Highlights of the Week

DOMESTIC:

- RIL-bp JV ties with Swiggy for fast-track adoption of EVs for food delivery in India
- Route Mobile ties with Comviva Technologies to jointly accelerate Blockchain Commerce globally
- CESC's subsidiary emerges highest bidder for power distribution in Chandigarh
- BSNL, MTNL narrow losses, reduce liabilities in 2020-21
- JSPL's crude steel output grows 8% to 6.5 lakh tonne in July
- Aurobindo Pharma channelising efforts to commercialise Covid-19 vaccine
- Zomato incorporates a subsidiary Zomato Payments with an authorized capital of Rs20cr
- Ion Exchange bags EPCC contract worth Rs357cr from IOC
- Dr. Reddy's Lab signs deal with BioDelivery Sciences to sell US and Canada territory rights for EL YXYB
- Maruti Suzuki to witness partial impact on production this month owing to semi-conductor shortage
- CCI approves acquisition of equity stake by Carlyle in PNB Housing Finance
- Dr. Reddy's Lab re-launches over-the-counter Naproxen Sodium Tablets in US market
- Alkem Laboratories launches Ibuprofen and Famotidine Tablets in US
- Va Tech Wabag secures engineering and procurement order of Rs1,230cr from Russia's AGCC

ECONOMY:

- Total debt expected to rise to 61.7% of GDP in FY22: Minister
- Inflation rise not structural, rate hike to begin from next June: Report
- India seeks to amend retrospective tax law, FM introduces bill in Lok Sabha

INDUSTRY:

- As loan growth slows, other income comes to banks' rescue
- Govt takes steps to reduce crude oil imports, promotes usage of environment friendly transportation fuel
- API imports stood at Rs28,529cr, exports at Rs32,856cr in FY21: Minister of Chemicals & Fertilisers

COVERAGE NEWS:

Alembic Pharmaceuticals Ltd: The company has received final approval from the USFDA for Clomipramine Hydrochloride Capsules USP 25/50/75mg. It has an estimated market size of USD32mn for twelve months ending June 2021 according to IQVIA.

HFCL Ltd: The company has signed a nationwide distribution agreement with Beetel Teletech (Beetel) for its IO line of next generation products. Under this agreement, Beetel, as the national distributor, will engage in marketing HFCL's complete portfolio of products under IO brands (latest generation WiFi 5 and WiFi 6 Access Points, P2P & P2MP Unlicensed Band Radios, L2 & L3 Switches, and highly specialized antennas).

The Week That Went By:

Indian markets started the month of August on a strong note but remained rangebound for the day. However, specific sectors performed well. On the 2nd trading session, Nifty50 commenced the day at the record level and robust rally in banking stocks resulted in a much-awaited breakout in Nifty. Banking counters continued to dominate the Index rally on the 3rd trading session too, but other sectors were seen trading with losses and Broader markets too started to underperform. On the weekly expiry day, Metal counters regained their momentum after a minor pause while overstretched banking counters started to cool off. On the last day of the week, Index erased its opening gains and remained range-bound for the rest of the day.

Nifty50=16238.20 **BSE Sensex30=54586.84** **Nifty Midcap 100=27815.25** **Nifty Smallcap100=10429.65**

Result Synopsis

Company	Result This Week
Ajanta Pharma Ltd **CMP: Rs2296** **Target: Rs2600**	The net sales for the quarter grew by 11.9% to Rs7480mn as compared to Rs6682mn in the same quarter last year. The EBITDA margin for the quarter under review stood at 29.4% as compared to 33.4% in Q1FY21. The margins were lower on account of increase in R&D and other marketing expenses. The net profit came in at Rs1738mn as against Rs1478mn in the same quarter last year; growth of 17.6%. The EPS stands at Rs20.08 **Outlook and Recommendations:** The company reported robust growth in the domestic formulations as well as Branded generics business in Africa. On the flip, the US and branded generics Asia reported moderate growth for the quarter. The gross margins remained flat while the Ebitda margins were impacted by the marketing expenses as well as ophthalmic unit commercialization during the quarter. Going forward, the company has provided a better outlook for its key therapeutic segments of Ophthalmic, Derma and Pain management. After all the headwinds and impact of second wave in the domestic business, the management is optimistic of exceeding the industry growth rates going forward across all its therapeutic portfolio in India as well as branded generics in other Asia and Africa markets. The capex undertaken should fructify over the next 2-3 years for the company. The company is quite selective in terms of the US business considering factors right from the cost of filing to the launch of the products. The product pipeline planned for the future appears to be more of quality focused as against the quantity. The company guided of maintaining the operational efficiency at the current levels going forward as well. Overall, we are positive on the new launches, benefits of capex undertaken, MR rationalization and improving operating leverage and thereby **revise our target to Rs2600 with a Buy on stock over the next 12 months.**
Bharat Bijlee India Ltd **CMP: Rs1390** **Target: Rs1500**	The net revenue for the quarter under review grew to Rs2,880mn as compared to Rs725mn in the same quarter last year. The EBITDA margin for the quarter under review stood at 7.63% as compared to (15.8%) in the same quarter last year. The net profit came in at Rs137mn as against loss of Rs87mn in the comparative quarter. EPS for the quarter under review stood at Rs24.2 as compared to (Rs15.07) in the corresponding period last year. On the segmental front, the Power and Industrial division reported a growth of 296% and 299% y-o-y respectively. **Outlook and Recommendations:** The company has started the year on a strong note. The second wave of the pandemic did have partial lockdowns and dip in demand, which affected the heavy industries as well. Although the quarter results are not comparable, the operational efficiency vouches for a turnaround as well as pick-up in demand. The segmental contribution has also been pretty strong during the quarter. There are no doubts on the operational capabilities of the company, but some level of uncertainty is building up in anticipation of a third wave which could again lead to a halt in demand resurgence. To factor in this **we maintain Hold on the stock for a target of Rs1500.**
Castrol India Ltd **CMP: Rs141** **Target: Rs175**	The company has reported net sales of Rs8896mn as compared to Rs4906mn in the same quarter last year, growth of 81.3%.The Ebitda margins for the quarter under review stood at 22.2% as compared to 19.4% in the corresponding quarter last year.The net profit came in at Rs1400mn as against Rs654mn in the same quarter last year. EPS for the quarter under review stood at Rs1.42 as compared to Rs0.66 in the corresponding quarter last year. The Board of Directors of the company have recommended an interim dividend of Rs2.5per equity share. **Outlook and Recommendations:** The company has been facing tough times related to the RM costs, subdued demand, increased input costs for packaging, forex volatility and the volumes not increasing due to lock downs. However, Castrol India has the capacity to cater to the demand as and when it resurfaces. It is quite difficult to predict the volumes growth if any, as the business continues to be surrounded by immense uncertainty. The impact of the 2W and 3W EVs is also something that can dent the volumes growth in distant future. The focus of the company will be to get profitable volumes growth only. While the product mix could gradually drift towards CV, marine and industrial segments, Castrol will be able to fetch more market share only. We will be closely monitoring the company, as we need to watch the growth in the HCV and LCV market. **We revise our target downward to Rs175.**
Container Corporation of India Ltd **CMP: Rs690** **Target: Rs750**	The company has reported net sales of Rs18199mn as compared to Rs11942mn in the same quarter last year, growth of 52.4%. The Ebitda margins for the quarter under review stood at 24.1% as compared to 13.3% in the corresponding quarter last year. The net profit came in at Rs2512mn as against Rs493mn in the same quarter last year. EPS for the quarter under review stood at Rs4.24 as compared to Rs0.96 in the corresponding quarter last year. **Outlook and Recommendations:** The quarter under review has shown a robust growth, with an uptick in domestic as well EXIM segment; Concor will be benefited both in terms of volumes as well as on the margins front due to the increase in volumes. The Management is quite clear with their strategy and are looking at volume growth, looking at margins upticks and currently not looking at freight rate hikes. DFC and or parts of DFC when commissioned will lead to enhanced volumes and will be beneficial for the industry as a whole, customers and Concor as well. Divestment is work in progress and will happen at the appropriate time. Some of the key reasons for the uptick in margins despite no increase in freight rates include better realisations (which are sustainable), improved loaded running, reduced empty running, double stacking, pick up in domestic traffic, clarity on terminal charges, capex to add high capacity containers, upgradation of fleet of Concor, bulk movement of commodities etc. Things appear to be moving in the right direction for Concor wherein ambiguity on liabilities to be paid are nullified. Though the Management has given a guidance of 10-12% growth in topline and 100% growth in the bottom-line, we would like to be conservative and revise the projections as and when the numbers are delivered by the company, currently **we continue to maintain our target price of Rs750.**
Srikalahasthi Pipes Ltd **CMP: Rs227** **Target: Rs250**	The net sales for the quarter grew by 114.3% to Rs4375mn as compared to Rs2042mn in the same quarter last year. The EBITDA margin for the quarter under review stood at 15.6% as compared to (0.8%) in Q1FY21. The company reported a net profit of Rs432mn as against loss of Rs79mn in the same quarter last year. The EPS stands at Rs9.25. **Outlook and Recommendations:** The company has bounced back to report profits for the quarter under reference. The company has performed quite well even at the operational levels when compared on q-o-q basis. The speed, scalability and momentum of Jal Jeevan Mission should be maintained in order to achieve the goal of Har Ghar Jal in a time bound manner. The company has decent order book in hand and the planned activities in order to increase the DI pipe plant capacity from 300,000 to 400,000TPA should aid well for the company in the near future. However, we maintain a cautious view with the anticipation of a probable third wave which could add to disruptions. **We maintain a Hold on the stock for a target of Rs250.**

Result Synopsis

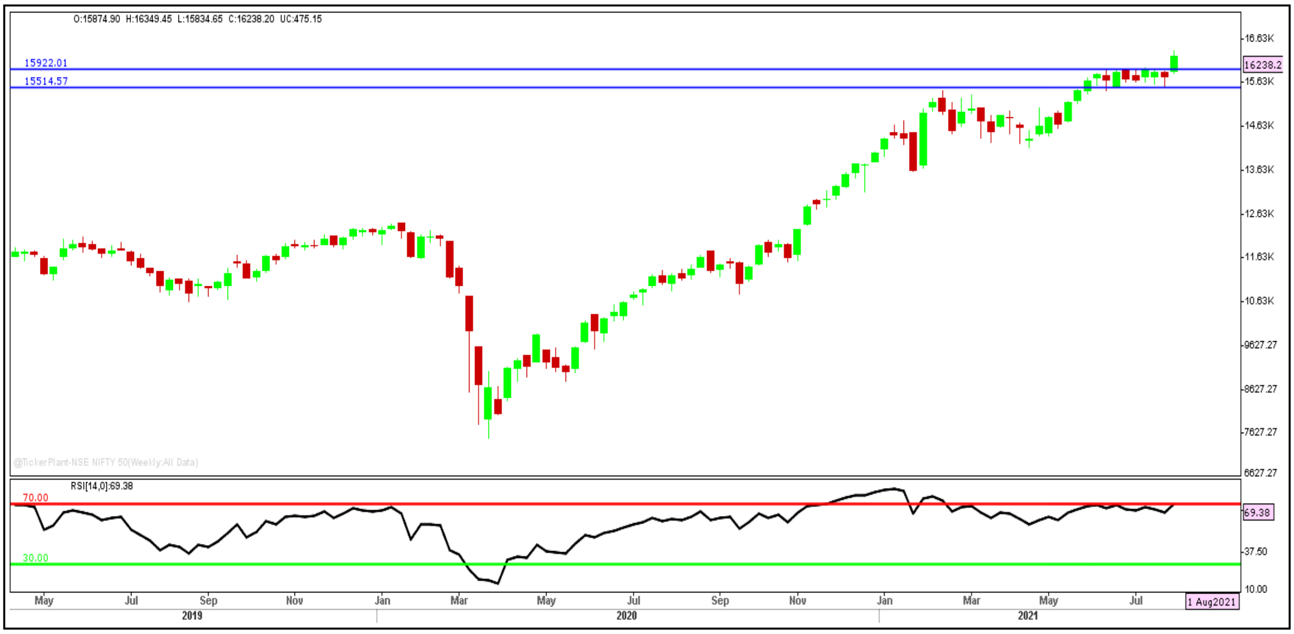
Company	Result This Week
Dynamatic Technologies Ltd **CMP: Rs1645** **Target: Rs1750**	The company has reported net sales of Rs3204mn as compared to Rs1854mn in the same quarter last year, growth of 73%. The Ebitda margins for the quarter under review stood at 12.5% as compared to 11.3% in the corresponding quarter last year. The net profit came in at Rs58mn as against a loss of Rs117mn in the same quarter last year. EPS for the quarter under review stood at Rs9.16. **Outlook and Recommendations:** DTL is one of the few companies in India and abroad who are capable of delivering critical products/components with excellent precision and craftsmanship. The company aims to continue with its strategy of Make in India and exporting engineering goods abroad. DTL is one of the few suppliers of critical components to big players in the aviation industry like Boeing and Airbus. Currently the company is banking on the hydraulics business and intends to launch new products at an appropriate time. Management mentions of the foundry business which was a drag to profitability has been pared-off. The debt burden on the company which impacts the profitability and the bottom line is also an important parameter, which the Management has started addressing. DTL is actively working at debt reduction via dollarization of some part of the debt. The debt burden on the company is gradually reducing, with Net Debt at Rs4969mn in Q1FY22 as compared to Rs5437mn in the corresponding quarter last year. DTL is an asset (land) rich company; the sale of assets can also help reduce the cost burden on the company. At the operational levels DTL has been trying to maintain its margins and the recent concrete steps taken to reduce the debt burden will begin to show results in the next 4-6 quarters. All these efforts made by the Management to streamline the businesses and reduce the debt burden will help the company report good numbers on the bottom-line. While the Atmanirbhar scheme aims to focus on achieving self-reliance and promoting defence exports, the recent approval of the second positive indigenisation list will provide a further boost to the Indian defence aerospace sector. DTL is also looking at focusing on new product innovations and initiatives. Company's focus on strategic initiatives coupled with Government schemes, will provide the necessary tailwinds required and help strengthen the outlook of DTL going forward and **we continue to maintain our target price to Rs1750.**
KSB Ltd **CMP: Rs1200** **Target: Rs1210**	The total revenue for the quarter came in at Rs3,030mn as compared to Rs2,189mn in the same quarter last year; growth of 38.4%. The EBITDA margin for the quarter under review stood at 13% in comparison to 6.2% in the corresponding quarter. The net profit reported a growth of 262.8%; at Rs283mn as against Rs78mn in the comparative quarter. The EPS stands at Rs8.1. On the segmental front, the Pumps and Valves segment grew by 39% and 38% respectively. **Outlook and Recommendations:** The company has reported good set of numbers when compared y-o-y, however sequentially there has been a drop majorly due to the lockdowns with the second wave. Considering the performance has been decent. There has been a gradual comeback across the sector which can be seen in the slight pickup. As per latest updates, good opportunities have opened up for the company in the FGD, Oil & Gas, NPCIL, which have projects and deliveries in hand but obviously with a delayed status or slower execution. These would get back on track as things start moving to normalcy. We are dealing with the uncertainty of a possible third wave which does add a cautious outlook. **We maintain a Hold on the stock with a target of Rs1210.**
Laurus Labs Ltd **CMP: Rs680** **Target: Rs730**	The net sales for the quarter grew by 31.2% to Rs12,785mn as compared to Rs9,743mn in the same quarter last year. The EBITDA margin for the quarter under review stood at 30.9% as compared to 28.6% in Q1FY21. The net profit came in at Rs2,416mn as against Rs1,718mn in the same quarter last year. The EPS stands at Rs4.50. **Outlook and Recommendations:** It was a good start to the year, backed by the strong growth in FDF, strong demand in ARV's for LMIC region and the portfolio expansion in developed markets. The synthesis business continued with its growth momentum through existing clients as well as new client addition. In the API segment, Oncology and ARV APIs registered healthy growth while revenue from Other API witnessed a slowdown and the growth is expected to restore from Q2FY22E, building on the confidence of maintaining a growth trajectory in the Generic API business for FY22E. Laurus Bio also started contributing to the revenues. The management continues on the performance focus being growth driven by superior execution and completing the future ready strategy with manufacturing capacity expansions - a combination of brown and greenfield in API, FDF and Synthesis divisions. Operationally too the company has been well placed over several previous quarters. As far as the capex plans are to be considered, the company has set a defined roadmap for both the brownfield and greenfield expansions, some of which are already being completed (de-bottlenecking of formulation facility at Vizag, custom synthesis unit 1) while others are either in the Phase 1 stage or have a dedicated timeline that has been set by the management. Major chunk of the capex would get commercialized by FY24E as indicated by the management. As always, the company continues to lay its focus in other areas too; developing product launches in anti-diabetic (FY23E) and CV portfolio (FY24E) in the US markets. Oncology segment eyes to strengthen the global leadership in the existing products while the Other API division is expected to drive growth from the coming quarter coupled with good order book visibility in anti-diabetic and CV portfolio. With the addition of the new division Laurus Bio, the company has plans to acquire additional land in order to create 1 million litres fermentation capacity. Overall, the company is decently placed in terms of order book, capex plans and growth to continue across its business segment in the near future. All of these triggers further build up the optimism in the company's prospects and **we thus revise the target to Rs730 with a Buy on the stock.**
Shanthi Gears Ltd **CMP: Rs188** **Target: Rs250**	The company has reported net sales of Rs670mn as compared to Rs251mn in the same quarter last year, growth of 166%. The Ebitda margins for the quarter under review stood at 17.9% as compared to (-17%) in the corresponding quarter last year.The net profit came in at Rs86mn as against a loss of Rs36mn in the same quarter last year. EPS for the quarter under review stood at Rs1.12 as compared to a negative EPS of Rs0.47 in the corresponding quarter last year. **Outlook and Recommendations:** The company has bounced back very well post the pandemic and the operations too have picked up very well. SGL continues to focus on making the operations leaner and fetching higher operational efficiencies. During the quarter under review, the company booked orders for Rs840mn and the pending order book as on 30th June 2021 stood at Rs2350mn as against Rs1640mn in corresponding quarter of the previous year. While the order book continues to swell up, the company is also looking at export opportunities which is currently a very small portion of the overall revenue. The company had bagged 10 projects in the steel sector, that include new products and new applications for stainless steel rolling applications. The existing order book provides visibility for the next 9-12 months at least. The company has been constantly focusing on cost optimization initiatives and the same has enabled them to sustain ROIC at 29% during Q1FY22. The company has divided the business into two SBUs namely Gears & Gear Boxes and the Service, Foundry & Worm segment. In addition to this, the company is also looking at increasing the share of the services segment, which is currently ~13% of the entire revenues earned and the Management has an ambitious target to take the same to 20% over the next few years. The key pillars to growth of SGL appear to be execution excellence, focus on launching new products, and continuing to focus on ROCE and employee engagement. The company is also looking at capability building for better operations. The synergies between Tube Investments, Shanthi Gears and CG Power are an important aspect to monitor. We continue to bet on the strong brand recall of SGL coupled with strong fundamentals of the company. Management's strategy to focus on four key parameters i.e. revenue growth, profitability, ROCE, free cash flow will begin to deliver with time. The stock has already breached our recent target price of Rs200 and **we upgrade the same to Rs250.**

Result Synopsis	
Company	**Result This Week**
Paushak Ltd **CMP: Rs9195** **Target: Rs10000**	The company has reported net sales of Rs229mn as compared to Rs322mn in the same quarter last year, de-growth of 29.1%. The Ebitda margins for the quarter under review stood at 20.9% as compared to 31.9% in the corresponding quarter last year. The net profit came in at Rs29mn as against Rs86mn in the same quarter last year. EPS for the quarter under review stood at Rs9.51 as compared to Rs27.4 in the corresponding quarter last year. **Outlook and Recommendations:** During the quarter under review, the company had to temporarily suspend its manufacturing operations due to resurgence of Covid-19 cases and prohibition on use of oxygen for industrial purposes, however, other peripheral activities continued at the factory. The plant shutdown of 4-5 weeks has adversely impacted the operations of the company; Management believes that the impact is short term in nature. The new projects under execution also got delayed due to non-availability of oxygen as well as labour. As per the recent press release, Management mentions, the plant now is fully operational and are expecting the second quarter to be normal (barring any unforeseen circumstances). Paushak is very much in line with India's plan to be an important player in the supply chain (as an import substitute) and Paushak also aims to penetrate the export market. The company continues to have good relationships with its customers while manufacturing niche products; working towards technological up-gradation, capacity augmentation and maintaining focus on high margin products. Though the expansion plans have been slowed down, some of the salient features of new assets in the expansion mode consist of in-house technology for innovation & process optimization, designed by one of the leading global design consultancy firms for the state-of -the-art plants with automated DCS controlled operations to create globally standardised products. The company has added employees for the capability building initiative for the expansion plans while optimising the already existing facilities as well as introducing new products. Capex plan (which appears to be implemented in a phased manner) is intended to complete the first phase by H1FY22 and the benefits are anticipated to flow from H2FY22. Company is also exploring opportunities in Phosgene CRAMS, as the company has spare capacities and can make use of the same at appropriate time. Considering these factors, **we continue to maintain our target price of Rs10000.**
Munjal Showa Ltd **CMP: Rs151** **Target: Rs191**	The company has reported net sales of Rs1966mn as compared to Rs904mn in the same quarter last year. The Ebitda margins for the quarter under review stood at (-2.6%) as compared to (-17.4%) in the corresponding quarter last year. The net loss came in at (Rs22mn) as against a net loss of (Rs77mn) in the same quarter last year. The Board has considered and approved the revision in Voluntary Retirement Scheme (VRS) introduced on February 04, 2021 for eligible workers of Gurugram plant. Status of implementation of VRS and the financial impact thereof will be communicated in due course. The company believes that implementation of VRS will be beneficial in the long term. **Outlook and Recommendations:** The company has reported another quarter with tepid results. Though the top line has improved on a y-o-y comparison, the company has taken a hit due to the raw material price increase and thus unable to fair well at the operational levels. Munjal Showa, is strategizing to reduce its staff cost via a VRS scheme and streamlining the operations. The company seems to be revisiting the VRS processes which are intended to be beneficial in reducing the employee expenses and give a boost to the Ebitda margins. The external factors related to hike in fuel prices, inflationary cost related to steel prices, supply chain issues, etc., appear to be an absolute dampener to the company's operations and profitability. Many auto players are gradually taking price hikes to offset the external manufacturing cost and the impact of the same on sales of 2W would be a wait and watch situation. Uptick in the 2W segments and price hikes taken by the key customers in the auto segment (which will be a pass through to the end users) can lead to revival of businesses of many auto ancillary companies including Munjal Showa. As the demand and volumes tend to inch up, the positive impact can be seen on the working of the company's bottom-line as seen in Q4FY21. Currently, one has to wait for the demand to revive and the bounce back of 2W segment which will in turn be a booster during the upcoming festive season (if there are no further lock downs). Munjal Showa is a virtually debt free, dividend paying company with good credit ratings propelled by a strong experienced Management and technology collaboration from the Japanese counterparts, but currently reporting subdued performance due to the ongoing issues related to pandemic. The growth is directly or indirectly dependent on key customers like Hero MotoCorp Limited, Maruti Suzuki India and Showa or its joint ventures or its associates. **We feel the business will revive soon and we continue to maintain our target price of Rs191.**
Snowman Logistics Ltd **CMP: Rs48** **Target: Rs80**	The company has reported net sales of Rs661mn as compared to Rs551mn in the same quarter last year, growth of 19.8%. The Ebitda margins for the quarter under review stood at 25.5% as compared to 30.4% in the corresponding quarter last year. The net profit came in at Rs6mn as against Rs8mn in the same quarter last year. **Outlook and Recommendations:** The company has been able to show a growth of nearly 20% on the top line, but has not been able to report reputable margins, and thus, a meagre net profit. Snowman aims to continue to focus on its core business of warehousing. On the transportation segment side, the company has reduced its fleet which is a negative margin business. The IT platform which came into existence in Q4FY21 is anticipated to help the company mitigate the risks associated with fuel costs which are currently putting a pressure on the margins in the business. The company has made changes in the business model with focus on Ecommerce which would require lower capex but the higher value-added activities should benefit the profitability; in addition to this, the shift towards leased vehicles would reduce the fleet management risk assuring better profits. Going forward the share of Ecommerce which currently stands at nearly 5-6% of revenues is expected to be 15-18% over the next 3 -5 years. The company sees a lot of traction from the Pharma as well as Ecommerce space going forward. The e-commerce business model has started contributing to the revenue, and the management is quite optimistic about it. The dedicated Amazon warehouse at Kundli is operational and in addition to Mumbai (anticipated to be operational by mid-August 2021) and Pune (anticipated to be operational by mid-September 2021), Snowman is looking at expansion in more locations in the coming year. Overall, we feel with the gradual recovery, fading of uncertainty, focus on further expansion plans, addition of newer geographies, and changing gears to move towards profitable bottom-line should place the company in a better position going forward. **We maintain our target price of Rs80.**

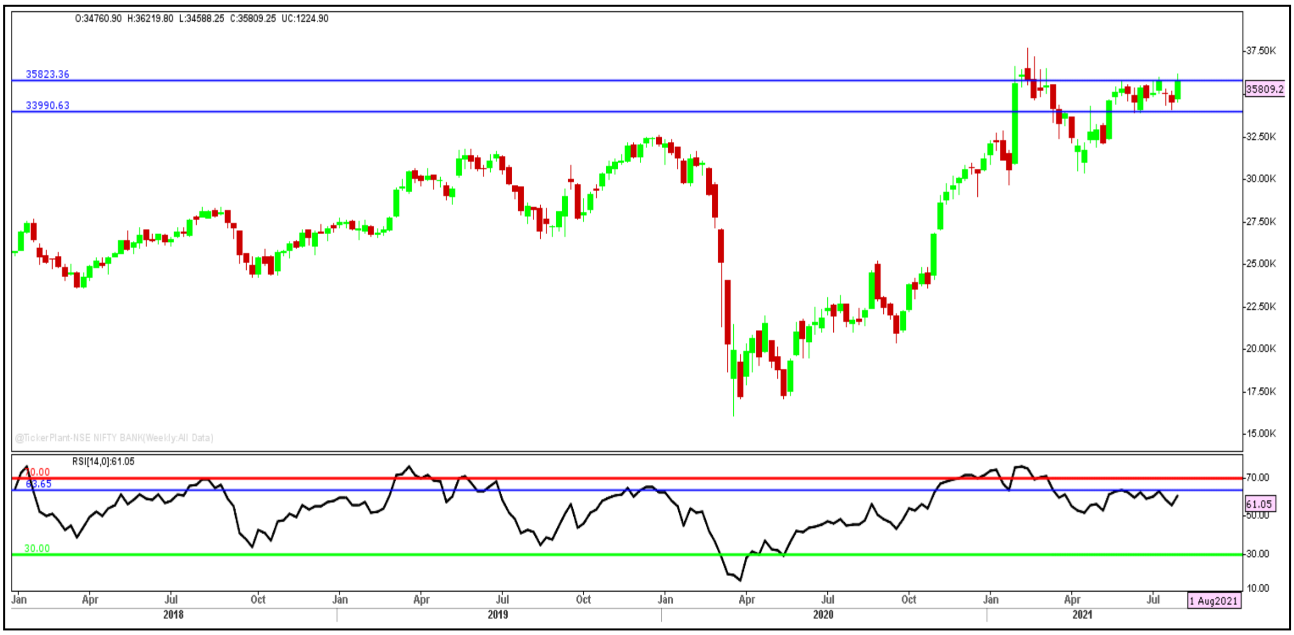
Result Synopsis

Company	Result This Week
Sun Pharmaceutical Industries Ltd **CMP: Rs786** **Target: Rs902**	The total revenue for the quarter grew by 28.1% to Rs97,187mn as compared to Rs75,853mn in the same quarter last year. The EBITDA margin for the quarter under review stood at 29.0% as against 24.3% in the corresponding quarter of last year. The company reported a net profit of Rs14,442mn as against a loss of Rs16,556mn in the comparative quarter which was impacted by exceptional items of Rs6,311mn. The EPS for the quarter under review stood at Rs6.0. **Outlook and Recommendations:** The company reported results that got it back in the black after the quarterly loss last year led by sales in the US market as well other local businesses. Q1 sales were driven by a combination of robust core business growth, low base and some sale of Covid products. The company has little exposure to Covid drugs but its bet on specialty drugs is moving in the positive. Over a short term, growth would be aided by demand recovery especially on the acute side. Legal charges in US and EU do take a toll on the earning of the company. SUNP's portfolio spanning across dermatology, ophthalmology and oncology in its top market outside India has shown encouraging growth. SUNP continues to focus on growing its overall business and simultaneously strengthen the global specialty portfolio evident through the recent in-licensing of Winlevi for US and Canada. It is working on its strategy of building and growing the existing specialty portfolio and adding new ones to it which compliments their idea of growth. The company has not been facing any pricing pressure in the US market which is another positive compared to the many of the peers that felt the heat. Overall, we feel the company is on track for growth and decent performance going forward as well. **We revise the target price to Rs902.**
Vardhman Special Steels Ltd **CMP: Rs293** **Target: Rs300**	The total revenue for the quarter grew to Rs3,301mn as compared to Rs679mn in the same quarter last year. The growth is attributed to growing demand in the automotive sector and strong demand from OEMs/component manufacturers for the products and increase in prices. The EBITDA margin for the quarter under review stood at 15.5% in comparison to (-13.9%) in the corresponding quarter The company reported a net profit of Rs278mn as against loss of Rs128mn in the same quarter last year.The EPS for the quarter stood at Rs6.8. The volumes for the quarter stood at 43,705 tonnes as against 47,828 tonnes in Q4FY21. EBITDA per ton for the quarter was Rs12,289 as against Rs11,433 in Q4FY21. **Outlook and Recommendations:** The company has reported strong quarter results, a blend of both demand and price increase. Overall, across the P&L there has been a strong growth witnessed, partially attributed to the low base while the rest being the operational efficiency and the key being the price hikes received from the OEMs. The company has indicated a range of 7000-9000 for Ebitda/tonne for FY22 weighing on the different variables. The company is pretty much on track for the chalked expansions and also evaluating options for tackling the capacity constraints even after the expansion is done. The industries catered to have shown demand pick up. As per the management, as far as the demand is concerned, the next couple of months would be similar to the first quarter and it anticipates strong demand after the fear of the third wave of Covid subsides. This along with consistent improvement in the operational efficiencies will improve the company's overall business. It is working towards ROCE target of 25% by 2025. One needs to look at the company in terms of how price hikes pan out, expansions happens, capacity constraints are dealt with, Aichi contributions and improvement of efficiencies. Overall, we are on track with our assumptions and **would maintain a Hold on the stock, recommending 50% profit booking for a target of Rs300.**
Alkyl Amines Chemicals Ltd **CMP: Rs4260** **Target: Rs4700**	The net sales for the quarter came in at Rs3918mn as compared to Rs2452mn in the same quarter last year; growth of 59.8%. The EBITDA margins for the quarter under review stood at 28.3% as compared to 31.6% in Q1FY21. The net profit came in at Rs785mn as compared to Rs528mn in Q1FY21; growth of 48.8%. The EPS for the quarter stands at Rs15.39. The face value of equity shares of the company stands sub-divided from Rs5 each fully paid up into Rs2 each fully paid up from May 12, 2021. The paid up share capital of the company is 51,061,647 equity shares of Rs2 each i.e. Rs1,021.23 lakhs. **Outlook and Recommendations:** The numbers for the quarter indicate decent performance on the operational front although impacted by lower gross margins reported. The Ebitda margins are also impacted by the higher other expenses. Overall, the numbers have been as per expectations. Going forward, with all the expansion plans that the company has in place some of which are likely to get commercialized in the coming quarters are expected to generate good returns. Additionally, the management continues to lay its focus on increasing the market share in its existing products while at the same time maintaining the growth sustainability. Pharma and agrochemicals together contribute a greater chunk of revenues for the company. **We would recommend to book 10% profits and maintain Hold on the stock for a target of Rs4700.**
Chambal Fertilisers and Chemicals Ltd **CMP: Rs320** **Target: Rs350**	The consolidated net sales for the quarter came in at Rs35,395mn as compared to Rs32,187mn in the same quarter last year, growth of 10.0%. The EBITDA margins stood at 16.4% as compared to 19.3% in the same quarter last year. The net profit for the period stood at Rs3,813mn as against Rs2,984mn in the comparative quarter. The EPS for the quarter stood at Rs9.16 **Outlook and Recommendations:** The company has reported decent results for the quarter. The sequential growth in revenues is as per the expected fertilizer demand cycles. The company has managed to either increase or maintain its market share across all the categories of fertilizers that it manufactures which includes Urea, DAP, MOP and NPK. Urea accounted for 57% of total sales of Chambal in Q1.There was some dip in the gross margins as well as higher other expenses (increase in power and fuel) which impacted the Ebitda margins. The net profit for the quarter was up largely having higher share of profits from joint ventures as one of the contributing factors. Overall, we feel that the company has its triggers of next leg of investments in the pipeline coupled with reduction in urea dependency intact. **We recommend to book 15% profits and maintain a Hold on the stock for a target of Rs350.**

NIFTY (WEEKLY)



BANK NIFTY (WEEKLY)



MARKET OUTLOOK

The much awaited range breakout has happened in **Nifty**; and the ongoing rally can extend till 16,500. Now **BankNifty** replicates Nifty50 i.e. BankNifty has ended the week at the higher end of the range and considering the positive bias, bullish breakout is likely to occur. Positive chart pattern has been spotted in some frontline Banking stocks. With **Hidden Bullish Divergence,** the **Auto sector** bounced from the lower end of the triangle pattern which indicates the continuation of a rally. Some unwinding can be seen in **Metal counters** from higher levels. Downside is still left in the **Media sector**.

NIFTY 50 COMPONENTS (WEEKLY PERFORMANCE)

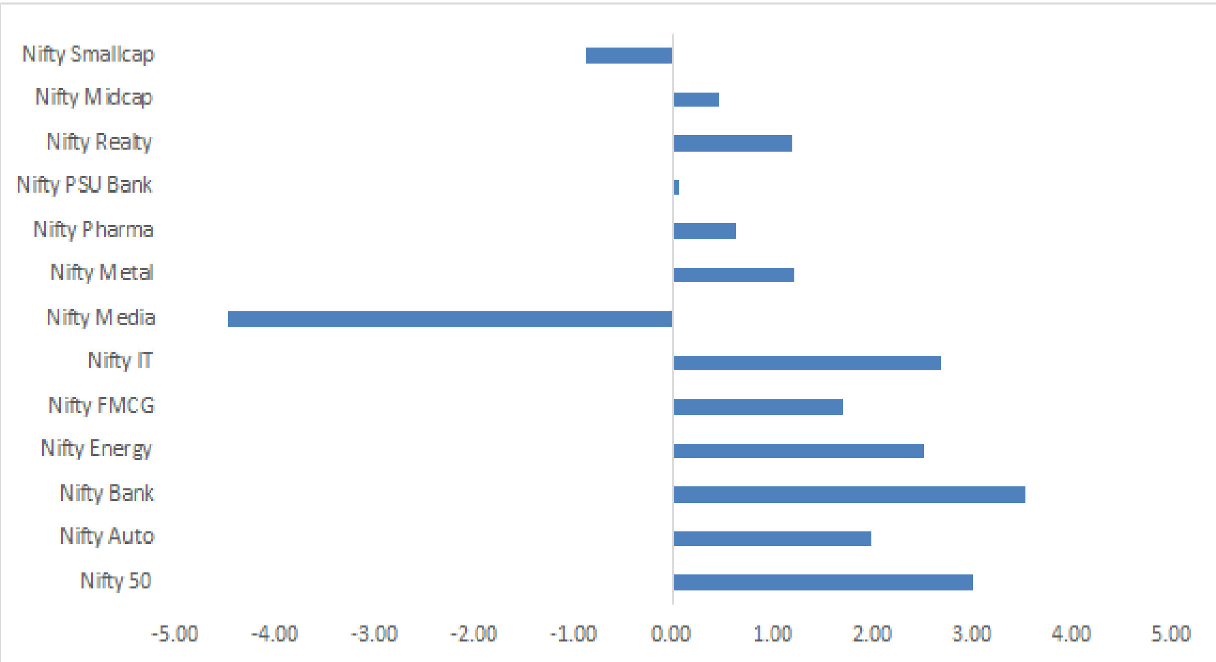
Adani Ports	5.19
Asian Paints	0.51
Axis Bank	4.75
Bajaj Auto	0.18
Bajaj Finserv	-0.11
Bajaj Finance	-1.66
Bharti Airtel	7.58
BPCL	2.39
Britannia	5.28
Cipla	-0.92
Coal India	1.74
Divis Labs	0.63
DR Reddy's Labs	1.23
Eicher Motors	8.32
Grasim	-1.63
HCL Tech	2.64
HDFC	7.70
HDFC Bank	4.82

HDFC Life	1.32
Hero Motocorp	2.35
Hindalco	-1.49
HUL	1.43
ICICI Bank	2.59
Indusind Bank	4.58
INFY	2.50
IOC	2.51
ITC	4.66
Jsw Steel	2.52
Kotak Bank	7.40
LT	0.44
M&M	1.60
Maruti	1.63
Nestle India	1.79
NTPC	-0.97

ONGC	0.73
PowerGrid	2.51
Reliance	2.60
SBI Life	3.62
SBIN	1.16
Shree Cement	0.60
Sun Pharma	1.51
Tata Consumer	3.31
Tata Motors	1.97
Tata Steel	-0.51
TCS	4.52
Tech Mahindra	4.99
TITAN	3.95
Ultratech	-1.05
UPL	-3.52
Wipro	2.29

*** Gain/ Loss in %**

SECTORAL PERFORMANCE



SECTORAL GAINER

BankNifty was the major contributor to the Index rally and ended the week with gains of 3.54%. Kotak and HDFC Banks were the top performers followed by Axis and IndusInd Bank. On the other hand, RBL Bank and IDFC First Bank were the major laggards. As shown in the chart, BankNifty ended at the higher end of the consolidation, and considering positive bias, bullish breakout is likely to occur.

SECTORAL LOSER

Media sector ended the week with a loss of 4.46%. All the components have ended the week with a loss where DishTV was the major loser. As depicted in the chart, sector is in higher top higher bottom formation and reversed from higher-end, some more downside is still left.

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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.:022-40777500.

Compliance Officer:
Mr. Shyam Agrawal,
Email Id: compliance@progressiveshares.com,
Contact No.:022-40777500.