa and scale up the transmission network for power evacuation from generation projects pooled at Raigarh (Chhattisgarh). According to the statement, with 15 power transmission projects including three in Brazil, Sterlite is poised to increase its current market share of 30% of the PPP (public private partnership) market.

Our comments:

As indicated by the company, with this acquisition, it has increased its footprint of inter-state transmission projects to 21 states. Significantly, the company is committed to delivering this project also ahead-of-schedule as has been our track record.

Suzlon commissions wind turbine

Suzlon Energy commissions largest wind turbine in India

Suzlon Energy has announced a new wind turbine that could help generate significant savings for project developers as competition in India's wind energy sector intensifies. The company has not launched the turbine commercially. It has installed a prototype at a location in the southern state of Tamil Nadu, the leading state in terms of installed wind energy capacity.

Our comments:

Testing is underway with certification expected in Q3-CY2018. The S128 wind turbine generator is the latest addition to Suzlon's product portfolio and features the time tested Doubly Fed Induction Generator (DFIG) technology.

Road projects for Sadbhav Eng

Sadbhav Infrastructure bags 2 road projects worth Rs1,567.92cr from NHAI

Sadbhav Infrastructure Project has bagged two road projects worth Rs1,567.92cr from NHAI in Gujarat and Andhra Pradesh. Project bid price is Rs520.3cr. The project is for four lane connectivity to Visakhapatnam Port Road from 0.00 km to 12.700 km in Andhra Pradesh.

Our comments:

The project is for up-gradation to four lane with paved shoulder of Bhimasar Junction of NH-41 to Anjar- Bhuj up to Airport Junction from 0.00 km to 65.478 km of NH-341 in Gujarat.

*ANDA approval for
Granules*

*Awaited approval for Sun
Pharma*

COMPANY:

Granules India gets first ANDA approval in three months

Granules India has received USFDA nod for metformin extended release tablets. This is a generic version of Bristol Myers Squibb's Glucophage XR tablets. The nod is for 500-mg and 750-mg strengths. Metformin HCL is a significantly large drug (~USD2.6bn sales in 2017) and has already gone off patent. The size of the drug offers an opportunity to the new players. The Indian companies Lupin, Zydus, Sun Pharma and Marksans Pharma also have approvals for this generic in the same strengths.

Our comments:

Granules India has said that it intends to commercialise the product shortly. This is also first ANDA approval for the company in the past three months. The last approval was for Cetirizine Hydrochloride in December 2017.

Tildra approval to give sentimental push to Sun Pharma

Sun Pharma received a USFDA approval for its novel anti-psoriasis drug tildrakizumab, making it the first new biologic drug approval for the company. The drug which will be sold under the brand name Ilumya is expected to treat adults for moderate to severe plaque psoriasis, an autoimmune disease. Ilumya was a molecule that Sun Pharma had acquired from US drug maker Merck in its middle stages of clinical development with a view to strengthen its potential in the specialty drug business that comprises drugs for skin and ophthalmic diseases.

Our comments:

This approval will take Sun Pharma head on with the likes of Johnson and Johnson (J&J), Novartis, Eli Lilly who have similar products in the psoriasis space. In conservative estimates, Sun may be able to garner around USD200mn to USD300mn in the third or fourth year from the launch.

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