

**DOMESTIC:**

- Carlyle-Zyodus and Advent join race to acquire Bharat Serums and Vaccines Ltd
- Hyundai mulls options for sourcing electric vehicles components in India
- Torrent Pharma recalls 1.7mn bottles of BP drug from US over quality norms
- SpiceJet, Emirates sign MoU for code share partnership
- CCI approves acquisition of electrical & automation business of L&T by Schneider & MacRitchie
- IL&FS to sell wind portfolio to GAIL in first asset sale since crisis
- Reliance Jio GigaFiber to offer broadband, landline and TV combo for Rs600
- Blackstone Group to acquire majority stake in Essel Propack at Rs134/share
- Suven Life Sciences completed purchase of assets of Rising Pharma through its JV partner
- Lakshmi Vilas Bank to raise Rs188.16cr via preferential shares sale to Indiabulls Housing Finance
- P&G India charged with Rs250cr of GST profiteering
- Lupin's Pithampur facility may face regulatory action, as per USFDA
- RBI approves proposal of HDFC for holding 9.9% stake in Bandhan Bank
- Essel Group in talks to sell road assets to CDPQ, Cube Highways
- Coal India gives Rs1,131cr to LIC for executives new pension scheme
- Ipca Labs inks pact to acquire Ramdev Chemical for Rs108.5cr
- Glenmark receives approval to market Momate Rhino metered nasal spray in Russia
- Syngene and Biocon recommend issue of bonus (1:1)
- IndusInd Bank receives NCLT nod for merger with BFIL
- Nelco enters into partnership with Speedcast International in Sydney
- Kotak Mahindra Bank subsidiary to sell 19.7% stake in Matrix Business
- HCL Technologies expands US operations with new cybersecurity center
- Torrent Pharma received certain observations on Indrad plant
- Maruti to phase out diesel models from April 2020
- TRAI pulls up Dish TV; seeks compliance with new DTH rules

**ECONOMY:**

- India's coal import rises 9% to 234MT in FY19
- U.S. to end all waivers on imports of Iranian oil
- India's crude oil production drops 4% in FY19

**INDUSTRY:**

- Steel industry to keep utilisation levels high in lean monsoon period
- ICRA projects 7-7.5GW solar power capacity addition in 2019-20

**Price Performance**

Company	1M	3M	12M
Supreme Petrochem Ltd	-4.7%	15.4%	-32.4%
Shanthi Gears Ltd	-1.1%	3.8%	-4.4%
Hind Rectifiers Ltd	4.4%	16.7%	-12.5%
KCP Ltd	5.4%	7.1%	-34.4%
Hester Biosciences Ltd	-6.3%	33.3%	-7.2%
The Hi-Tech Gears Ltd	1.4%	-6.4%	-37.2%
Bharat Bijlee Ltd	1.6%	0.9%	-32.3%
Triveni Turbines Ltd	-0.4%	2.2%	7.9%
Siemens Ltd	11.5%	17.8%	8.3%
Aksh Optifibre Ltd	-9.1%	-18.0%	-50.7%
GMM Pfaudler Ltd	1.3%	17.7%	55.6%
Alicon Castalloy Ltd	4.3%	13.9%	0.2%
Gufic Biosciences Ltd	6.9%	1.9%	-40.8%
Excel Industries Ltd	-3.0%	4.5%	-20.5%
Vesuvius India Ltd	-0.8%	-0.05%	-12.0%
Munjal Showa Ltd	-3.3%	-7.3%	-30.2%
Bharat Rasayan Ltd	-3.3%	19.8%	-22.3%
Alkyl Amines Chemicals Ltd	6.5%	13.6%	29.0%
Grauer and Weil (India) Ltd	-0.2%	4.9%	-23.9%
Texmaco Rail & Engineering Ltd	-0.6%	29.2%	-19.9%
Nagarjuna Agrichem Ltd	2.2%	11.0%	-27.0%
Simplex Infrastructures Ltd	7.8%	2.5%	-72.3%
ITD Cementation India Ltd	-2.5%	5.4%	-23.4%
Westlife Development Ltd	-6.1%	6.0%	3.5%
Federal Mogul Goetze (India) Ltd	2.6%	13.3%	17.4%
Dynamatic Technologies Ltd	-2.8%	4.9%	-21.2%
Hitech Corporation Ltd	-33.2%	-3.7%	-29.7%
NRB Bearings Ltd	1.5%	8.2%	9.4%
Kokuyo Camlin Ltd	-1.7%	-4.2%	-20.1%
Timken India Ltd	0.6%	8.3%	-18.4%
Morganite Crucible (India) Ltd	5.4%	12.2%	2.9%
Vardhman Special Steels Ltd	4.9%	24.5%	-32.5%
Zen Technologies Ltd	1.5%	-1.1%	-37.4%
KSB Ltd	1.8%	-0.1%	-16.7%
Thermax Ltd	-2.7%	-12.0%	-14.7%
Transpek Industry Ltd	3.0%	14.4%	-5.6%
BASF India Ltd	-9.2%	-1.2%	-32.5%
Artson Engineering Ltd	0.0%	-8.3%	-50.6%
Remsons Industries Ltd	10.4%	-14.7%	2.7%
Snowman Logistics Ltd	3.2%	6.5%	-33.5%
Alembic Pharmaceuticals Ltd	7.1%	-3.8%	8.8%
SKF India Ltd	4.8%	3.7%	7.0%
HFCL Ltd	1.1%	4.2%	-15.7%
Sudarshan Chemical Industries Ltd	2.3%	7.7%	-42.1%
Indian Hume Pipe Co. Ltd	-4.9%	-11.0%	58.7%
Engineers India Ltd	0.2%	0.3%	47.3%
Gulshan Polyols Ltd	1.7%	-15.2%	-26.3%
Nesco Ltd	8.5%	10.9%	-14.0%
Castrol India Ltd	-5.8%	-4.1%	58.8%
Hikal Ltd	10.7%	23.0%	5.8%

**The week that went by:**

Following the weak Asian markets, Indian bourses commenced the first trade day of the week on a negative note. However, on day 2, the markets opened higher; wherein on sectoral front except Energy and IT, all other indices traded in the green. The markets continued the trend and opened high in the midweek session. On the last trading day of the week, the markets opened on a firm note and ended the session on a higher level.

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	213	275	29.1	20.6	6.6	6.4	32.2	33.3	9.8	12.1
Shanthi Gears Ltd	BUY	107	130	200	54.1	10.6	3.5	3.9	37.1	33.3	28.8	24.4
Hind Rectifiers Ltd	BUY	69	126	175	38.9	1.9	0.8	5.3	159.8	23.8	26.2	13.0
KCP Limited	BUY	71	90	150	67.5	11.5	7.0	7.0	12.8	12.8	9.7	8.6
Hester Biosciences Ltd	BUY	565	1453	1750	20.4	12.4	35.9	39.8	40.4	36.5	12.0	10.8
The Hitech Gears Ltd	BUY	298	286	500	74.8	5.4	17.0	21.2	16.8	13.5	10.0	8.8
Bharat Bijlee Ltd	BUY	787	1086	2000	84.2	6.1	25.1	37.4	43.3	29.0	24.7	20.5
Triveni Turbines Ltd	BUY	92	108	150	39.4	0.4	3.0	3.1	36.1	34.5	22.6	21.6
Siemens Ltd	BUY	1128	1180	1350	14.4	420.1	53.0	53.6	22.3	22.0	30.0	29.5
Aksh Optifibre Ltd	BUY	15	17	30	76.0	2.8	1.4	2.7	11.9	6.2	6.9	4.3
GMM Pfaunder Ltd	BUY	332	1217	1300	6.8	17.8	19.4	26.7	62.7	45.6	38.3	28.0
Alicon Castalloy Ltd	BUY	288	630	850	34.9	7.7	29.0	46.6	21.8	13.5	9.9	7.3
Gufic Biosciences Ltd	BUY	50	82	150	82.0	6.3	1.9	3.1	44.2	26.5	18.6	14.5
Excel Industries Ltd	BUY	380	1098	1800	63.9	14.2	58.1	112.2	18.9	9.8	11.2	6.0
Vesuvius India Ltd	BUY	1165	1151	1500	30.3	23.0	52.3	56.3	22.0	20.4	11.1	10.7
Munjal Showa Ltd	BUY	191	157	250	59.1	6.3	19.4	21.5	8.1	7.3	5.4	4.8
Bharat Rasayan Ltd	BUY	2747	4235	5000	18.1	17.8	227.3	257.5	18.6	16.4	12.2	10.6
Alkyl Amines Chemicals Ltd	BUY	391	850	1000	17.6	17.3	31.5	38.9	27.0	21.8	16.2	12.3
Grauer and Weil (India) Ltd	BUY	45	49	65	31.6	11.2	2.7	3.0	18.5	16.7	11.6	11.0
Texmaco Rail & Engineering Ltd	BUY	91	69	150	117.4	20.2	0.5	1.8	150.5	38.1	65.3	19.0
Nagarjuna Agrichem Ltd	BUY	29	30	45	48.8	4.7	0.7	0.8	44.1	38.3	14.0	13.2
Simplex Infrastructures Ltd	BUY	540	168	300	78.1	20.2	30.5	31.8	5.5	5.3	6.3	5.9
ITD Cementation India Ltd	BUY	158	125	180	44.3	19.3	8.3	9.8	15.0	12.7	8.1	7.1
Westlife Development Ltd	BUY	266	403	525	30.3	62.7	0.8	1.6	485.7	253.9	83.2	58.4
Federal Mogul Goetze (India) Ltd	BUY	540	553	750	35.6	30.8	14.9	18.0	37.1	30.6	16.4	15.0
Dynamatic Technologies Ltd	BUY	2160	1468	2750	87.3	9.3	1.1	51.1	1292.9	28.7	11.6	8.9
Hitech Corporation Ltd	BUY	175	105	180	71.5	1.8	4.5	6.4	23.2	16.5	8.9	6.7
NRB Bearings Ltd	BUY	138	192	240	24.8	18.6	8.5	10.4	22.7	18.5	13.3	11.2
Kokuyo Camlin Ltd	BUY	132	94	175	86.4	9.4	1.0	1.5	95.9	63.8	28.1	22.4
Timken India Ltd	BUY	883	570	1000	75.6	38.7	13.5	19.0	42.1	30.0	23.7	15.1
Morganite Crucible (India) Ltd	BUY	1047	1520	2300	51.3	4.3	49.6	63.9	30.7	23.8	3.1	2.8
Vardhman Special Steels Ltd	BUY	151	103	140	35.5	3.7	7.0	8.7	14.7	11.9	9.4	7.8
Zen Technologies Ltd	BUY	115	76	170	124.0	5.9	-0.1	0.8	-1505.5	94.3	-310.7	56.2
KSB Ltd	BUY	820	679	1100	62.0	23.6	18.8	21.2	37.0	32.8	15.5	13.8
Thermax Ltd	BUY	1019	968	1230	27	115.4	22.1	26.8	43.8	36.1	31.1	26.6
Transpek Industry Ltd	BUY	1547	1545	2000	29.4	8.6	47.3	76.0	32.7	20.3	19.8	14.9
BASF India Ltd	BUY	1954	1328	2500	88.3	57.5	20.3	43.5	65.4	30.5	19.5	15.4
Artson Engineering Ltd	BUY	64	39	95	146.8	1.4	0.4	2.3	102.8	16.8	61.9	18.9
Remsons Industries Ltd	BUY	104	91	155	71.3	0.5	6.0	7.9	15.0	11.4	9.8	7.7
Snowman Logistics Ltd	BUY	33	34	55	64.2	5.6	-0.2	0.1	-157.2	232.8	15.5	12.7
Alembic Pharmaceuticals Ltd	BUY	605	568	751	32.3	107.0	22.3	26.7	25.4	21.3	17.6	14.9
SKF India Ltd	BUY	1942	1990	2620	31.7	102.2	57.6	60.7	34.5	32.8	23.4	21.8
HFCL Ltd	BUY	25	22	35	57.3	27.7	1.3	1.7	17.6	13.2	11.5	8.2
Sudarshan Chemical Industries Ltd	BUY	372	335	500	49.3	25.8	12.4	13.8	27.0	24.3	13.2	11.8

\*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	60%
Engineers India Ltd	211	200	Bonus 1 : 1.	105	250	9%
Gulshan Polyols Ltd	390	500	Stock Split from Rs.FV 5 to Rs.FV 1.	78	110	-33%
Nesco Ltd	2397	3200	Stock Split from Rs.FV 10 to Rs.FV 2.	479	640	4%
Castrol India Ltd	447	550	Bonus 1 : 1	223	200	-31%
Hikal Ltd	143	325	Bonus 1 : 2	95	216	89%

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	273	500	83.2	13.2	13.6	20.1	20.0	13.6	10.9	8.4
Engineers India Ltd	211	105	114	200	75.1	38.5	6.0	7.0	19.1	16.3	17.4	13.8
Gulshan Polyols Ltd	390	78	52	78	48.9	2.4	3.9	5.1	3.1	2.4	2.9	2.3
Nesco Ltd	2397	479	499	640	28.3	7.0	25.1	23.7	19.9	21.1	16.3	16.9
Castrol India Ltd	447	223	154	200	30.2	76.0	7.1	15.6	21.7	9.9	14.3	12.9
Hikal Ltd	143	95	181	216	19.7	14.8	9.4	10.1	19.2	17.9	11.5	10.3

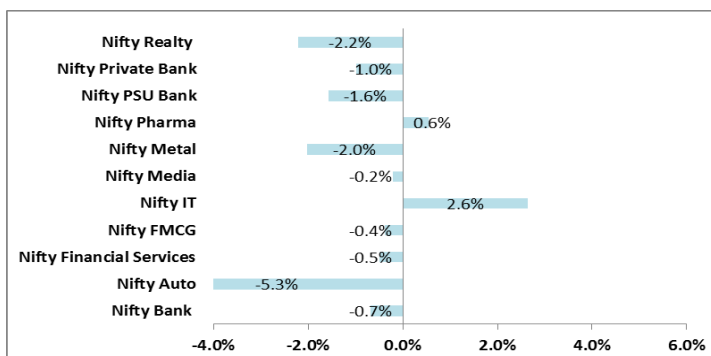
Coverage Performance Sheet											
Company	Reco at	CLS	Target Price (Rs)								Appreciation
	(Rs)	(Rs)	Target 1	Target 2	Target 3	Target 4	Target 5	Target 6	Target 7	Target 8	
Supreme Petrochem Ltd	77	213	120	150	200	275	350	500	275	-	177%
Shanthi Gears Ltd	107	130	150	200	-	-	-	-	-	-	21%
Hind Rectifiers Ltd	69	126	110	140	175	-	-	-	-	-	83%
KCP Limited	71	90	105	150	200	150	-	-	-	-	26%
Hester Biosciences Ltd	565	1453	750	875	1150	1500	2200	1750	-	-	157%
The Hitech Gears Ltd	298	286	450	600	500	-	-	-	-	-	-4%
Bharat Bijlee Ltd	787	1086	1100	1500	2000	-	-	-	-	-	38%
Triveni Turbines Ltd	92	108	135	150	-	-	-	-	-	-	17%
Siemens Ltd	1128	1180	1350	-	-	-	-	-	-	-	5%
Aksh Optifibre Ltd	15	17	24	35	45	30	-	-	-	-	14%
GMM Pfäudler Ltd	332	1217	500	700	800	1000	1300	-	-	-	267%
Alicon Castalloy Ltd	288	630	450	600	750	1000	850	-	-	-	119%
Gufic Biosciences Ltd	50	82	75	100	140	175	150	-	-	-	65%
Excel Industries Ltd	380	1098	550	650	800	1100	1400	1800	2200	1800	189%
Vesuvius India Ltd	1165	1151	1500	-	-	-	-	-	-	-	-1%
Munjal Showa Ltd	191	157	250	300	350	300	250	-	-	-	-18%
Bharat Rasayan Ltd	2747	4235	3500	4250	5000	6500	9000	5000	-	-	54%
Alkyl Amines Chemicals Ltd	391	850	550	700	850	1000	-	-	-	-	117%
Grauer and Weil (India) Ltd	45	49	65	80	100	65	-	-	-	-	10%
Texmaco Rail & Engineering Ltd	91	69	125	150	-	-	-	-	-	-	-24%
Nagarjuna Agrichem Ltd	29	30	45	60	75	60	45	-	-	-	4%
Simplex Infrastructures Ltd	540	168	700	540	300	-	-	-	-	-	-69%
ITD Cementation India Ltd	158	125	225	180	-	-	-	-	-	-	-21%
Westlife Development Ltd	266	403	350	425	525	-	-	-	-	-	51%
Federal Mogul Goetze (India) Ltd	540	553	750	-	-	-	-	-	-	-	2%
Dynamatic Technologies Ltd	2160	1468	3000	2750	-	-	-	-	-	-	-32%
Hitech Corporation Ltd	175	105	230	180	-	-	-	-	-	-	-40%
NRB Bearings Ltd	138	192	200	240	-	-	-	-	-	-	39%
Kokuyo Camlin Ltd	132	94	175	-	-	-	-	-	-	-	-29%
Timken India Ltd	883	570	1200	1000	-	-	-	-	-	-	-35%
Morganite Crucible (India) Ltd	1047	1520	1500	1750	2300	-	-	-	-	-	45%
Vardhman Special Steels Ltd	151	103	225	140	-	-	-	-	-	-	-32%
Zen Technologies Ltd	115	76	170	-	-	-	-	-	-	-	-34%
KSB Ltd	820	679	1100	-	-	-	-	-	-	-	-17%
Thermax Ltd	1019	968	1230	-	-	-	-	-	-	-	-5.0%
Transpek Industry Ltd	1547	1545	2000	-	-	-	-	-	-	-	-0.1%
BASF India Ltd	1954	1328	2500	-	-	-	-	-	-	-	-32.0%
Artson Engineering Ltd	64	39	95	-	-	-	-	-	-	-	-40%
Remsons Industries Ltd	104	91	155	-	-	-	-	-	-	-	-13%
Snowman Logistics Ltd	33	34	55	-	-	-	-	-	-	-	1.5%
Alembic Pharmaceuticals Ltd	605	568	751	-	-	-	-	-	-	-	-6%
SKF India Ltd	1942	1990	2620	-	-	-	-	-	-	-	2.5%
HFCL Ltd	25	22	35	-	-	-	-	-	-	-	-11%
Sudarshan Chemical Industries Ltd	372	335	500	-	-	-	-	-	-	-	-10.0%

\*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	60%
Engineers India Ltd	211	325	Bonus 1 : 1	105	250	9%
Gulshan Polyols Ltd	390	500	Stock Split from Rs.FV 5 to Rs.FV 1	78	110	-33%
Nesco Ltd	2397	3200	Stock Split from Rs.FV 10 to Rs.FV 2	479	640	4%
Castrol India Ltd	447	550	Bonus 1 : 1	223	200	-31%
Hikal Ltd	143	325	Bonus 1 : 2	95	216	89%

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	Target 8	
IHP Ltd	341	273	500	600	500	-	-	-	-	-	60%
Engineers India Ltd	211	114	200	250	200	-	-	-	-	-	9%
Gulshan Polyols Ltd	390	52	110	78	-	-	-	-	-	-	-33%
Nesco Ltd	2397	499	640	-	-	-	-	-	-	-	4%
Castrol India Ltd	223	154	275	250	200	-	-	-	-	-	-31%
Hikal Ltd	143	181	200	250	325	216	-	-	-	-	89%

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



**TERM OF THE WEEK:**

**Debt Service Coverage Ratio (DSCR):** This serves as a measure of cash flow that is available that assesses the company's ability to pay its current debt obligations. A DSCR greater than 1 indicates that the company has enough income to comfortably cover the loan principal and its interest payments.  
*DSCR = Net Operating Income / Total Debt Service.*

**COVERAGE NEWS:**

**Alembic Pharmaceuticals Limited: Approval update**

Alembic Pharmaceuticals receives two ANDA approvals from USFDA for Teriflunomide Tablets, 7mg and 14mg and Tobramycin Ophthalmic Solution USP, 0.3%. They have an estimated market size of USD1.6bn and USD9.6mn respectively. Alembic now has a total of 92 ANDA approvals (80 final approvals and 12 tentative approvals) from USFDA.

*USFDA Approval*

**Bharat Bijlee Ltd: Ratings update:**

ICRA has renewed the credit rating of short term rating from A1 to A1+ and long term rating to LA+ (Stable) from LA (Stable).

*Ratings Update*

**Texmaco Rail & Engineering Ltd update:**

The following key announcements were made by the company:

- Sanctioned Scheme of Amalgamation between the company, Texmaco Hitech, Bright Power
- Issuance of equity shares by way of rights issue for an amount not exceeding Rs200cr
- Issuance of debt, quasi-debt and/or other convertible instruments not exceeding Rs300cr either by way of FCCBs and/or any other similar securities
- Acquisition of Steel casting foundry from Simplex Castings Ltd at an investment of Rs87.5cr

*Texmaco Update*

**RESULT UPDATE:**

**Alicon Castalloy Ltd:**

The net sales for the quarter grew by 5.3% to Rs3,134mn as compared to Rs2,977mn in the same quarter last year. The EBITDA margins stood at 11.8%. The net profit grew by 24.1% to Rs159mn as against Rs128mn in the comparative quarter. The EPS stands at Rs11.7. For the full year, the company has clocked revenue growth of 13.9% and ended the challenging year with net profit growth of 36.9%.

*Decent Quarter*

**Outlook and Recommendations:**

In the current scenario of a slowdown where many of the leading players are talking of cutting down production, Alicon has performed decently with good growth numbers. The order book for the company still remains buoyant which further boosts the morale. We maintain our positive stance on the company although with a cautious outlook towards the auto sector and retain our buy call with the target price of Rs850.

*Subdued Results*

**RESULT UPDATE:**

**Vesuvius India Ltd:**

Net sales for the quarter under review came in at Rs2,227mn as compared to Rs2,270mn y-o-y, drop of 1.9%. The EBITDA margins declined to 14.9% from 17.2% in the same quarter last year on account of higher staff costs and overall flat topline reporting. The net profit de-grew by 10.5% to Rs216mn in quarter ending March 2019 as compared to Rs242mn in the same quarter last year. EPS for the quarter stood at Rs10.7.

**Outlook and Recommendations:**

The company has reported subdued results for the quarter majorly due to the flat topline followed by increase in staff costs that impacted the operating margins. However, with the positivity trending in the industry and gradual pick up expected in Steel production; we feel that the company is aptly placed to reap the benefits with its strong business model and sufficient capacities to cater to the demand.

We continue with our Buy recommendation on the stock with a target price of Rs1500 over a 12 months perspective.

**ECONOMY:**

**India's coal import rises 9% to 234 MT in FY19**

According to a report, India's coal and coke imports has increased by 8.8% to 233.56MT in 2018-19. Non-coking coal imports were at 164.21MT in FY18-19, about 13.25% increase in FY17-18 whereas coking coal imports was almost flat at 47.73MT compared to 47.22MT in 2017-18. According to provisional data by mjunction services (a JV between Tata Steel and SAIL: a B2B e-commerce company), based on monitoring of vessels' positions and data received from shipping companies; coal imports were at 214.61MT in 2017-18.

**Our comments:**

The double-digit growth in thermal coal imports during 2018-19 was on expected lines and is likely to remain subdued in the near term but may rebound if plant load factor in thermal power plants goes up post-monsoon.

**INDUSTRY:**

**ICRA projects 7-7.5GW solar power capacity addition in 2019-20**

ICRA has estimated that there would be 7-7.5GW domestic solar power capacity addition during the current financial year, which includes 1GW of rooftop solar. By contrast, solar capacity addition is estimated to have remained subdued at around 6-6.5GW in the FY18-19 due to weak trend in award of solar projects in the CY17. Apart from the projects awarded through the bid route, ICRA expects about 1GW to be added through open access or group captive route and grid-connected rooftop, with these additions being facilitated by favourable solar policies for open access route in a few states.

**Our comments:**

There have been a few favourable regulatory orders for solar IPPs by central power regulator CERC on GST relief in November 2018 and by state regulator SERC in Maharashtra in February 2019, for allowing impact of safeguard duty under change in law for the affected developers. However, timely implementation of these orders remains to be seen and the same remains a key monitorable for the affected IPPs.

**COMPANY:**

**Ipsa Labs inks pact to acquire Ramdev Chemical for Rs108.5cr**

Ipsa Labs has entered into an agreement pact to buy Ramdev Chemical for Rs108.5cr. This is a share purchase agreement to acquire 100% paid-up share capital of Ramdev Chemical Pvt Ltd (RCPL). RCPL is engaged into the manufacturing and marketing of advanced drug intermediaries, fine chemicals, custom synthesis molecules and APIs. The said acquisition will help the company grow its API business by adding new molecules with the possibility of forward integrating such products in its dosage formulations business for the global markets.

**Our comments:**

This is positive for the company.

**Kotak Mahindra Bank subsidiary to sell 19.7% stake in Matrix Business**

Kotak Mahindra Investments Ltd (KMIL), a subsidiary of Kotak Mahindra Bank has executed a share purchase agreement to exit the Matrix Business by selling an entire stake of 19.77% for Rs10.32cr. KMIL is selling 82,680 shares in Matrix for Rs124.81 per share. Upon the completion of sale, Matrix will cease to be an associate of KMIL and consequently of the bank.

**Our comments:**

The said transaction is expected to be completed by May 2019.

*Rise In Coal Imports*

*Capacity Addition*

*IPCA-Ramdev Chemicals*

*Sale Of Stake In Matrix*

**COMPANY:**

**P&G India charged with Rs250cr of GST profiteering**

The Directorate General of Anti-profiteering has charged Procter & Gamble India with profiteering from cut in GST to the extent of about Rs250cr by not passing on the benefits to consumers. This investigation covered an entire spectrum of products offered by the company and if found guilty, the National Anti-profiteering Authority (NAA) would direct the company to reduce the prices.

**Our comments:**

According to the company, they have always been in a position to pass on the reduction in price benefits to its customers and have communicated the same via marketing mediums such as advertising in mass media in order to help increase the awareness for the consumers, shoppers and retailers and further they would continue to cooperate with the authorities in the investigation matter and provide necessary clarifications.

**Lupin's Pithampur facility may face regulatory action, as per USFDA**

The company has received a letter from the USFDA, classifying the inspection conducted at its Pithampur (Indore) Unit-2 facility in January 2019 as Official Action Indicated (OAI). The US health regulator has further cautioned that the firm's Pithampur facility may be subject to regulatory or administrative action and it may even withhold approval of any pending applications or supplements in which this facility is listed.

**Our comments:**

The company is of the belief that this classification would have an impact on disruption of supplies or the existing revenues from operations of this facility.

**Maruti to phase out diesel models from April 2020**

The company has confirmed that all its diesel cars that come with the 1.3-litre DDIS engine will be phased out by April 2020. However, if there is a demand for BS6 diesel cars, the company might go ahead and develop a model to cater to that demand. It also stated that as the BS6 norms kick in from April 2020, the company will mainly focus on upgrading its petrol engine line-up; around 16 petrol models need to be upgraded to BS6, including passenger and commercial vehicle segment before 31<sup>st</sup> March, 2020.

**Our comments:**

According to the company, small diesel cars would observe the maximum impact in terms of pricing with the upcoming upgradation of BS6 norms considering the price difference between petrol and diesel and the price cautious behaviour of the buyers for the same.

*Charge On P&G*

*Lupin In Limelight*

*Impact Of BS6 Norms*

**DISCLAIMERS AND DISCLOSURES-**

Progressive Share Brokers Pvt. Ltd. and its affiliates are a full-service, brokerage and financing group. Progressive Share Brokers Pvt. Ltd. (PSBPL) along with its affiliates are participants in virtually all securities trading markets in India. PSBPL started its operation on the National Stock Exchange (NSE) in 1996. PSBPL is a corporate trading member of Bombay Stock Exchange Limited (BSE), National Stock Exchange of India Limited (NSE) for its stock broking services and is Depository Participant with Central Depository Services Limited (CDSL) and is a member of Association of Mutual Funds of India (AMFI) for distribution of financial products. PSBPL is SEBI registered Research Analyst under SEBI (Research Analysts) Regulations, 2014 with SEBI Registration No. INH000000859. PSBPL hereby declares that it has not defaulted with any stock exchange nor its activities were suspended by any stock exchange with whom it is registered in last five years. PSBPL has not been debarred from doing business by any Stock Exchange / SEBI or any other authorities; nor has its certificate of registration been cancelled by SEBI at any point of time.

PSBPL offers research services to clients as well as prospects. The analyst for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.

Other disclosures by Progressive Share Brokers Pvt. Ltd. (Research Entity) and its Research Analyst under SEBI (Research Analyst) Regulations, 2014 with reference to the subject company (s) covered in this report:-

- PSBPL or its associates financial interest in the subject company: NO
- Research Analyst (s) or his/her relative's financial interest in the subject company: NO
- PSBPL or its associates and Research Analyst or his/her relative's does not have any material conflict of interest in the subject company. The research Analyst or research entity (PSBPL) has not been engaged in market making activity for the subject company.
- PSBPL or its associates actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of publication of Research Report: NO
- Research Analyst or his/her relatives have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of publication of Research Report: NO
- PSBPL or its associates may have received any compensation including for brokerage services from the subject company in the past 12 months. PSBPL or its associates may have received compensation for products or services other than brokerage services from the subject company in the past 12 months. PSBPL or its associates have not received any compensation or other benefits from the Subject Company or third party in connection with the research report. Subject Company may have been client of PSBPL or its associates during twelve months preceding the date of distribution of the research report and PSBPL may have co-managed public offering of securities for the subject company in the past twelve months.
- The research Analyst has served as officer, director or employee of the subject company: NO

PSBPL and/or its affiliates may seek investment banking or other business from the company or companies that are the subject of this material. Our sales people, traders, and other professionals may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein, and our proprietary trading and investing businesses (if any) may make investment decisions that may be inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest including but not limited to those stated herein. Additionally, other important information regarding our relationships with the company or companies that are the subject of this material is provided herein. This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution publication, availability or use would be contrary to law or regulation or which would subject PSBPL or its group companies to any registration or licensing requirement within such jurisdiction. If this document is sent or has reached any individual in such country, especially, USA, the same may be ignored. Unless otherwise stated, this message should not be construed as official confirmation of any transaction. None of the material, nor its content, nor any copy of it, may be altered in any way, transmitted to, copied or distributed to any other party, without the prior express written permission of PSBPL. All trademarks, service marks and logos used in this report are trademarks or registered trademarks of PSBPL or its Group Companies. The information contained herein is not intended for publication or distribution in any manner whatsoever and any unauthorized reading, dissemination, distribution or copying of this communication is prohibited unless otherwise expressly authorized. Please ensure that you have read "Risk Disclosure Document for Capital Market and Derivatives Segments" as prescribed by Securities and Exchange Board of India before investing in Indian Securities Market. In so far as this report includes current or historic information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed.

**Terms & Conditions:**

This report has been prepared by PSBPL and is meant for sole use by the recipient and not for circulation. The report and information contained herein is strictly confidential and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of PSBPL. The report is based on the facts, figures and information that are considered true, correct, reliable and accurate. The intent of this report is not recommendatory in nature. The information is obtained from publicly available media or other sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. The report is prepared solely for informational purpose and does not constitute an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments for the clients. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. PSBPL will not treat recipients as customers by virtue of their receiving this report.

Registered Office Address:  
Progressive Share Brokers Pvt. Ltd.  
122-124, Laxmi Plaza, Laxmi Indl Estate,  
New Link Rd, Andheri West,  
Mumbai-400053;  
www.progressiveshares.com  
Contact No.:022-4077500.

Compliance Officer:  
Mr. Shyam Agrawal,  
Email Id: compliance@progressiveshares.com,  
Contact No.:022-4077500.