WEEKLY WRAP-UP

14TH AUG - 18TH AUG 2023

HIGHLIGHTS OF THE WEEK 14 Aug 2023-18 Aug 2023

DOMESTIC:

- Tata Projects to focus on building chip factories
- Ather Energy aims 30% market share by end of FY24
- NARCL may wind up Srei group's equipment finance arm, retain SIFL
- Insecticides India to invest Rs150cr in next 2 years on capacity expansion
- ACC battery demand in India to grow at 50% CAGR: CII
- Bank of Maharashtra tops PSU lenders chart in loan, deposit growth in Q1
- Gangwal to sell around 4% of IndiGo for Rs3,370cr
- ONGC, four others vie for Fortum projects
- Claims worth Rs45K-cr against Bharti Airtel, subsidiaries under litigation
- Mahindra looks to scale up global play; unveils new pickup concept
- Bata bolsters premium portfolio, aims 20% sales from online channels: CEO
- Adani Green Energy targets 45GW of renewable energy by 2030
- Infosys signs 5-year deal with Liberty Global estimated at USD1.64bn
- Adani to buy remaining 51% stake in BQ-publisher Quintillion Business Media
- TCS bags Lexmark deal for Cloud-first initiative
- Punjab & Sind Bank plans to double ATM network to 1,600 in next two years
- Mahindra unveils new range of small tractors; eyes doubling tractor exports in 3 years
- M&M expects to produce 2 lakh EVs from upcoming Chakan plant by 2029: Veejay Nakra
- JSW Energy, IndiGo promoters pare stakes in large bulk deals
- Coal India capex grows 8.5% to Rs4,700cr in April-July
- Banks' lending to NBFCs jumps 35% to Rs14.2lk-cr in June: Report
- JSW Steel may pick majority stake in Teck Coal unit
- Tejas bags Rs7,492cr BSNL contract
- Swiggy and Gogoro announce electric vehicle partnership in India
- NTPC signs agreement to hive off mining business to its subsidiary
- Skoda Auto exports from Chakan plant crosses 600,000 units mark

ECONOMY:

- CPI spurts past 7%, but RBI may have option to hold off hikes
- Indian per capita income to grow sevenfold by FY47, says SBI Research
- Fitch warns it may downgrade many US banks, including JPMorgan

INDUSTRY:

- Rural growth outpaces urban demand, trend to continue 6 months: Pidilite MD
- December may see banks switch to five-day workweek
- Electricity output sees marginal growth of 1.3% in Apr-Jun due to unseasonal rains: Govt data

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HIGHLIGHTS OF THE WEEK 14 Aug 2023-18 Aug 2023

COVERAGE NEWS:

Aurobindo Pharma Ltd: (i) The company in connection with launch of HIV triple combination product for children living with HIV in low- and middle-income countries under voluntary licence from ViiV Healthcare is the first generic to get USFDA tentative approval under the PEPFAR program for a dispersible tablet formulation of the fixed dose combination of abacavir, dolutegravir and lamivudine dolutegravir and lamivudine (ii) Aurobindo Pharma's WoS, Eugia Pharma Specialities has received final approval from the USFDA to manufacture and market Icatibant Injection. The product is being launched in September 2023. According to IQVIA, the approved product has an estimated market size of around USD137mn for the twelve months ending June 2023.

Cipla Ltd: The company has informed of an order for suspension of FDA license issued to company’s manufacturing unit located at Patalganga (Unit II) for a period of 10 days in December 2023 for non-conformance of GMP under Drugs and Cosmetics Act, 1940 and rules made thereunder. There is no material impact on financials, operations or other activities of the Company due to the said order.

Royal Orchid Hotels Ltd: (i) Royal Orchid has launched a new property at Shimla, Shogi; featuring a total of 44 exquisitely designed rooms. With this expansion, ROHL has further solidified its position establishing its fourth property in the region. (ii) With regard to the interim order cum show cause notice, SAT has directed the company to file a reply to the show cause notice of SEBI within 3 weeks from 17th August, 2023. SEBI will thereafter fix a date and the matter would be heard thereafter. Till the disposal of the matter the interim order passed by SAT on 09th May, 2023 will continue to operate.

GMM Pfaudler Ltd: DBAG Fund VI has sold a 13.6% equity stake in GMM Pfaudler through bulk deals. From the shares sold 9.9% equity stake of the company has been purchased by ChrysCapital while 3.7% equity stake of the company has been purchased by other investors.

Indian Hume Pipe Co. Ltd: The company has received letter of award of the value of Rs6391.6mn (excluding GST) from rural water supply & sanitation, Odisha for execution of rural piped water supply project pertaining to six blocks of Puri District, Odisha including 5 years operation and maintenance on EPC contract. The project is to be completed within 2 years.

The Week That Went By:

The markets commenced the truncated week on a tepid note and throughout the remaining trading days oscillated in the broad range of 19,260-19,465 and finally settled at 19,310.15 with a weekly loss of 118.15 points. Among the sectors, the Media was the best performing sector followed by PSU Bank while the Metal was the major laggard.

Nifty50=19,310.15 **BSE Sensex30=64,948.66** **Nifty Midcap 100=37,815.40** **Nifty Smallcap100=11,683.35**

HIGHLIGHTS OF THE WEEK 14 Aug 2023-18 Aug 2023

Result Synopsis	
Company	**Result This Week**
Sudarshan Chemical Industries Ltd **CMP: Rs499** **Target: Rs600**	The net sales for the quarter reported an uptick of 1.7% at Rs5248mn as compared to Rs5158mn in Q1FY23. The Ebitda margins for the quarter under review stood at 12.4% as compared to 7.2% in Q1FY23. The company reported net profit of Rs2653mn which is including the exceptional gain on sale of land of Rs3151mn and tax of Rs692.1mn; without which the profit reported would have been Rs194mn as compared to Rs53mn in Q1FY23. The EPS for the quarter stood at Rs38.3 as compared to Rs0.8 in the same quarter last year. **<u>Outlook and Recommendations:</u>** SCIL has reported a good set of numbers for the quarter under review with slight uptick in the margins profile and going forward, the revival in the demand is anticipated to help the margins inch higher. The company continues with the calibrated pricing decisions to aid volume growth in the coming quarters. The company seems to be well-prepared internally with all the capex plans that have been commissioned recently, product portfolio, cost efficient processes and expecting the capacity to ramp up quickly. SCIL has invested in the high performance pigment and is expanding the portfolio. The entire product portfolio was designed for a global market with some products for the Indian market. Higher share of value added business portfolio and the upcoming capex plans bodes well for the specialty pigments revenue growth. The company does not have any more major capex plans, but for maintenance capex and the cash flow generated over the next 6-8 quarters will be used to reduce the debt. There is a slight change in the guidance given earlier to be able to utilise the new capacity and revenue in the next 3 years, however due to the current global scenario, the same has been pushed ahead by a year. If the macroeconomic situation changes, the team will revert to the original guidance. Due to the China plus one strategy, the customers are looking at alternatives and India is definitely in the focus area which is also a great tailwind for the company; this can also help players in the industry like Sudarshan. Owing to the energy crisis in Europe the manufacturers there have become uncompetitive and are reducing capacities which gives opportunities for exports to SCIL. The focus of the Management is to improve the Return on Capital Employed and control the net working capital to optimize cash conversion cycles. The gradual sales ramp-up of the new capex's is expected to drive growth coupled with execution of cost improvement, value chain integration projects, expansion of product portfolio to build globally competitive and comprehensive range, deeper penetration in select international geographies, focus on controlling net working capital and inventories to optimize cash conversion cycle are some of the key strategies which the Management is already following and intends to follow the same. The company is confident in its growth journey while looking forward to delivering value to all the stakeholders/shareholders. We continue to remain optimistic on the long term strategy of the company and **maintain our target price of Rs600.**

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Result Synopsis	
Company	**Result This Week**
Gufic Biosciences Ltd **CMP: Rs265** **Target: Rs350**	The net sales for the quarter reported growth of 18.0% to Rs1,950mn as compared to Rs1,653mn in the same quarter last year. The Ebitda margins for the quarter under review stood at 18.2% as compared to 20.1% in the comparative quarter last year. The company reported profit of Rs206mn as compared to Rs211mn in the same quarter last year. The EPS for the quarter stood at Rs2.13 as compared Rs2.17 in the corresponding period of last year. **Outlook and Recommendations:** The company has reported good set of numbers with revenue growth of 18% y-o-y. The operating margins had a small dip on y-o-y basis (due to increased other expenses) and have been flat on a sequential basis, led by lower gross margins. The interest outgo during the quarter under review has also been higher which led to flattish profitability reported. The company was all this while in the process of streamlining and strategizing on new business/product additions. Going forward, it will be more of execution and addition to revenues as the newer initiatives start contributing and fructifying. Whether its capacities, line extensions, enhancement of existing or addition of new products; all the energy was channelized for the same and now it should start unfolding in times to come. Each of the segment of business is a small business in itself, having its own rationales and business strategies. The broad based portfolio in the criticare segment has depicted a comeback after quarters of subdued performance through the growth across key molecules. Sparsh has been working well for the company over the quarters. The ferticare segment would also be in the limelight for the new product launches. Niche has always been the focus of the company, which may take time but once on stream then has loads to offer in terms of reach and unique opportunities. Whether it is expansion of facilities, gearing up for the Indore facility to get live or the R&D pipeline developments, the company is well on track with its targets set. Validation of the Indore facility is expected by Sept 2023 which will open ways for contribution from Q3 onwards. However, this would also lead to increase in the interest outgo and depreciation which could impact the profitability (FY24 expected to be on similar lines as FY23). Also some impact would be on the margins too due to increased other expenses routed towards R&D/trials/dossiers, but the management has indicated the range of 19-20% to be maintained. Overall, we feel that Gufic has different triggers to look at which it is working on dedicatedly and well strategized to achieve the targeted. It is one of the apt candidates for long term investors. **We maintain Buy on the stock for a revised target of Rs350.**
Axtel Industries Ltd **CMP: Rs409** **Target: Rs450**	The net sales for the quarter came in at Rs479mn as compared to Rs304mn in Q1FY23, growth of 57.4%. The Ebitda margins stood at 14.7% as compared to (1.4%) in Q1FY23. The net profit stood at Rs53mn as against loss of Rs6.7mn in Q1FY23. **Outlook and Recommendations:** The quarter under review reported good results on a y-o-y basis, due to smaller base effect where Q1FY23 was a weak quarter. Across the P&L, the numbers reported were strong. There was a strong expansion in margins as well as profits against losses reported in the comparative quarter last year. However, on a q-o-q basis the results are bleak. There has been a general pick up in execution especially in the industries of Food and Pharma that Axtel caters to. The results are probably reflection of carry forward/lumpiness during the quarter and should pick up going forward. The company is always looking forward to taking steps and measures and also has expanded its production capacity by expansion of its existing factory shed and installed more machineries to cope with the rise in orders from the clients. The factory expansion is expected to be completed by Sept and get fully operational then. The company is focusing on all possible efforts to improve margins and measures such as expansion, diversification, restructuring. On the industry outlook; with the existing as well as new entrants into the market, there is optimism across the Indian markets with strong growth momentum from food packaging industry. Developments are also towards new export markets (11.3% of total revenues currently) for products and services and export plans. Axtel holds a strong brand recall in terms of manufacturing process engineering equipments. It enjoys a debt free status, an additional perk to the company. Overall, capex and expansions have come to the forefront but for a cautious outlook especially on the macro front with regard to increasing inflation and input costs. **We maintain Accumulate on the stock for a revised target of Rs450.**

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Result Synopsis

Company	Result This Week
Patel Engineering Ltd **CMP: Rs54** **Target: Rs60**	The net sales for the quarter reported a growth of 24.1% to Rs11.18bn as compared to Rs9.01bn in the same quarter last year. The Ebitda margins for the quarter under review stood at 15.2% as compared to 14.9% in the comparative quarter last year. The company reported profit of Rs0.54bn as compared to Rs0.33n in the same quarter last year. The EPS for the quarter stood at Rs0.66 as compared Rs0.88 in the corresponding period of last year. **Outlook and Recommendations:** The company has reported overall good set of numbers for the quarter under reference. All the business segments have reported significant increase in revenues during the quarter. Hydropower continues to be the major revenue driver for the company and the contribution to the overall topline and order book remains more or less the same at ~55% and 61% respectively. Having a healthy order book position of Rs200bn provides revenue visibility over the next 4-5 years. The management further expects to bid for projects worth Rs50-100bn which will fortify the order balance. Hydropower has been considered as an important part of the renewable energy and with constant government focus on investing heavily on hydropower projects further provides the necessary push for companies like PEL. A lot of untapped opportunities exist in the hydropower generation space. PEL has made continuous effort to enhance the overall work force, increase the equipment base and upgrade the systems at all project sites thus enhancing the overall efficiency of business. Reduction of debt and thereby increasing the profitability levels remains the crux for PEL over the next 3-4 years. Revenue and order book guidance of ~15% and 12 -15% respectively for the next two years continues to remain intact. Monetization of non-core assets and debt reduction will be the core focus for the company. Overall, a strong govt. focus, healthy order book position and improved financial ratios are the key things to watch out for from a longer term perspective. **We continue to maintain a positive stance on the company for a revised target of Rs60.**
Patels Airtemp (India) Ltd **CMP: Rs300** **Target: Rs350**	The net sales for the quarter reported a growth of 134% to Rs828mn as compared to Rs354mn in the same quarter last year. The Ebitda margins for the quarter under review stood at 9.3% as compared to 16.0% in the comparative quarter last year. The company reported profit of Rs32mn as compared to Rs21mn in the same quarter last year. The EPS for the quarter stood at Rs5.84 as compared to Rs4.09 in the corresponding period of last year. **Outlook and Recommendations:** The year started on a steady note for the company. The performance has been good on the revenue front indicating the lower base effect seen on a y-o-y comparison. The Ebitda margins have been a tad lower when compared on a y-o-y basis which mainly took a hit on account of higher other expenses during Q1FY24. The company caters to a wide range of process industries including oil & gas, petrochemicals, refineries, chemicals, pharmaceuticals, fertilizers, refrigeration and air conditioning plants with extensive product range of heat exchangers, reactors, pressure vessels, storage tanks; etc., to mention a few. The buoyant capex cycle across the capital goods segment presents ample of opportunities for the company. Historically, shell/tube heat exchangers and air cooled heat exchangers have been the major revenue contributing products for the company (~85-90%). Long standing operational track record and ensuring quality standards has been the primary focus for Patel. Increased and prominent demand from industry verticals will enhance the performance of heat exchangers; thus benefitting the company as well. We thus continue to **maintain our positive stance on the stock for a revised target price of Rs350.**

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HIGHLIGHTS OF THE WEEK 14 Aug 2023-18 Aug 2023

Result Synopsis	
Company	**Result This Week**
HBL Power Systems Ltd **CMP: Rs264** **Target: Rs275**	The company has reported net sales of Rs4,674mn as compared to Rs3,197mn in the same quarter last year, growth of 46.2%. The Ebitda margins for the quarter under review stood at 16.67% as compared to 10.95% in the corresponding quarter last year. The net profit came in at Rs517mn as against Rs200mn in the same quarter last year. EPS for the quarter under review stood at Rs1.86 as compared to Rs0.71 in the corresponding period last year. On the segmental front, batteries division reported a growth of 50.7% on a y-o-y basis and the electronics segment reported a growth of 199%. **Outlook and Recommendations:** The company has reported good set of results across the P&L. A better topline has aided better gross and Ebitda margins and profitability both on a q-o-q and a y-o-y basis. Batteries continue to be the major revenue contributor for HBL. Off late, Kavach (TCAS) system has gained a lot of prominence. So far, TCAS has been deployed only on 1465 route km; the Indian railways is looking to install Kavach for ~30,000km over the next 10 years; this portrays enough opportunity for HBL; being one of the approved manufacturers by the RDSO. The other opportunity that lies ahead for Kavach is to equip all new Vande Bharat Trains with TCAS in the railway factory itself. Recently, the company entered into a contract with Ashoka Buildcon for Rs1,350mn (including 18% GST) for the supply and commissioning of all equipment involved in the Kavach system. The delivery and commissioning is to be completed in 18 months. Apart from TCAS, other positive and long term triggers for HBL are from the areas of defence batteries, electronics for rail & defence, electric drive trucks and TMS. Gradual topline enhancement, lower R&D spends and avoidance in large capital intensive projects will drive the overall profitability and operational efficiency for the company in the near term. As mentioned in our earlier notes as well; a transitional shift from the traditional source of fossil fuels towards the renewable sources outlines government's priority over sustainable development; thereby providing an impetus to various sectors that the company caters. A good market position, ability to develop technologies without foreign collaborations and immense opportunities from TCAS, defence, TMS are few of the important parameters to vouch for from a longer term perspective. **We continue to maintain a positive stance on the company for a revised target of Rs275.**
La Opala RG Ltd **CMP: Rs443** **Target: Rs510**	The net sales for the quarter reported an uptick of 5% to Rs862mn as compared to Rs821mn in the same quarter last year. The Ebitda margins for the quarter under review stood at 40.9% as compared to 39.8% in the comparative quarter last year. The company reported profit of Rs287mn as compared to Rs201mn in the same quarter last year. The EPS for the quarter stood at Rs2.59 as compared to Rs1.81 in the corresponding period of last year. **Outlook and Recommendations:** The company continues to deliver strong operating performance on the topline as well as on the bottom-line. The demand for opalware/tableware both in the household and hotel, restaurants, caterers (HoReCa) segment is gradually increasing with significant demand potential from the semi-urban sector. The company has maintained the Ebitda margins on the higher side. Ebitda margins have remained stable in the range of 40.94% which also indicates the effect of good operational planning and efficiencies. If one reads carefully, the cost control measures have helped this level of gross margin expansions. The strong demand in the domestic market continues for the company and the upcoming festive season will also be a booster to the growth of the company in the upcoming quarters as well. The company is working towards setting up a Borosilicate Plant at Sitarganj with a capacity addition to the tune of 25MT per day with an investment of ~Rs700-800mn. La Opala continues to be a leading player in the opalware segment; the company has been working at diversifying its product offerings going forward. The upcoming capex will lead to expansion of the market; the expanded capacity going on stream, diligent and significant capacity addition, new catalogue product category additions coupled with favourable increasing consumer demand, benefits of debottlenecking etc. augurs well for the near term as well as long term growth prospects of LORGL, and **thus we maintain our long term target price of Rs510.**

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Result Synopsis	
Company	**Result This Week**
Sadhana Nitrochem Ltd **CMP: Rs84** **Target: Rs123**	The net sales for the quarter reported a growth of 43.6% to Rs394mn as compared to Rs274mn in the same quarter last year. The Ebitda margins for the quarter under review stood at 19.92% as compared to 9.37% in the comparative quarter last year. The company reported profit of Rs0.6mn as compared to Rs10.2mn in the same quarter last year. The EPS for the quarter stood at Rs0.002 as compared to Rs0.04 in the same quarter last year. **<u>Outlook and Recommendations:</u>** The quarter under review saw a dip in the sales pricing, owing to price reduction by the Chinese players which was also in line with the falling raw material costs. However, currently, the raw material prices in China are seen stabilizing and Indian manufacturers are seen catching up with these adjustments. Going forward, these developments will benefit the profitability and margins of SNCL. Historically, Q1 is a softer quarter due to seasonal influences, however, SNCLs expansion in ODB2 and PAP has resulted in a 40% growth on a y-o-y basis which is due to increased volumes of the PAP and ODB2 plants. The company has appointed dedicated teams actively working on the refining processes and boosting the output from the new capacities. The ODB2 production capacity has increased from 550 tons to 2200 tons. With robust orders in the pipeline, the Management is expecting consistent increase in capacity utilization. For the PAP plant, once the plant process and output are stabilized, then it is easier to quickly multiply the production capacity. The success of the PAP project can change the operational matrix of the company. The company is in the process of seeking approvals from the customers. Recently, the company commissioned some parts of the certain plants (phase wise expansion), which has led to increased depreciation and interest costs. As and when the capacities are ramped up/volumes increase the fixed costs are anticipated to be absorbed paving way for enhanced profitability. The global positioning of SNCL has strengthened among the top two ODB2 producers worldwide. The China+1 policy has gained some traction globally, and SNCL is continuously building stronger relationships with clients/customers. SNCL is trying to broaden its market presence and secure a larger market share. As far as the development of the PAP plant is concerned, the same is seeing good advancements. The company is trying its best to enhance its operational efficiencies and increase the value of the stakeholders/shareholders. The vision of the Management is to transform itself into a globally cost competitive manufacturer with focus on R&D and quality processing. In addition to this, SNCL is gradually moving towards a professional Management team. The company is trying to improve on the operational front, and it also appears that within the next 9-12 months, the other phases of the capex will begin to generate revenue; thus, **we maintain our target of Rs123 (adjusted for bonus) from a long-term perspective.**

HIGHLIGHTS OF THE WEEK 14 Aug 2023-18 Aug 2023

Result Synopsis	
Company	**Result This Week**
Timken India Ltd **CMP: Rs3204** **Target: Rs4000**	The total revenue for the quarter grew by 2.6% to Rs7,176mn as compared to Rs6,992mn in Q1FY23. The Ebitda margin for the quarter under review stood at 18.9% as compared to 24.5% in the corresponding quarter last year. The net profit dropped to Rs901mn as against Rs1,181mn in the comparative quarter. The EPS stands at Rs11.98 during the quarter as compared to Rs15.7 in the same quarter last year. **<u>Outlook and Recommendations:</u>** While the results are flattish on the revenue front impacted by the lower exports and inferior product mix, the drop in the gross margins led to lower operating margins reflected on the profits as well. When compared on q-o-q basis, the performance has been flattish. The company has also indicated of the Jamshedpur plant remaining closed from 25th August to 3rd September, 2023 on account of low demand and better demand planning for production efficiency. This is reflected in the quarter results too. However, the company remains focused on delivering value to customers and strengthening its position in key markets. It has also made significant investments in manufacturing facilities, technology and people to enhance capabilities and improve its competitiveness. The latest AR also speaks of the new manufacturing facility for spherical and cylindrical roller bearings and related components in Bharuch, Gujarat. Expected to commence operations in January 2025; this new facility will help to deliver more Made In India products to the customers. The total investment for this plant is Rs6bn. With a robust footprint of channel partners all across India, this will enhance the company's outreach to end markets for its product, services, and operations assists customers in improving the reliability and efficiency of equipment, machinery, and vehicles. The company continues to remain debt free and generated adequate cash flow to meet its working capital needs and long-term growth projects. The company has focused on leveraging on volumes to combat the margin pressure. It has been very actively shifting and taking measures for localization or domestication of RM, which would eliminate dependency as well as volatility. Most of the steel (majorly all grades) is localized and exports have always been more than distribution. The increased allocation in the sub segment of railways will augur well for railway EPC companies, wagon manufacturers, bearing companies; etc. This should lead to ramp up in orders, execution and gradual growth of Timken as well. The positives of strong allocation pipeline, strong financial position, focus on customer value and investments in innovation and sustainability, strategically focused portfolio to deliver higher growth and margins, diversification of products and industries, focus on localization remain intact for the company. Timken should benefit from strong industry-leading growth led by tailwinds in railway, heavy mobility, and exports. Considering the recent dip in demand indicated by the management, with a cautious view **we maintain Accumulate on the stock.**

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Result Synopsis	
Company	**Result This Week**
Salzer Electronics Ltd **CMP: Rs393** **Target: Rs360**	The (standalone) net sales for the quarter reported increased by 20.9% to Rs2819mn as compared to Rs2331mn in the same quarter last year. The Ebitda margins for the quarter under review stood at 8.7% as compared to 8.4% in the comparative quarter last year. The company reported profit of Rs93mn as compared to Rs88mn in the same quarter last year. The EPS for the quarter stood at Rs5.71 as compared Rs5.49 in the corresponding period of last year. **Outlook and Recommendations:** Salzer has reported good numbers on the topline as well as on the bottom-line which is due to the overall growth in the key segments for the products manufactured by the company. The company has witnessed a steady growth in demand on the domestic as well as international front. The application of electrical switch gears, wires and cables is gaining more prominence and all these triggers are beneficial for players like Salzer. The company is witnessing strong growth in the products related to 3-phase transformers, data cables and wire harness coupled with growth in the legacy products related to rotary switches' portfolio. As per the Management commentary due to the global headwinds there seems to be a growth rate slowdown relative to the last financial year, however, the company has been consistently striving to achieve ~20-25% growth. There is immense potential for the company to continue to grow at this fast rate provided there are no global headwinds. The company intends to maintain its growth trajectory via strong product offerings and brand position in the market while anticipating to grow at ~17-20%. Coupled with profitable growth, the Management also intends to diligently work on capital efficiency to improve the working capital cycle and eventually fetch better ROCE. Management continues to stick to the product mix consisting of ~60% from the industrial switchgear business, ~30% from the wire segment and ~10% from the building electrical segment; EV charging is expected to be a part of the subsidiary. The business related to the new expansion at Hosur will help top-up the revenue when the commercial production begins in full swing. Salzer is trying to strengthen and professionalize the board and has appointed two experienced professionals and non-executive independent directors i.e. Ms. Priya Bhansali and Mr. Sharath Chandra Bhargava. This appears to be the first step towards becoming a professionally managed company. The process of value engineering, cost reduction, innovation activities in the operations is a constant process at Salzer. The fears related to global geopolitical issues continue along with volatility in the prices of commodity, fuel prices and inflationary pressures etc. which can affect the demand and production in various sectors. The global shift towards renewable energy, solar, wind and hydro energy has created new opportunities for electrical equipment manufacturers where Salzer can play a role as well. In the long run, Salzer intends to be a global electrical solutions provider. Though there are many tailwinds provided by the domestic market, the growth from UK and US zones can lead to a slowdown on the exports front, however **we continue to stick to our conviction and maintain our long-term target price of Rs360.**

Result Synopsis	
Company	**Result This Week**
West Coast Paper Mills Ltd **CMP: Rs569** **Target: Rs660**	The net sales for the quarter grew by 2.2% to Rs11.4bn as compared to Rs11.1bn in the same quarter last year. The Ebitda margins for the quarter under review stood at 34.6% as against 28.8% in Q1FY23. The net profit came in at Rs2.8bn as against Rs2.1bn in the comparative quarter last year. The EPS for the quarter under review stood at Rs37.17 as compared to Rs28.06 in the corresponding period last year. On the segmental, the paper and paper board segment clocked growth of 2.2% while telecom cables grew by 2.7%. **<u>Outlook and Recommendations:</u>** It has been a flat start to the year with revenue growth of 2.2% y-o-y. On the segmental front too, the numbers are flat across both the segments of business. The performance of the company during the quarter under review was impacted due to declining market demand on account of rise in paper imports. Although there is expansion in operating margins when compared on y-o-y basis, there has been a dip on the q-o-q basis. This has been due to increase in the wood prices witnessed during the quarter. On the similar lines, PAT clocked 33.2% y-o-y but a drop of 13.3% q-o-q. For the paper segment, the company's focus is to develop new value-added products, that will support to enhance the product basket as well as market share. For the cable division, the company is in the process of setting up its own optical fiber draw towers factory in Rangareddy, Hyderabad and construction activities. It is also constructing a new optical fiber cable manufacturing plant at the same site in Rangareddy, Hyderabad, which will be its second facility after Mysuru. On the industry growth as per the latest annual report, the country is expected to grow 6-7% a year to reach 30 million tonnes by FY26-27, catalysed by robust growth in the packaging board. This obviously steams opportunities for players that are present across the value chain like WCPML. The company continues to enjoy the edge with regard to sourcing of raw material as well as the ability to tap the opportunity of growing packaging board demand in India due to its sizeable operations and strong balance sheet providing the growth visibility. In the current scenario, the company has positive expectations for a better working in the latter half of the year, with continued focus on improved operational efficiencies with better product mix which will help better financial performance going forward. We feel that the company should do well in quarters to come. **We maintain a positive stance on the company for a target of Rs660.**

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Result Synopsis	
Company	**Result This Week**
Alkem Laboratories Ltd **CMP: Rs3796** **Target: Rs3900**	The net sales for the quarter reported a growth of 15.2% to Rs29.68bn as compared to Rs25.76bn in the same quarter last year. The Ebitda margins for the quarter stood at 13.1% as compared to 7.9% in the comparative quarter last year. The company reported profit of Rs2.88bn as compared to Rs1.31bn in the same quarter last year. The EPS for the quarter stood at Rs23.98 as compared to Rs10.68 in the corresponding period of last year. **Outlook and Recommendations:** The growth of 15% y-o-y in the revenues witnessed in Q1 was led by the strong performance in the international market that has crossed the Rs1000cr mark for the first time. The steep rise in the international revenues was a cumulative growth contribution from the different markets and the growth looks to be sustainable although the pricing pressure would be one of the key deciding factors. It was a decent performance across the India business (clocking 7% y-o-y) with growth across the therapeutic segments and intends continuing to clock market leading growth. There was some slowdown in sales seen during the quarter, due to the delayed monsoon across the country which led to lower offtake in the acute segment, however in the chronic space there was good growth reported led by the anti-diabetic segment that clocked growth of 30% y-o-y. The company had indicated earlier of a double digit growth for the India business which is now revised to high single digit after the Q1 performance. There has been easing of raw material prices so gross margin expansion is been seen. Further, the improvement in the Ebitda margins is attributed to the expanded gross margins and lower R&D and employee expenses. The overall PAT was higher boosted by the lower taxes during the quarter. The company reiterated on its guidance of 16% on the operating margins for FY24. The US business is expected to have better growth due to reduced intensity of price erosion and gain in market share across the existing products. The softening of raw material prices, easing of freight cost, cost optimization strategies, favourable currency are some of the reasons for the uptick in the operational performance, while on the flip the dent could be due unfavourable seasonality effect and higher tax outgo. Overall, we feel, Alkem has healthy cash in its books, improved business profile and other decent financial parameters in place. The company continues to focus on the domestic segment growth, growth through other international markets, with efforts to keep the costs under control leading to increasing profitability. **We maintain a Neutral on the stock for a target of Rs3900.**
S H Kelkar and Co. Ltd **CMP: Rs149** **Target: Rs150**	The net sales stood at Rs4,455mn as compared to Rs4,150mn in the same quarter last year, marginal uptick of 7.3%. The Ebitda margins stood at 15.8% as compared to 13.2% in the same quarter last year. The net profit came in at Rs278mn as against Rs233mn in the comparative quarter. On segmental front, Fragrance reported a growth of 9.9% on a y-o-y basis while the Flavours division reported drop of 6.8% (y-o-y basis). The EPS for the quarter stood at Rs2.01. **Outlook and Recommendations:** Q1FY24 performance started on a steady note for the company; with revenues having recorded a growth of ~7%. The traction in the FMCG categories and lower base in the corresponding quarter of last year led to a healthy performance for the fragrance division for the quarter under review; while on the flip considering the softening demand in the international markets, the flavour division did experience slight decline in the revenues. The European business too delivered a steady performance with significant improvement seen at the gross and the Ebitda margins (assisted by pricing actions) and the management expects to maintain the same levels going forward. The company has already developed processes in order to cater to the raw material requirements and thus reduce the overall dependency on China; the benefits of which is expected to materialize in the upcoming fiscal. The commercializations from the RFP tenders are expected to take place either in Q3/Q4FY24 which would lead to incremental revenues for the company. Apart from this, the company continues to invest in the nutrition and the flavour business. Going forward the management anticipates a positive shift in the domestic FMCG environment and a ramp up in the business due to RFP tender wins will further support the overall performance of the company. **We continue to maintain a Hold on the stock for a target of Rs150.**

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Result Synopsis	
Company	**Result This Week**
J.B. Chemicals & Pharmaceuticals Ltd **CMP: Rs2676** **Target: Rs2900**	The net sales for the quarter reported a growth of 14.2% to Rs8,962mn as compared to Rs7,848mn in the same quarter last year. The Ebitda margins for the quarter under review stood at 25.9% as compared to 22.0% in the comparative quarter last year. The Ebitda margins post adjustment of ESOP would have stood at 27.09% for Q1FY24. The company reported profit of Rs1,423mn as compared to Rs1,052mn in the same quarter last year. The EPS for the quarter stood at Rs18.3 as compared to Rs13.5 in the corresponding period of last year. The company has approved setting up of a new wholly-owned step-down subsidiary in Philippines by the company's wholly-owned subsidiary viz. Unique Pharmaceutical Laboratories, FZE, Dubai. **Outlook and Recommendations:** It is a good start to the year with focused execution being the key factor for growth. The revenues recorded growth of 14.2% y-o-y. The domestic business clocked a strong 17% growth as the acquired brands continue to deliver good growth. The company has reported market beating performance on the domestic front where the strategy has been to make the big brands bigger. While the acute segment growth was impacted due to delayed monsoons, the chronic cluster outpaced the industry growth. The management anticipates to enhance the overall chronic share to ~60% in the near term. The brand extensions also performed ahead of expectations, all registering double digit y-o-y growth in Q1FY24. The prescription growth was ~12% y-o-y with improvement in the P/D ratio. Rantac and Metrogyl stand amongst the top 10 most prescribed brands in the IPM. The recently acquired Razel portfolio is also gaining traction. The other acquired portfolios also are gaining significant momentum. On the international business, there was growth of 11% reported for the quarter. The CDMO business stood strong with a growth of 19% and scaled further during the quarter. Adding partners to the existing database in this business is a general phenomenon for JBCPL. The order book position continues to remain healthy for Q2 for the CDMO business. Though the currency fluctuations impacted the business in South Africa, the management continues to drive better margins and continues to focus on the private markets. The management would take cautious and aggressive moves in terms of launches depending on the geographies/seasonality trends. Reduction in costs of freight/logistics were positive for the margins of the business. The Ebitda margins improved backed by better business mix, increased efficiencies in sourcing, and higher volumes. The company would maintain its distinctive focus on India and the CDMO business, while maintaining the efforts to control costs and increase efficiencies. Going forward, some of the triggers would be outperformance of the domestic markets with focus on increasing the chronic share to 60% in the mid-term, growth momentum in the international business, thrust on cost optimization despite the external uncertainties. **We continue to maintain an Accumulate on the stock for a revised target price of Rs2900.**

Result Synopsis	
Company	**Result This Week**
Aurobindo Pharma Ltd **CMP: Rs856** **Target: Rs900**	The net sales for the quarter reported a growth of 9.9% to Rs68.5bn as compared to Rs62.4bn in the same quarter last year. The Ebitda margins for the quarter under review stood at 16.8% as compared to 15.0% in the comparative quarter last year. The company reported profit of Rs5.7bn as compared to Rs5.2bn in the same quarter last year. The EPS for the quarter stood at Rs9.74 as compared to Rs8.88 in the corresponding period of last year. **<u>Outlook and Recommendations:</u>** The company has reported better than expected results for the quarter under review. The revenue drivers for the quarter were on account of a decent demand seen across all the markets and the businesses that the company caters to. Gross margins have shown a slight improvement when compared on a y-o-y basis led by product mix. In terms of operational efficiency, the Ebitda margins have seen an improvement both on a q-o-q and y-o-y basis; this is primarily because of stability seen in the raw material price trends. The pricing pressure primarily in the US markets seems to have stabilized now and is further expected to continue the trend for the next couple of quarters. In terms of the launches; filings and the ANDA pipeline, they continue to advance well and the execution of growth drivers are proceeding as planned by the management. For the injectables business, a general growth in terms of volumes is witnessed and Aurobindo would continue with the product launches which are expected to further drive the overall revenues for the company. The company has received approval for the generic version of Revlimid, and the company foresees immense opportunity through it from the US markets. Though volumes and revenue contribution may not be that substantial but this product would significantly influence the bottom line of the business. Additionally, the PenG project is expected to witness a full ramp up from Oct/Nov 2024. The biosimilars business is anticipated to enhance the margins and the management has internal targets set to launch atleast 6-7 products in the regulated markets by 2028. As per the management, the Ebitda margins (ex Revlimid) is expected to be at ~18% for FY24. Further the commercialization of PLI project and stabilization of manufacturing facilities might push the long term margin up to ~20%. Overall, we feel the company is well on track in terms of launches and executions which will drive the overall business over the next 2-3 years. We thus continue to maintain a positive stance on the stock for a **revised target price of Rs900.**
Divi's Laboratories Ltd **CMP: Rs3653** **Target: Rs4000**	The net sales for the quarter reported a drop of 21.2% to Rs17,780mn as compared to Rs22,550mn in Q1FY23. The Ebitda margins for the quarter under review stood at 28.3% as compared to 37.6% in Q1FY23. The company reported profit of Rs3,560mn as compared to Rs7,020mn in Q1FY23. **<u>Outlook and Recommendations:</u>** The results were a miss on the topline as well as the margins for the quarter under review on a yearly comparison. This was majorly due to the pricing pressures seen in the US markets. The revenues clocked growth of 21.2% y-oy for the quarter under reference, due to lower sales in generics and customer synthesis. However, q-o-q there was expansion seen across the margins. There is improvement anticipated on the margin front, with the softening of the raw material prices. The pricing pressure is also expected to stabilize in the coming quarters. There was higher forex gain during the comparative quarter. The profits reported a drop of 50% y-o-y, however if seen on a sequential basis there has been a 11% y-o-y growth. The company has reduced its dependency on China which would also be a positive. Going ahead, the management anticipates immense opportunities from MRI contrast media, sartans and the expiry of patented molecules. The company is working on a number of big projects of big pharma companies. Large volumes in custom synthesis business are in commercial phase at present and is gearing up for full production capacity which would further drive the overall growth for the company in the near term. The company remains optimistic on the emerging opportunities and anticipates multiple growth prospects in the next 2-3 years. Given the stability in the raw material and pricing pressure, the management is quite optimistic on achieving better gross and Ebitda margins for FY24. The commercialization of nutraceuticals, advanced intermediates and KSMs are expected to happen in mid FY25. Overall, the revenue accretion and margin enhancement would be a gradual process for Divi's. **We maintain a Neutral on the stock for a target of Rs4000.**

Please Turn Over

Result Synopsis	
Company	**Result This Week**
Morganite Crucible (India) Ltd **CMP: Rs1319** **Target: Rs1650**	The net sales for the quarter reported grew by 6.0% to Rs427mn as compared to Rs403mn in Q1FY23. The Ebitda margins for the quarter under review stood at 27% as compared to 16.2% in Q1FY23. The company reported profit of Rs78mn as compared to Rs43mn in the same quarter last year. The EPS for the quarter stood at Rs13.94 as compared to Rs7.73 in the corresponding period of last year. **Outlook and Recommendations:** MCIL has reported strong numbers on the topline as well as on the bottomline. In addition to this, the company has reported margins to the tune of 27% which were seen in March-June 2018. As mentioned in our earlier notes as well, the company has started showing a small uptick in the margins which is currently directly proportional to the demand scenario as well as the costs related to RM and power. The Auto and Industrial segment have started showing some green shoots which are seen as a good opportunity for MCIL to come back in the business. Though the current global scenario still does not look apt for major upticks in terms of demand and revenues from the export's region, tier-2 or tier-3 kind of players like MCIL have been receiving some traction due to low cost of manufacturing. Any fluctuations in the cost of RM as well as the cost of energy can easily put a dent in the overall margins earned by the company; however, in the current scenario, the pressure related to the cost seems to have eased out. Revival in the auto industry and industry outlook seems to rejuvenate the P&L of a lot of smaller related players like MCIL. Going forward, MCIL will continue to look at profitable volumes' growth. The entire China+1 situation can be a good opportunity for the Parent company as well as the Management continues to look for growth opportunities or product portfolio addition in the basket of MCIL. The company is looking at taking advantage of opportunities created by its customers seeking to diversify their global supply chains. The scrappage policy, demand for newer vehicles (EVs and hybrids), industrial demand and return of the infrastructure sector are some of the key factors which can boost the overall topline of the company. MCIL continues to be a debt free, dividend paying company in a niche segment as a tier-2 or tier-3 kind of player in the foundry business. **The stock has breached our long term target price of Rs1250 and we upgrade the same to Rs1650.**
Rupa & Company Ltd	We had initiated a Buy report on Rupa & Company Limited on 02nd May, 2022 at Rs528 for a target of Rs660. Since then, the industry kept facing challenges and Rupa is no exception to the same. The fluctuations in the raw material prices has been impacting the operational efficiency of the company. The stock has not been performing as per our anticipation and Q1FY24 results too didn't have much to offer on the topline/margins front. Though the Management is making constant efforts to strengthen the business model, targeting local market with higher ad/marketing spends, all this is coming at the expense of depressed margins in order to fetch market share/volumes, while the growth of the women segment & athleisure remain muted. We feel for all these initiatives to fructify, the company will need some more time. Considering all these factors, we close the call; however, we will keep a close watch on the developments of the company and maintain a soft coverage. **Outlook and Recommendations:** We close the call on the stock.

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Result Synopsis	
Company	**Result This Week**
Antony Waste Handling Cell Ltd **CMP: Rs322** **Target: Rs400**	The net sales for the quarter reported a de-growth of 5.6% to Rs2,220mn as compared to Rs2,351mn in Q1FY23. The Ebitda margins for the quarter under review stood at 21.1% as compared to 18.7% in Q1FY23. The company reported profit of Rs226mn as compared to Rs286mn in Q1FY23. The EPS for the quarter stood at Rs6.46 as compared to Rs8.20 in the corresponding period of last year **<u>Outlook and Recommendations:</u>** It has been a good start to the year with record quarterly operating revenues reported by the company, growth of 14% y-o-y, led by the complete roll-out of operations in Nashik, various escalation on tipping fees and revenues from fixed shifts, trips, and household fees. The company has depicted prowess in managing unprecedented volumes of MSW tonnage. The Ebitda margins also expanded both on the y-o-y as well as q-o-q basis led by cost optimization measures as well as operational efficiency. There were certain historical escalations which also boosted the margins but going forward these would be a part of the business recognition. The PAT was impacted due to higher interest and depreciation costs. The management has indicated the margins of the quarter to be the base and estimated FY24 to be in the range of 23-25% with 22% being a safer conservation estimate. The RDF sales were at record levels reported during the quarter and despite the expected influence of monsoons on RDF dispatch figures in Q2FY24 and a portion of Q3FY24, an unwavering optimism remains. The compost sales for the same period also reached ~2,873 tons, and further improvements are anticipated as the monsoon season unfolds across Maharashtra and Gujarat. Additionally, FY24 will mark the commissioning of C&D project, further affirming the trajectory of core operational revenue growth. The company has actively pursued opportunities in C&T and Bio-mining projects and anticipates sharing a positive update on this in the upcoming quarter. The commitment of promoting a sustainable environment and delivering value to its stakeholders remains intact. Expanding its coverage in most cities, establishing robust operational platform, strong business foundation, unlocking new opportunities in an industry that is growing and evolving rapidly continue to be the key pillars for growth of AWHCL. Overall, the company continues to deploy sustainable business practices for long-term commitment of sustainability with growth and the concept of circular economy is anticipated to gain importance going forward as well with increased tonnage to be handled in the upcoming years, thus **we continue to maintain our target price of Rs400.**
Transpek Industry Ltd	We had initiated a Buy report on Transpek Industry Limited on 20th August, 2018 at Rs1547 for a target of Rs2000. In terms of the product development and to widen the overall product portfolio, the company is working on a number of non-chlorination chemical items which might take some more time to materialize. In addition to this, feasibility of expansion of the plant and approvals from the government are currently not in favour of Transpek. While the plant is running at almost full capacity, debottlenecking is the only way to increase the flat turnover which is constant since last 10-12 quarters or so. With the environment for the chemicals market not being conducive there could be some jitters on the operational front with offtake from international customers reducing where the margins are totally dependent on the product mix. Considering all these factors, we close the call; however, we will maintain a soft coverage. **<u>Outlook and Recommendations:</u>** We close the call on the stock.

Result Synopsis	
Company	**Result This Week**
GMM Pfaudler Ltd **CMP: Rs1511** **Target: Rs2000**	On a consolidated level, the company has reported net sales of Rs9123mn as compared to Rs7392mn in Q1FY23, growth of 23.4%. The Ebitda margins for the quarter under review stood at 14.5% as compared to 13.2% in Q1FY23. The company reported profit of Rs543mn as compared to Rs613mn in the same quarter last year. The EPS for the quarter stood at Rs12.22 as compared to Rs10.15 in the corresponding period of last year. **Outlook and Recommendations:** GMMP continues to be a resilient technology leader with a very strong brand recall and is the first choice as an integrated player in corrosion resistance technologies for many players in Europe and US. GMMP is doing well on the international frontiers with good operational as well as profitable growth. The company is working towards cost control measures across various geographies to mitigate the issues related to commodity and energy costs etc. GMMP intends to leverage its strength of high market share, best in class technology coupled with a global sales & service network. Value sourcing will continue to be the key to the bottom-line accreditation for GMMP. The Management is targeting to be debt free by FY28E which is a conservative target as the cash flow generated over the period of time can help reduce the debt burden. The Management is focused on mixing and wants to create a global brand to become one of the top three global players. All the recent acquisitions made by the company will keep on adding to the anticipated guidance on the topline as well as the bottomline. With India being an integral part of the global sourcing programme, GMMP will be looking at entering newer geographies of Eastern Europe, South-East Asia, some parts of Africa etc. Apart from the maintenance capex, there are not many major capex plans chalked out by the company. The Management is always on the look for smaller acquisitions (related to the mixing business) which can fit well with the synergies of GMMP. The soft diversification which the company is pursuing, will help even if there is a slowdown in one or two industries, the other can try and fill in the gaps created; this is a good mitigation plan to offset the total dependence on GLE business. By doing this, the Management has not only de-risked from the India centric focus, but also created a comfort zone with the overseas operations. While the company has been successful in maintaining the Ebitda and ROCE targets, the company is looking at breaching the revenue guidance which was earlier provided. The overhang of the stake sale of Pfaudler Inc. and the Patel family nibbling into the shareholding still persists. As per the Management commentary, most of the large acquisitions are now completed, the focus is to generate healthy cash flows, reduce the debt coupled with strong execution plans for the next 4-6 years, which maintains our confidence in GMMP, and **we continue to advocate sipping into the stock with our target price of Rs2000.**

Result Synopsis	
Company	**Result This Week**
Foods & Inns Ltd **CMP: Rs181** **Target: Rs250**	The net sales for the quarter under review grew by 31.1% to Rs2,884mn as compared to Rs2,199mn in the same quarter last year. The Ebitda margins for the quarter under review stood at 11% as against 7.9% in Q1FY23. The net profit came in at Rs143mn as against Rs70mn in the comparative quarter last year. The EPS for the quarter under review stood at Rs2.8 as compared to Rs1.4 in the corresponding period last year. **Outlook and Recommendations:** The company has reported yet another quarter with stellar growth of ~31.1% on the topline when compared on a y-o-y basis. This growth is despite the decrease in pulp tonnage at 23697 (down by 13.0% on a y-o-y basis). F&I continues to focus on value creation coupled with sustainable growth where larger volumes are invariably leading to absorption of overheads and thus helping in improving the operational efficiency. The Management is continuously working for market expansion, adding newer geographies and newer value-added products. Some of the key triggers which favour F&I include the Quality Control Certifications which act as entry barriers, stickiness to marquee customers as well as diversified market presence, brand restructuring, reimagining packaging and looking at sustainable waste management alternatives. The emerging verticals of F&I include a lot of initiatives taken by the company. To improve the asset utilization during the mango off-season, the company has expanded into other fruits and vegetables in the last few years. With minimal modifications to the existing machinery the company has added products like Guava, Tomato, Chilly, Papaya, Banana, Tamarind, Ginger, Garlic etc., which contribute ~10% of overall revenues. The focus of the Management remains on delivering high quality products and capitalising on new opportunities to create long term value for the stakeholders. **We maintain our revised target price of Rs250.**
Container Corporation of India Ltd **CMP: Rs654** **Target: Rs800**	The net sales for the quarter under review dropped by 3.6% to Rs19,228mn as compared to Rs19,940mn in the same quarter last year. The Ebitda margins for the quarter under review stood at 20.6% as against 24.0% in Q1FY23. The net profit came in at Rs2,422mn as against Rs2,940mn in the comparative quarter last year. The EPS for the quarter under review stood at Rs4.02 as compared to Rs4.87 in the corresponding period last year. **Outlook and Recommendations:** The company reported a drop in revenues to the tune of 3.6% y-o-y, led by weakness in volumes. The domestic business was affected by the supply chain issues on the infrastructure front. The Exim volumes were impacted due to slowdown in exports and loss of market share at Mundra to private operators on lower margins and increase in LLF. The blended realizations decreased by ~10% y-o-y; the company offered discounts to attract volumes which did lead to lower realization (although the intent is clear of not compromising with the margins). The lower realizations led to lower Ebitda margins for the quarter which impacted the profitability levels as well. To offset the market loss, there are several services (distribution logistics and last mile logistics) that the company has introduced which is seeing a positive customer response, rolled out Dadri- Mundra timetable based double stacked trains which are witnessing strong customer traction. The land license fees have been revised to Rs5bn in FY24 (earlier was Rs4.3bn). The company maintained its guidance of 10-12% growth for FY24 with confidence of achieving the volume guidance for FY24 as the demand has rebounded and is showing positive trends. The operations of the DFC are stable and the reduction in travel time between Dadri and Mundra has facilitated the movement of lightweight cargo, and thereby, improving efficiency. The Management has indicated that the domestic shipment volumes are projected to outpace Exim volumes but the potential for margin expansion within the domestic segment would be limited due to the impact of empty running. The company continues with its objective of capturing larger market share in commodities that are transported by road with the intent of transitioning them to rail transport going forward. Overall, we feel there would be some hiccups in the near term led by higher competition and weaker macro environment. However, from a longer-term perspective **we maintain our stance and target price of Rs800.**

Please Turn Over

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NIFTY (WEEKLY)

BANK NIFTY (WEEKLY)

MARKET OUTLOOK

A series of bearish candles on the weekly chart indicate a temporary pause in the northward journey of **Nifty50.** At the strong support area of 19,300 and 50DMA, the Index has formed a DOJI candlestick pattern on the daily chart which is considered as a reversal pattern. For continuing an uptrend, the Index needs to breach the immediate hurdle of 19,465 followed by 19,630; on the other side, and a convincing close below the mentioned support area will open the gate for 19,200 followed by 19,000. **BankNifty** comparatively shows strength; immediate support is 43,450 while the higher side is capped at 44,500. The **Auto sector** is forming a **Bullish Flag formation**, a breakout will lead to a sharp rally in the sector. As indicated in the previous edition, the **Pharma segment** performed as per our anticipation; and going forward, we feel that some more correction (profit booking) can be seen in the sector. Some of the **Paper stocks** have given a strong breakout with volumes which was confirmed with other indicators; the same trend will continue going forward as well **(JK Paper, West Coast Paper).** The **PSU Banking sector** is set to give a major breakout and some of the components have already given a breakout which indicates a continuation of an uptrend.

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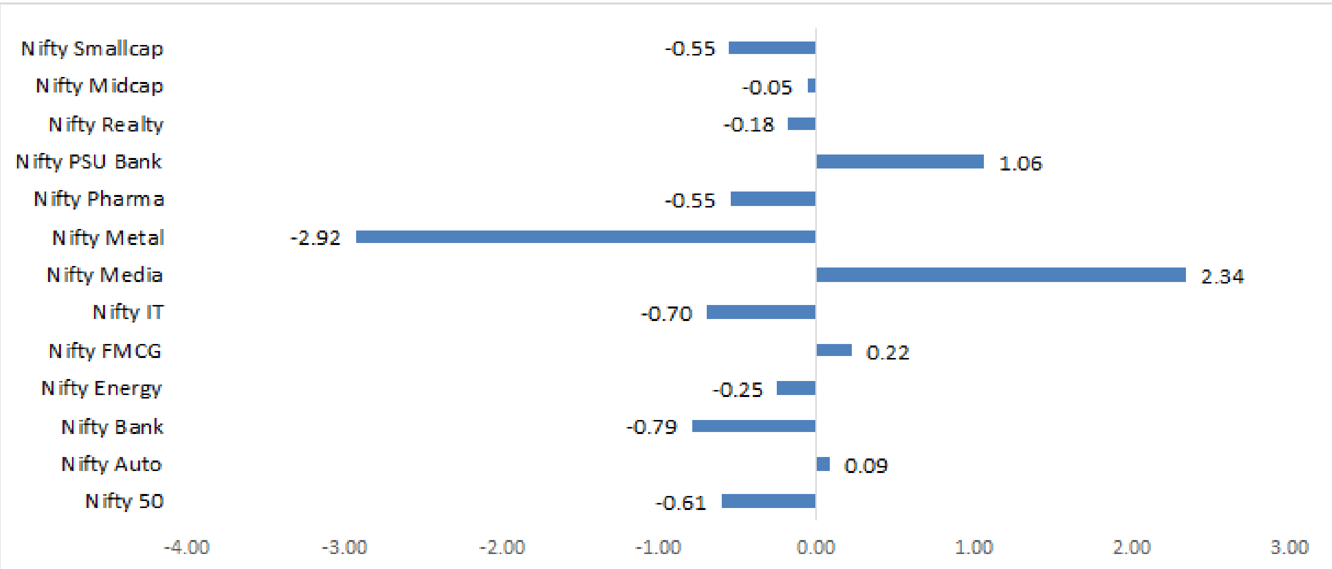
NIFTY 50 COMPONENTS (WEEKLY PERFORMANCE)

Adani Enterprises	1.30%
Adani Ports	4.30%
Apollo Hospital	(0.94%)
Asian Paints	(0.78%)
Axis Bank	0.51%
Bajaj Auto	0.46%
Bajaj Finance	(2.66%)
Bajaj Finserv	(2.71%)
Bharti Airtel	(1.71%)
BPCL	(1.47%)
Britannia	0.49%
Cipla	(1.48%)
Coal India	(3.49%)
Divis Labs	(0.65%)
Dr. Reddy's Labs	0.29%
Eicher Motors	(1.18%)
Grasim	(1.85%)
HCL Tech	0.47%

HDFC Bank	(1.99%)
HDFC Life	(1.28%)
Hero Motocorp	(2.31%)
Hindalco	(4.91%)
HUL	2.19%
ICICI Bank	(0.57%)
IndusInd Bank	(1.66%)
INFY	1.02%
ITC	(1.56%)
JSW Steel	(4.32%)
Kotak Bank	(2.46%)
LT	(0.09%)
LTIM	(0.46%)
M&M	0.29%
Maruti	1.01%
Nestle India	(0.01%)

NTPC	0.84%
ONGC	(1.52%)
PowerGrid	(1.45%)
Reliance	0.36%
SBI Life	(2.16%)
SBIN	(0.58%)
Sun Pharma	(0.35%)
Tata Consumer	0.91%
Tata Motors	0.21%
Tata Steel	(3.44%)
TCS	(2.22%)
Tech Mahindra	(0.74%)
TITAN	1.15%
Ultratech	0.86%
UPL	(3.55%)
Wipro	(0.40%)

SECTORAL PERFORMANCE



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SECTORAL GAINER

The **Media sector** extended its outperformance by ending the week with gains of 2.34%. Except for DishTV, rest of them ended the week with gains; Navneet (+8.79%) and PVRInox (+4.95%) were the top performers. As shown in the chart, the sector has not only given a breakout from its long-term trendline resistance but also from the Rounding bottom formation which indicates a continuation of an uptrend.

SECTORAL LOSER

The **Metal sector** ended the week with a loss of 2.92% and underperformed the Benchmark Index. Except for Jindal Steel Hisar (+1.78%), NMDC (+1.54%), and Adani Enterprises (+1.30%), the rest of them ended the week with a loss where Hindcopper (11.27%) and Nalco (7.97%) were the major laggards.

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