Highlights of the Week

DOMESTIC:

- Tata Motors delivers 35 electric buses to BEST, 305 more to be delivered
- JSPL accepts Rs7,401cr revised offer for Jindal Power from Worldone
- IDBI Bank strategic sale: 7 firms in race for transaction advisor
- Tata Steel BSL sets up UV oxidation plant in Odisha to treat cyanide in wastewater
- Amara Raja Batteries plans USD1bn capex in the next 5-7 years
- Vodafone Idea files review petition in apex court on AGR dues
- Reliance New Energy Solar Ltd to invest USD144mn in Ambri Inc
- JSW Steel output grows 11% to 13.82LT in July
- Vedanta to invest up to USD20bn across businesses: Chairman
- YES Bank eyes own asset reconstruction company, invites EoIs from investors
- GMR Infra plans to raise Rs6,000cr
- Coal India to pump in Rs14,000cr in first-mile connectivity projects
- Tata Power Solar gets Rs386cr PV plant project in Ladakh
- NTPC plans to raise term loans worth up to Rs5,000cr

ECONOMY:

- Finance Ministry releases Rs9,871cr to 17 states as revenue deficit grant
- IIP eases to 13.6% in July as base effect softens
- Retail inflation eases to 5.59% in July

INDUSTRY:

- India exports 8 lakh tonnes of coal to neighbouring countries in FY'21: Report
- PLI scheme for specialty steel a game changer, to boost domestic output: Govt
- Sales of packaged consumer goods bounce back as curbs ease

COVERAGE NEWS:

Sudarshan Chemical Industries Ltd: The company has informed the exchanges related to restoration of normal manufacturing operations at Mahad site after the disruptions caused at the site due to heavy rains and floods.

Cipla Ltd: The company has received final approval from the USFDA for generic version of Novartis Pharmaceuticals Corporation DurezoI (Difluprednate Ophthalmic Emulsion 0.05%). It has an estimated market size of USD106mn for twelve months ending June 2021 according to IQVIA.

Aurobindo Pharma Ltd: Aurobindo Pharma has entered into definitive agreement to invest Rs420cr to buy upto 51% stake in Hyderabad based Cronus Pharma Specialties aiming to tap global animal health generics space. Cronus is engaged in development, manufacturing and sale of veterinary pharmaceutical products with large exposure in the US markets. The transaction is expected to conclude post required regulatory and other approvals.

The Week That Went By:

Index was seen oscillating in the range of 16,300-16,200 but on the weekly expiry day, strong upthrust helped the Index breach its stiff resistance. On the last day of the week, Index soared higher throughout the day to end the week at record levels. Due to the new framework issued by BSE regarding Mid & Small cap counters, sharp cut was seen in Broader markets which dented the market sentiments; however, rapid recovery was seen too. On a sectoral front, IT sector came in as a savior for the Index; on the other hand, Pharma counters continued to create pressure on the Index.

Nifty50=16529.10 BSE Sensex30=55437.29 Nifty Midcap 100=27600.10 Nifty Smallcap100=10200.15

Result Synopsis

Company	Result This Week
Cipla Ltd **CMP: Rs894** **Target: Rs1055**	The consolidated total operating income for the quarter grew by 26.6% to Rs55,044mn as compared to Rs43,462mn in the same quarter last year. The Ebitda margins stood at 24.5% as against 24.1% in the same quarter last year. The profits grew by 25.4% to Rs7,099mn as against Rs5,660mn in the comparative quarter. This was impacted by the an impairment charge of Rs1,246mn pertaining to Avenue Therapeutics. The EPS for the quarter stood at Rs8.86. **Outlook and Recommendations:** The company reported stronger than expected performance for the quarter led by the trends in India and South Africa businesses that reported healthy growth. Revenue growth is attributed to robust demand led traction in core therapies across branded markets and continued cost control. The largest revenue generator, India sales grew strong during the quarter led by the surge in demand for Covid related medicines. India business continues to remain on a strong footing and is expected to outperform the market growth, led by strong traction in Rx, trade Gx and consumer health business. The US business remained range bound with albuterol leading the way. Cipla is continuing to gain market share in gProventil and the company now being among the top 10 generic companies in US by prescriptions. The respiratory business improved in the US as the market share for Albuterol improved and it launched Arformoterol during the quarter. Growth momentum is expected to accelerate from FY23E on the back of niche launches. Its respiratory pipeline in the US (Abraxane, gAdvair, gDulera) along with gRevlimid offers good growth visibility in the medium term. EBITDA margins at 24.5% was buoyed by higher Covid sales in India and a one-time profit share in the API business. Reported PAT was impacted by the impairment charge pertaining to the investment in Avenue Therapeutics. Going forward, although the complex generic pipeline remains strong, the key to watch would be the normalized growth of the core domestic business and deliverance on the margin front. **We maintain a Buy on the stock with the target of Rs1055.**
Acrysil Ltd **CMP: Rs635** **Target: Rs706**	The net sales for the quarter came in at Rs975mn as against Rs460mn, growth of 112.2%. This does have the low base effect of last year when compared on q-o-q basis. Also during the quarter the company revenues did get impacted by the second wave. Quartz sinks continue to be significant contributor to the revenues with a share of 77% as on Q1FY22. The Ebitda margins for the quarter under review stood at 21.7% as compared to 21.2% in the same quarter last year. The net profit came in at Rs136mn, growth of 201.2% as compared to Rs45mn in the comparative quarter. The EPS for the quarter is Rs5.05. The company will be seeking approval of the shareholders for the proposed QIP (aggregate amount of not more than Rs1,500mn) in the ensuing Annual General Meeting. **Outlook and Recommendations:** It was a decent performance for the quarter in-spite of the impact of the second wave of pandemic. There was a sequential flat performance but very much in line with the expectations. The operational efficiency has also been intact for the quarter. There has been a gradual pick up in capacity utilization after a blip due to the state wise lockdowns. It has also been on track with its expansions and entered into the third phase of commitment of 840,000 units which is likely to be completed by end of Q3FY22E. The company has also been working towards its domestic presence and inching on the contribution to revenues through its Carysil brand. The company has always focused on innovation of products and its unique product ranges, new tie-ups, capacity expansions should augur well for it going forward. **Considering the uncertainty of a possible third wave, we would cautiously recommend to book 50% of profits and maintain a hold for a target of Rs706.**
BASF India Ltd **CMP: Rs3670** **Target: Rs4000**	The net revenue for the quarter grew by 68.7% to Rs30,129mn as compared to Rs17,865mn in the same quarter last year. Growth was driven by higher volumes and sales price increase across segments. The EBITDA margin for the quarter under review stood at 9.6% as compared to 0.7% in the corresponding quarter. Expansion in margins are attributed to volumes and better realization mainly by materials and industrial solutions segment. The net profit for the quarter came in at Rs1973mn as against loss of Rs312mn in the comparative quarter. The EPS after exceptional items stands at Rs45.6.On the segmental front, growth was seen in Materials (up by 296% y-o-y), Nutrition & Care (up by 7.8% y-o-y), chemicals segment (up by 93.5% y-o-y), Agriculture solution (up by 10.8% y-o-y), Industrials Solution segment (up by 148% y-o-y) and surface technologies (up by 5.4% y-o-y). **Outlook and Recommendations:** It has been a robust quarter for the company with the highest ever EBIT reported by BASF India. Across the P&L there has been a strong growth, and even if the low base of Q1FY21 is compared, excluding that too the growth has been strong. Materials and industrial solutions led the way. In FY21 the segment of industrial solutions was impacted by supply constraints while the materials was challenged due to slowdown in the Auto sector. Both of these have rebounded with strong growth in the quarter under reference. Cost efficiency measures, divestments coupled with digital initiatives, realignment of business all have benefitted in the quarter and should be triggers for future growth as well. Overall it was an overwhelming quarter for the company with strategies in place and we maintain our positive stance on the same. **We maintain an Accumulate on the stock for a target of Rs4000.**
Thermax Ltd **CMP: Rs1387** **Target: Rs1450**	The consolidated net sales for the quarter grew by 58.3% at Rs10,524mn as compared to Rs6,649mn in the same quarter last year. On the segmental performance, the company saw a sharp improvement on all its verticals. The Energy segment revenue grew by 52% to Rs7.6bn, y-o-y while Environment segment revenue grew by 115% to Rs1.8bn and chemical segment revenue came in at Rs1.2bn, growth of 46% y-o-y. The EBITDA margins for the quarter under review stood at 6.0% as compared to (-1.7%) in the corresponding period last year. The company reported a net profit of Rs424mn as against loss of Rs153mn in the comparative quarter. It was basically, the turnaround in the energy and environment vertical which saw profits turnaround in the Jun-21 quarter. The EPS for the quarter stood at Rs3.7 . **Outlook and Recommendations:** It was a good performance reported by the company in-spite of the slowdown led by the State wise lockdowns during the quarter. The impact of the same can be seen through the sequential comparison. The energy and the environment segment led to the growth in Q1. On the industry outlook, after a good recovery of Q4 in new project investments, Q1FY22 remained close to the peak which gives optimistic outlook for coming quarters. The government continues to provide various subsidies to industries resulting to increase in capex. Industrial sectors such as Food, Pharma, Oil & Gas Refinery and Chemical continue to perform well, though some sectors were impacted with the regional lockdowns imposed. Overall, although the outlook looks encouraging; one cannot rule out the uncertainty of a third wave of pandemic. We feel that as things start getting back on track, there would be better growth visibility dawning from the industries that the company caters to. **We maintain our Hold on the stock for a target of Rs1450 with a cautious view and would see how demand shapes up in the ensuing quarters with better clarity on execution going forward.**
Westlife Development Ltd	We had initiated BUY on the stock at the price of Rs266 (coverage initiated on 24th August, 2017) for a target of Rs350. On breaching our target price, we had revised the same to Rs525. The stock has achieved our current target price and we close the call on the same. **Outlook and Recommendations:** We close the call on the stock

Result Synopsis

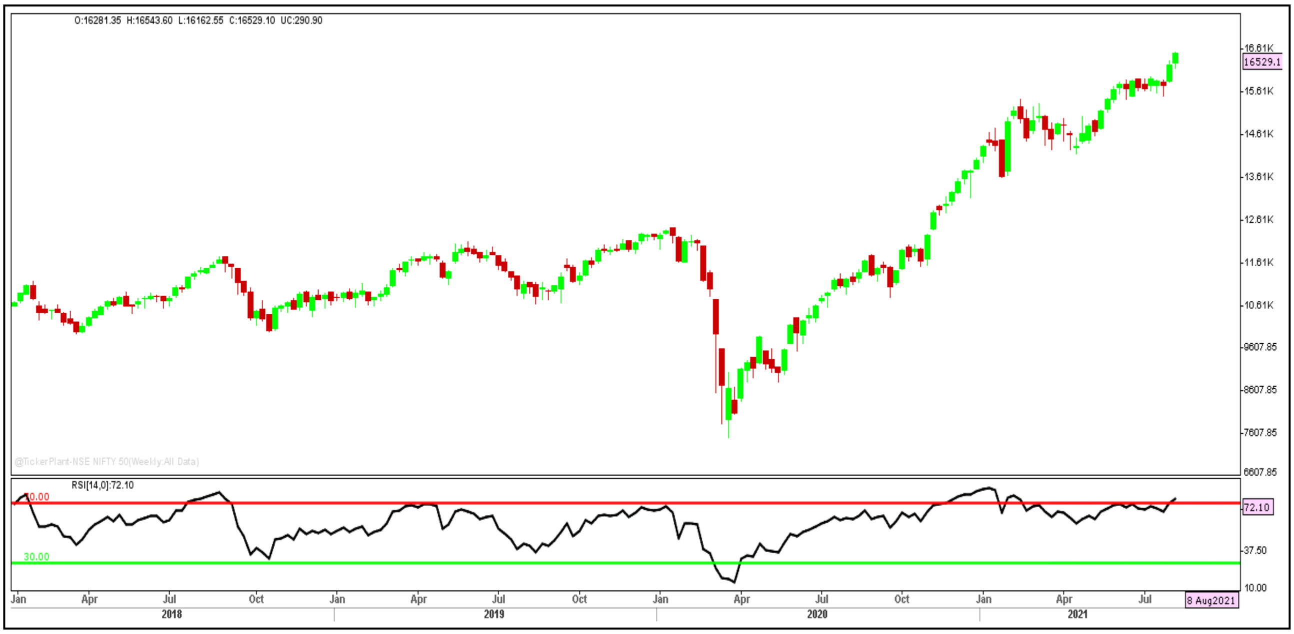
Company	Result This Week
ITD Cementation India Ltd **CMP: Rs85** **Target: Rs100**	The net sales for the quarter grew by 107% to Rs8,255mn as compared to Rs3,994mn in the same quarter last year, led by strong execution ramp up in key projects. The EBITDA margins for the quarter under review stood at 9.5% as compared to 7.4% in the same quarter last year. The net profit stood at Rs180mn as against loss of Rs170mn in the comparative quarter last year. The EPS for the quarter under review stands at Rs1.04. **Outlook and Recommendations:** The company has reported good set of numbers when compared on y-o-y even after considering the impact of low base last year. On a sequential basis, the numbers are slightly lower as there was lockdown State wise and the major ones for ITD were part of it. The order book disclosed across the different segments as well as State wise projects place the company on an encouraging radar. The order book healthy at of ~Rs120bn as at 1QFY22 (3.8x TTM revenues) with orders worth Rs16.2bn bagged in 1Q. The management maintained its guidance of 15-20% revenue growth with double digit EBITDA margins for FY22E. It is decently occupied on the order book considering the external factors. There is some uncertainty that persists with regard to the third wave of the pandemic as it slows down the overall execution across the catered industries and segments. ITD stands strong on its execution capabilities, strong parent, decent bid pipeline, lean balance sheet and diversified order book. **To factor in the uncertainty we maintain hold on the stock with a target of Rs100.**
The Hi-Tech Gears Ltd **CMP: Rs299** **Target: Rs350**	The total revenue for the quarter grew by 132.4% to Rs1,337mn as compared to Rs573mn in the same quarter last year. The EBITDA margin for the quarter under review stood at 12.6% as compared to 1.5% in the corresponding quarter of last year. The company has reported a net profit of Rs50mn as against loss of Rs49mn in the comparative quarter. The EPS stands at Rs2.7. With regard to the geographical performance, the key markets of India and Canada markets have clocked 132% and 402% growth y-o-y. **Outlook and Recommendations:** The results have been decent for the company when compared y-o-y due to a lower base last year. Sequentially though there has been impact of the lockdowns during the hit of the second wave; the contributing geographies have put up a decent show for the quarter. The auto sector is getting out of the woods with demand slowing getting on track for specific segments (PVs, tractors etc.) while the others are also gradually inching up. Growth across Auto sector decides for the performance of companies like Hitech gears. Overall, although industry parse things may look recovering, there is still uncertainty with the strike of third wave of the pandemic and things coming to a halt again. **We maintain hold on the stock for a target of Rs350.**
Timken India Ltd **CMP: Rs1553** **Target: Rs1600**	The total revenue for the quarter grew by 192% to Rs4,679mn as compared to Rs1,602mn in the same quarter last year. The EBITDA margin for the quarter under review stood at 19.8% as compared to 8.8% in the corresponding quarter last year. The net profit came in at Rs567mn as against Rs31mn in the comparative quarter. The EPS stands at Rs7.54. **Outlook and Recommendations:** It was a strong quarter for the company both y-o-y as well as when compared sequentially. There has been good improvement seen on the operational front with Ebitda margins on an uptrend. The railways segment has yet to pick up on pace but the Auto revival has set in. These two segments are the revenue sources for the company. There was slowdown with State lockdowns with the second wave hit the country. And now is the anticipation of a third wave building uncertainty. In this backdrop too, Auto segment demand has come back on track and expected to improve gradually. However, with the segment recoveries and third wave uncertainties **we maintain a hold on the stock for a target of Rs1600.**
Century Enka Ltd **CMP: Rs449** **Target: Rs472**	The net sales for the quarter grew to Rs4,233mn as compared to Rs1,024mn in the same quarter last year. The EBITDA margin for the quarter under review stood at 14.5% as compared to (-30.2%) in Q1FY21. The net profit came in at Rs425mn as against loss of Rs249mn in the same quarter last year. The EPS stands at Rs19.47. **Outlook and Recommendations:** It was a decent quarter due to a low base of Q1FY21. On sequential basis there has been impact seen of the second wave lockdowns for the company. Operationally the margins have been decent for the quarter. The company has its capex plans in place for modernizing plants and capacity enhancements which should benefit as and when it fructifies. The government does have welfare schemes and packages announced but need to become more comprehensive. Having realized the importance of textiles this would happen gradually. Overall one needs to see how things pan out towards normalcy for that extra focus of the government towards one of the essential sectors. **We maintain a hold on the stock for a target of Rs472.**
NRB Bearings Ltd **CMP: Rs126** **Target: Rs138**	The company has reported net sales of Rs1948mn as compared to Rs608mn in the same quarter last year. The Ebitda margins for the quarter under review stood at 10.9% as compared to (-25.5%) in the corresponding quarter last year. The net profit came in at Rs138mn as against a loss of Rs129mn in the same quarter last year. EPS for the quarter under review stood at Rs1.43 as compared to Rs(1.33) in the corresponding quarter last year. **Outlook and Recommendations:** The company has shown gradual improvement on the revenues as well as at the operational front as the lockdowns are easing. Pick-up in demand is seen on the domestic as well as the international level coupled with the gradual reopening that is favoring the auto industry as well as auto ancillaries like NRB Bearings. Revival of the Auto sector would also be the key to growth. Negotiations with OEMs is witnessed across the sector and as and when the OEMs take a price hike to offset the inflationary costs, gradual pass through will be seen. Looking at the current scenario, many OEMs on a global level across the industry have agreed to review the prices on quarterly basis and some have agreed for monthly review as well. The company has a lot of exposure to export-oriented OEMs which can stretch the receivables cycles to some extent. One needs to wait for better clarity with regard to demand setting in and the overall consumer sentiment during the upcoming festive season. **We continue to maintain our target price of Rs138.**
Hitech Corporation Ltd **CMP: Rs223** **Target: Rs275**	The net sales for the quarter came in at Rs1307mn as compared to Rs574mn in the same quarter last year. The EBITDA margins for the quarter under review stood at 15.1% as compared to 8.7% in the corresponding quarter last year. The company reported a net profit of Rs75mn as against loss of Rs64mn in the same quarter last year. This includes exceptional item of Rs19.8mn from insurance claim received. The EPS stands at Rs4.37 for the quarter. **Outlook and Recommendations:** It was a decent quarter for the company with Q1FY21 being a low base. Sequentially the company has taken a hit as the impact of second wave, but on the operational front it has improved on its Ebitda margins. This has been mainly due to the cost effective measures and approach of the company. The PAT is inflated due to the exceptional item during the quarter. Overall, we feel that although the third wave is anticipated, there should a gradual comeback chalked in terms of the industries that the company caters to. **We maintain a Buy on the stock with revised target of Rs275 over a 12 month horizon.**

Result Synopsis	
Company	**Result This Week**
NACL Industries Ltd **CMP: Rs65** **Target: Rs105**	The company has reported net sales of Rs3247mn as compared to Rs2520mn in the same quarter last year, growth of 29%. The Ebitda margins for the quarter under review stood at 8.7% as compared to 7.2% in the corresponding quarter last year. The net profit came in at Rs143mn as against Rs54mn in the same quarter last year. EPS for the quarter under review stood at Rs0.72 as compared to Rs0.28 in the corresponding quarter last year **Outlook and Recommendations:** The steady growth trajectory of the company continues while reporting decent set of numbers and up ticking margins due to exports as well as domestic market growth. Manufacturing of active ingredients (which are scheduled to lose patent protection in the next few years) is a big opportunity for many Indian agrochem players and NACL too can be benefitted from the same. The company is already looking at two capex plans wherein one phase is anticipated to be completed in near term while the second part of the capex is currently at the planning stage. The greenfield project at Dahej in Gujarat with an outlay of around Rs2000mn under the wholly owned subsidiary, NACL Spec-Chem Ltd is progressing well. The new capacity is expected to come on stream by Q1FY23. This capacity augmentation will help cater to the growing requirements of increasing customer base. NACL is building a strong pipeline of products for the global and domestic market through various developments and registrations. With a positive estimation for all the products and good order book, the outlook for FY22 too is encouraging. NACL has gradually shown an uptick in the topline, growth in terms of volumes as well as value, uptick in margins, stable credit ratings and the intent of the company of adding new capacities to direct further growth, upgradation, debottlenecking, new product development and new product registrations etc. which are some of the triggers which indicate at gradual growth of the company in a consistent manner. **The stock has breached our recent target price of Rs70 and we upgrade the same to Rs105 with a long-term vision.**
Huhtamaki India Ltd	We had initiated BUY on the stock at the price of Rs254 (coverage initiated on 21st June, 2019) for a target of Rs320. Our target has been achieved and we were awaiting the results for the quarter for a review of the same. The company has not been performing as per our expectations inspite of industry triggers being intact. We shall maintain a soft coverage on the stock and re-initiate with positive developments going forward. We close the call on the stock. **Outlook and Recommendations:** We close the call on the stock
Sumitomo Chemical India Ltd **CMP: Rs422** **Target: Rs425**	The revenues for the quarter under review came in at Rs7820mn in Q1FY22 as compared to Rs6477mn in the same quarter last year, growth of 20.7%. The EBITDA margins came in at 19.2% as compared to 18.3% in the same quarter last year. The net profit for the quarter ending came in at Rs1057mn as compared to Rs794mn in the same quarter last year. The EPS for the quarter stood at Rs2.12. On segmental front, the company reported a growth of 18.4% in the Agrochemicals division and 65.3% in Others division. **Outlook and Recommendations:** The company reported good results for the quarter under reference both at the topline and at operational levels. Better product mix coupled with price realizations undertaken in few products did aid well for the margins to improve. SCIL has some molecules in the product pipelines which will be rolled out gradually over the next 4-8 quarters while focusing on increasing the product portfolio and is also undertaking digital initiatives in order to connect and enhance the farmers' network and marketing activities. For the planned capex and products under the launch pipeline should fructify and garner benefits for the company in the coming quarters. Additionally, the management is open to any inorganic acquisitions if that deem fits the domain of the company. SCIL has to its credit a diversified portfolio, brand recall recognition, access to SCC's global supply chain and R&D activities with a zero leverage status. Further the company has plans to expand its exports market. Backed by all these positives triggers, **we continue to maintain our target of Rs425.**
S H Kelkar and Co Ltd **CMP: Rs155** **Target: Rs200**	The performance during the quarter was driven by stable client engagements and wins across the FMCG space. The net sales for the quarter came in at Rs3555mn as compared to Rs1925mn in the same quarter last year, growth of 84.7%. The EBITDA margins stood at 11.7% as compared to 16.1% in the same quarter last year. This was mainly impacted on account of increase in raw materials for the quarter and higher other expenses that included one-time additional write off of R&D expenses worth Rs129mn. The net profit (after the share of equity accounted investee) came in at Rs814mn as against Rs151mn in the comparative quarter. An exceptional item of ~Rs645mn relates to allowance of goodwill amortisation as an eligible expenditure and allowing set-off of brought forward losses. On segmental front, Fragrance and Flavours grew by 87.3% and 62.8% respectively (y-o-y basis). The EPS for the quarter stood at Rs5.90. **Outlook and Recommendations:** The performance for the quarter was quite stable despite the pandemic induced lockdowns managed well with stable business wins across the FMCG space. The company did witness cost pressure headwinds in raw materials, and did undertake suitable price hikes wherever possible. SHK anticipates good traction in niche immunity boosters, savoury business under the flavours category going forward. Additionally, the company highlighted of enhancements in the customer and geographic additions in the near term to enable a decent growth going forward. As a part of overall growth strategy, organic growth would command a share of ~12-15% while the balance would come from the inorganic space as indicated by the management. The company is looking at cost optimisation measures in order to maintain the margin guidance. SHK is looking at stable wins coupled with some growth initiatives to fetch healthy and sustainable growth going forward with conservative cash management. While the recovery in India and Indonesia are anticipated to be slower, SHK believes Europe will grow faster. **We continue to maintain our target price of Rs200.**
Hind Rectifiers Ltd **CMP: Rs162** **Target: Rs200**	The net sales for the quarter grew by 54.2% to Rs735mn as compared to Rs476mn in the same quarter last year. The EBITDA margins for the quarter under review stood at 6.9% as compared to 6.8% in the corresponding quarter last year. The company reported net profit of Rs15mn as against Rs4mn in the same quarter last year. The EPS stands at Rs0.9 as compared to Rs0.2 in the same period last year. **Outlook and Recommendations:** It is a good quarter for the company when compared on y-o-y as well as q-o-q basis. There has been improvement on the margins seen. Covid did have an impact through the lockdowns on the operations of the company. Plants were suspended with production halted. The Railway business of the company was severely affected especially in the coaches segment. Also the collection from railways was delayed leading to increase in the finance cost. Thereby the unfavorable product mix had impacted the margins too. All this has been borne and behind for the company. The Q1FY22 results showed improved performance led by cost monitoring and better product mix. There was impact of the second wave to some extent. Going forward as the Railways have curtailed the budget for coaches, there would be impact on the performance for the year. But overall the management expects 15-20% growth in the year. On the capex, the new plant coming up in Sinnar should be ready by March '22 (total capex of Rs20cr) and will cater to products for Railways applications. Overall we feel with the focus on new products developed in-house, orders on hand with pending order book of Rs330cr and expansions to contribute going forward; there should be a decent performance by the company in times to come. **We maintain a Buy on the stock with a target of Rs200 over a 12 months horizon.**

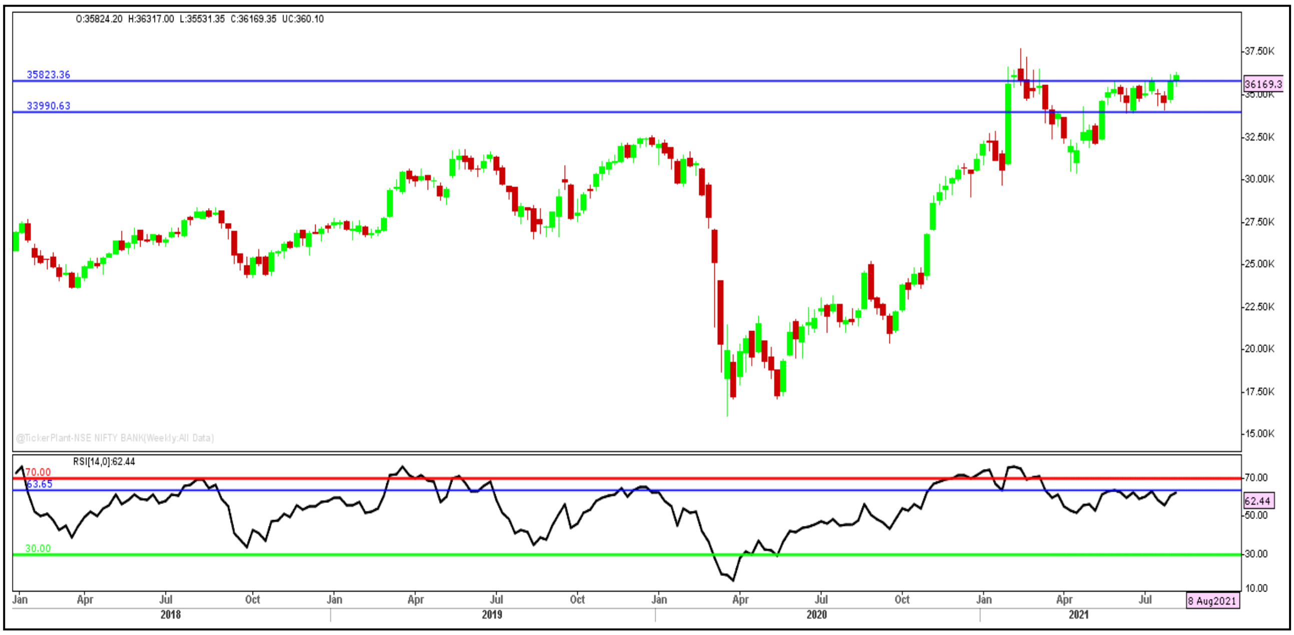
Result Synopsis

Company	Result This Week
Alicon Castalloy Ltd **CMP: Rs860** **Target: Rs1050**	The company has reported net sales of Rs2107mn as compared to Rs530mn in the same quarter last year. The Ebitda margins for the quarter under review stood at 8.1%. The net loss came in at Rs42mn as against Rs440mn in the same quarter last year. EPS for the quarter under review stood at Rs(-3) as compared to Rs(-31.9) in the corresponding quarter last year. **Outlook and Recommendations:** Easing of restrictions has led to small revival in quarter ending June, 2021 which is also seeing traction in July 2021. Alicon continues to remain future ready and is looking forward to a positive fiscal while being a one stop solution for all the engineering solutions related to aluminium alloy castings. Alicon new order book stands at Rs30bn which will be executable over the next five years. The new order book comprises of 60% domestic and 40% export business. Catering to key sectors of the Indian economy i.e. Automobile, Infrastructure, Aerospace, Medical, Energy and Agriculture, the company has clearly capitalised on the recovery in the auto market to deliver a strong rebound. As the situation normalizes, how the demand picks up from thereon would be a wait and watch situation for the company and the sector as a whole, but currently, Alicon has seen a strong momentum and volume off take across the domestic and export markets. Alicon, as an organization is future ready to tap opportunities arising and some of the major causes for the growth and consistency includes the amplified preference for personal mobility, introduction of the scrappage policy, PLI-linked scheme, improved allocation towards road infrastructure etc. Some triggers which the industry, customers and the company are looking at include, preference for green vehicles such as hybrid and electric vehicles, push on higher fuel efficiency vehicles and cost-optimisation & light-weighting of products. **The company has breached our recent target price of Rs750 and we cautiously upgrade the same to Rs1050.**
Nesco Ltd **CMP: Rs596** **Target: Rs700**	The net sales for the quarter under review came in at Rs727mn as compared to Rs693mn for the same quarter last year, recording a growth of 4.8%. The EBITDA margins came in at 63.1% as compared to 71.7% in the same quarter last year. The net profit came in at Rs423mn as compared to Rs514mn in the same quarter last year, drop of 17.6%. The EPS for the quarter stood at Rs6. On the segmental front, the Nesco IT Park revenues de-grew by 6.8% compared to the same quarter last year. The BEC segment reported revenues of Rs17.24mn as against Rs0.93mn in the comparative quarter. The Indabrator segment grew to Rs54.4mn and Nesco foods segment registered a growth of 156.2% y-o-y. **Outlook and Recommendations:** The company has reported slightly tepid results for the quarter. The margins have been lower owing to the increase in the expenses. Sequentially as well, the company has had a flattish kind of performance. On the segmental front, there have been revenues reported through the BEC for the 2 exhibitions that were held and good traction was seen in the Indrabators too. The Abrasive plant manufacturing facility has been ramped up from 2000MT/annum to 6000MT/annum. The company's exhibition halls were occupied by the Municipal Corporation of Greater Mumbai (MCGM) to operate a Jumbo dedicated Covid and health centre which included a Quarantine Centre, Hospital ICU as well as a vaccination centre. This did lead to deferring of the expansion plans of IT park and BEC. With regard to the rentals from the govt. for the usage of the facility; there is a % of the ready reckoner rate defined. On the future expansion plan, the management has indicated IT-2 construction to commence from Dec onwards. This is a 5 year project with a chalked capex of Rs1,800cr. Currently, it is in the process of approvals and getting the license in place. The company expects 25% growth from the IT park segment. There have been no reductions in the rental rates and has gained traction even during lockdowns, with future prospects also holding strong with addition of new clients. The company expects the exhibitions to start from Q4FY22 if things get back to normalcy. This would also boost the foods segment of the company. The company's IT Park division is planning to complete the F&B and Retail areas in Tower 04 which include new Restaurants, Food Court, Gym, Convenience Store, Salon and a Coffee Shop. Nesco has plans to develop a large world class integrated Exhibition Centre comprising of Exhibition Centre, Convention Centre, Hotel and other amenities. So in totality, it is the circumstances which have led to slowdown in growth of the company which is expected to get back on track gradually. The optimism towards the operational efficiency remains intact. **We maintain Buy on the stock with a revised target of Rs700 over a 12 months horizon.**
Gufic Biosciences Ltd **CMP: Rs218** **Target: Rs250**	The net sales for the quarter grew by 312.5% to Rs2,508mn as compared to Rs608mn in the same quarter last year. The EBITDA margins for the quarter under review stood at 18.2% as compared to 5.5% in the corresponding quarter last year. The higher employee expenses are attributed to the incentives to marketing team. The gross margins have also been lower due to the API cost sourced from China being higher. The company reported a net profit of Rs312mn as against loss of Rs14mn in the same quarter last year. The EPS stands at Rs3.22 as compared to Rs(-0.15) in the same period last year **Outlook and Recommendations:** It was yet another strong quarter for the company when compared on y-o-y as well as q-o-q basis. The results have been pretty encouraging on the operational front and effects of amalgamation being the necessary push to performance. There has been an overall contribution of 15-20% from Covid to the revenue growth during the quarter. But with the tapering of Covid related drug demand going forward, the company has its triggers intact for a minimum 15% annualized growth of revenues. The domestic business had occupied all of the capacities of the company, which did put exports on the backseat, but with things easing out slightly the company has started focusing on the impending orders. Exports which account 22-25% of revenues should increase to 30% with normalization. The company has planned expansions which should commercialize by Q3 next year. Overall, we feel that the company would enjoy the buffer it has received due to Covid related drugs, which would then be taken over by growth factors like international markets ramp up, strong product pipeline for next 3-5 years, increase in market share, new dossiers and lyophilized and injectables being the key. **We continue to be positive on the growth potential of the company and maintain an Accumulate for a target of Rs250.**
Indian Hume Pipe Co. Ltd **CMP: Rs216** **Target: Rs300**	The net sales for the quarter grew by 33.7% to Rs2911mn as compared to Rs2177mn in the same quarter last year. The EBITDA margins for the quarter under review came in at 7.91% as against 6.15% in Q1FY21. In current quarter, the margins were affected due to abnormal increase in material cost and disruption in supply chain management, affecting execution of projects at some project sites due to partial lockdowns to contain second wave of Covid-19 pandemic. The net profit for the quarter came in at Rs47mn as against loss of Rs55mn in the comparative quarter. The EPS stands at Rs0.96. The estimated balance value of the work as at 31st July, 2021 is Rs46.51bn as against Rs44.45bn as at 18th Aug, 2020. The company is L1 in two projects having value of Rs1.62bn as at 31st July, 2021. **Outlook and Recommendations:** On a y-o-y comparison, the results are decent but tepid on the sequential basis, impacted by the lockdowns in the second wave of pandemic. The increase in the material costs further hit the margins. The construction expenses during the quarter have also been on the higher side. Inspite of these factors, the margins have been range bound, depicting the cost effective measures. In the uncertain times too, the company has managed to garner a decent order book. However, the flip side the third wave being anticipated means again slowdown in executions which will delay the project schedules. We remain positive on the operational efficiency of the company but have a cautious outlook towards the macro factors. **We maintain a Hold on the stock for a target of Rs300.**

NIFTY (WEEKLY)



BANK NIFTY (WEEKLY)



MARKET OUTLOOK

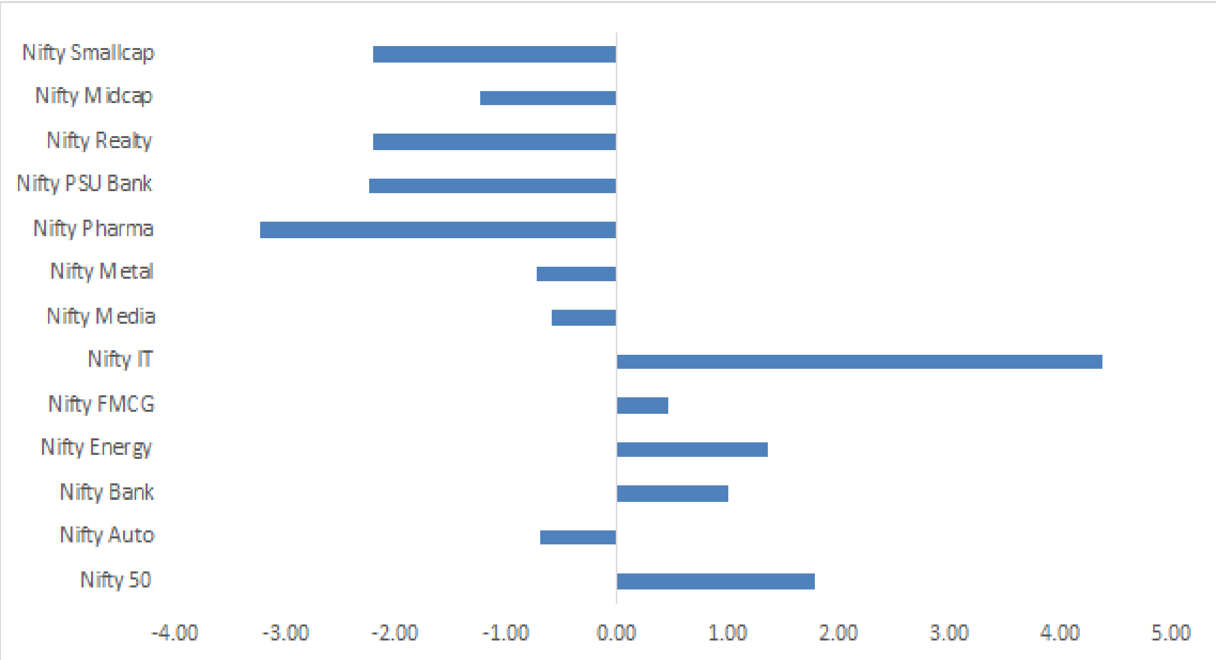
As mentioned in our previous note, target of 16,500 has been achieved. **BankNifty** has given a range breakout which is not convincing enough (**Axis Bank, HDFC Bank, IndusInd Bank are forming symmetrical triangle formation**). **Energy sector** bounced from the lower end of the channel (**Reliance** is likely to lead the sector rally). Up-move in the **IT sector** seems to be overextended, time-wise correction can be expected; however underlying uptrend is intact. Buy on dips strategy would be ideal. **Pharma sector** stands at the lower end of the consolidation, MACD has given a negative crossover which indicates retesting of its long-term trendline. Despite the Benchmark Index stands at the record levels; advance-decline ratio was in favor of Bears which alerts some caution. Participation by broader markets will ensure the true strength of the market direction.

NIFTY 50 COMPONENTS (WEEKLY PERFORMANCE)

Adani Ports	-0.86	HDFC Life	-0.45	ONGC	-0.39
Asian Paints	0.34	Hero Motocorp	-2.19	PowerGrid	5.33
Axis Bank	2.22	Hindalco	0.25	Reliance	2.54
Bajaj Auto	-0.62	HUL	1.13	SBI Life	-1.24
Bajaj Finserv	-1.22	ICICI Bank	0.63	SBIN	-1.48
Bajaj Finance	2.19	Indusind Bank	-0.20	Shree Cement	-6.40
Bharti Airtel	4.72	INFY	3.74	Sun Pharma	-1.06
BPCL	-0.34	IOC	-1.42	Tata Consumer	3.24
Britannia	-0.69	ITC	-1.51	Tata Motors	2.10
Cipla	-1.94	Jsw Steel	-1.18	Tata Steel	2.75
Coal India	-1.74	Kotak Bank	0.33	TCS	4.38
Divis Labs	0.52	LT	3.48	Tech Mahindra	9.10
DR Reddy's Labs	-2.65	M&M	2.62	TITAN	2.67
Eicher Motors	-7.18	Maruti	-1.55	Ultratech	-1.17
Grasim	-2.19	Nestle India	1.09	UPL	0.15
HCL Tech	7.12	NTPC	0.51	Wipro	2.74
HDFC	2.72				
HDFC Bank	2.00				

*** Gain/ Loss in %**

SECTORAL PERFORMANCE



SECTORAL GAINER

IT sector was the major contributor to the Index rally and ended the week with gains of 4.39%. Tech Mahindra and HCL Tech were the top performers. Rally in the sector and some of its components seem to be overextended, time-wise correction can be expected; however underlying uptrend is intact. Buy on dips strategy would be ideal.

SECTORAL LOSER

Pharma sector ended the week with a loss of 3.23%. Except for Alkem and Divis Labs, rest all the components have ended the week with a loss. As depicted in the chart, sector stands at the lower end of the consolidation. Trend following indicator MACD has given a negative crossover which indicates retesting of its long-term trendline.

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