Outlook

The Nifty ended the week on a positive note. However, recovery from around 11,600 is a sign of strength. Further, thorough technical study of the weekly as well as the daily chart patterns suggests; the Nifty broader trading range for the coming week is expected to be 11,900-12,280.

It kicked started the week on an extremely weaker note and found support around 11,600 levels, weekly low was 11,614.50, followed by sharp recovery above 12,000 mark that helped the benchmark index closing with a huge bullish body candle on the weekly chart. Huge bullish candle on the weekly chart implies the benchmark index may continue moving higher towards 12,270 levels. Midway pivotal resistance is placed around 12,170 levels. Needless to say, intraweek retracement towards 12,000 may again find buyers.

On daily chart, The Nifty ended 0.33% down at 12,098.35. It opened on a positive note and continued oscillating in narrowing price range till end towards ending the last session of the week with a bearish body candle. Candle pattern suggests, it might get into consolidation in the price band of 12,170-12,000 before next leg of up-move towards 12,280.

Nifty patterns on multiple time frames show: the Benchmark Index has to breakout 12,170 towards unfolding next leg of up-move towards 12,280. Weekly candle pattern along with position of leading indicators is pointing towards Nifty range-bound oscillation with positive bias in the broader price band of 11,900-12,280

Nifty pivotal supports & resistances for the coming week-
Supports- 12000, 11900 Resistances- 12170, 12280

Jaydeb Dey
Jaydeb.dey@smifs.com
Deepankar Saha
deepankar.saha@smifs.co.in

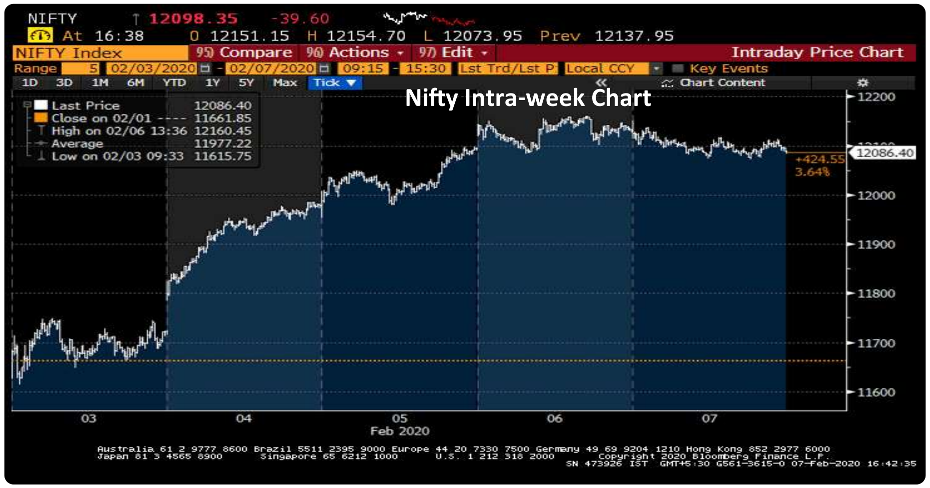
Domestic:- India Industrial Production for December 2019., India Inflation for January 2020., India Foreign Exchange Reserve for February 07, 2020., India WPI Inflation for January 2020.

Global:- China Inflation for January 2020., Japan Current Account for December 2019., Euro Area Markit Services & Composite PMI for January 2020., Euro Area Industrial Production for December 2019., The U.S. MBA Mortgage Applications for February 07, 2020., The U.S. Balance of Trade for December 2019., Japan Machine Tool Orders for January 2020., The U.S. Monthly Budget Statement for January 2020., The U.S. Inflation for January 2020., The U.S. Initial Jobless Claims for February 08, 2020., Euro Area GDP for Q4 2019., Euro Area Balance of Trade for December2019., The U.S. Retail Sales & Industrial Production for January 2020.

Open Positional Calls-
T+5 Positional Sell-
Futures Segment: Power Grid Fut on rise @ 183 -184, TGT- 174, SL- above 189

BTST Positional Buy-
CASH Segment: COAL INDIA on dips @ 184.50-184, TGT- 192, SL- below 180

Contents	Page No.



Market Turnover (In Crore) 07-02-2020

Name	Last	Previous
NSE Cash	*NA	45805.4
NSE F&O	806709.70	3544835.77
BSE Cash	3,886.87	3,197.66
BSE F&O	208.85	153.30

FII Derivatives Flow (In Crore) 06-02-2020*

Instrument	Purchase	Sale	Net
Index Future	5162.63	4943.66	218.97
Index Option	513635.54	509087.32	4548.22
Stock Future	17845.41	17249.84	595.57
Stock Option	6857.42	6862.04	-4.62

Institutional Flow (In Crore) 06-02-2020*

Institution	Purchase	Sale	Net (Last Day)	Net Wk	Net Mnth
FII	6251.69	6812.05	-560.36	-1145.48	-8,811.39
DII	4545.19	4241.18	304.01	2455.25	4,034.67

*Data not updated till 5:30PM

NIFTY Top Gainers

Name	%1D	%6D	Day Vol	Avg 5 Day Vol
Jsw Steel	1.03	14.12	5258442	7226375
Tata Steel	-1.38	11.14	11649909	15042290
BPCL	-0.74	10.80	4511015	9634470
Bajaj Finance	-0.26	8.85	950326	1667435
Titan	1.25	8.67	2277867	4190468

NIFTY Top Losers

Name	%1D	%6D	Day Vol	Avg 5 Day Vol
Infosys	0.77	-0.28	2853344	6188830
Zee Enterprise	5.92	-1.27	27637790	25777760
TCS	0.39	-1.31	2083442	3327303
Eicher Motors	-3.21	-1.61	222415	184604
ITC	-0.07	-2.56	17133407	41288500

Bulk and Block Deals

https://www.nseindia.com/products/content/equities/equities/bulk.htm
http://www.bseindia.com/markets/equity/EQReports/BulknBlockDeals.aspx

Market in Retrospect

Indian equities halted a four-day gaining streak, led by the declines in Reliance Industries Ltd. and HDFC Ltd.

NIFTY 50 dropped 0.33% to end at 12,098.35 The broader markets represented by the NIFTY 500 Index fell 0.03%. NIFTY Metal was the top gainer, gained by 5.52% followed by NIFTY Commodity gained by 3.45% and NIFTY Realty was the top loser losing by 3.25%.

JSW Steel was the top gainer, gaining by 14.12%, followed by Tata Steel and BPCL, which gained by 11.14% & 10.80% respectively. ITC was the top loser, losing by 2.56%, followed by Eicher Motors and TCS, which fell by 1.61% & 1.31% respectively.

STEWART & MACKERTICH
LEGACY | TRUST | GROWTH

StatScan

Market in Detailed (Updated after 4:00 PM)

MSCI Indices	Index	%Ch1D	%Ch5D	%Ch1M	%Ch3M	%Ch1Yr	PE Ratio	Est.PE	PB Ratio	Est PB
World	2416.48	0.48	3.16	2.29	6.61	19.22	21.06	17.74	2.60	2.47
ACWI	576.68	0.56	3.23	1.86	6.14	17.59	20.17	17.04	2.45	2.31
Asia Pacific	170.68	1.82	2.96	-0.32	2.46	9.08	16.33	14.69	1.53	1.45
EM	1102.38	1.19	3.77	-1.21	2.68	5.80	15.34	13.13	1.70	1.56

US European In	Index	%Ch1D	%Ch5D	%Ch1M	%Ch3M	%Ch1Yr	PE Ratio	Est.PE	PB Ratio	Est PB
Dow Jones	29379.77	0.30	1.80	2.79	6.16	16.73	20.89	18.56	4.26	4.20
NASDAQ	9572.154	0.67	2.94	5.55	13.49	31.33	35.31	25.87	5.04	3.84
S&P500	3345.78	0.33	1.89	3.35	8.45	23.64	22.23	19.21	3.71	3.45
CBOE VIX	15.59	4.21	-17.25	13.05	22.47	-4.76	NA	NA	NA	NA
FTSE100	7453.98	-0.68	2.31	-1.58	0.64	5.08	18.90	13.40	1.75	1.70
CAC40	6022.33	-0.26	3.72	0.17	2.23	20.80	21.64	14.93	1.75	1.63
DAX	13492.32	-0.61	3.93	2.01	1.53	22.41	25.60	14.59	1.66	1.57

Asian Indices	Index	%Ch1D	%Ch5D	%Ch1M	%Ch3M	%Ch1Yr	PE Ratio	Est.PE	PB Ratio	Est PB
Nikkei225	23827.98	-0.19	2.68	1.07	2.13	14.83	19.30	18.36	1.79	1.73
Hang Seng	27404.27	-0.33	4.15	-3.24	-1.59	-2.09	10.70	10.47	1.19	1.11
STI	3181.48	-1.55	0.88	-2.04	-3.17	-0.60	11.94	12.68	1.08	1.06
Taiwan	11612.81	-1.16	1.02	-2.25	0.05	16.92	18.38	15.58	1.73	1.81
KOSPI	2211.95	-0.72	4.39	1.67	3.16	0.39	18.85	12.09	0.86	0.90

BRIC Indices	Index	%Ch1D	%Ch5D	%Ch1M	%Ch3M	%Ch1Yr	PE Ratio	Est.PE	PB Ratio	Est PB
IBOVESPA	115190	-0.72	-0.29	-1.26	5.12	22.02	18.32	13.67	2.33	1.96
Russian	1511.04	-1.84	-0.40	-3.65	1.61	25.91	6.65	6.75	1.02	0.91
SHANGHAI Com	2875.964	0.33	-3.38	-7.37	-3.45	9.84	13.69	10.45	1.40	1.21
SENSEX	41141.85	-0.40	3.54	0.67	1.20	11.28	24.70	22.86	3.24	3.11
NIFTY	12098.35	-0.33	3.74	0.38	0.72	9.30	23.42	21.95	2.96	2.84
NSE VIX	13.7475	-0.24	-18.34	-5.90	-9.60	-10.93	_	_	_	_

Among Asian indices Hang Seng grew 4%, Nekkei grew 2.68% . STI grew 0.88%, Kospi jumped 4.59% & Taiwan grew 1%.

Indian Index Sensex & Nifty grew 3.5% & 3.7% respectively. NSE VIX fell 10.3%.

Among BRIC indices Brazil was little soft, Russia was also soft by 0.4%. Shanghai fell 3.38%.

Among MSCI indices, world Index grew 3.16% . ACWI grew 3.23% in this week.

NASDAQ increased 2.94% whereas Dow Jones grew 1.8%, CBOE VIX fell 17.25% . FTSE grew 2.3%, CAC grew 3.72%, DAX grew 3.93% in this week.

Money Mkt	Price	%Ch1D	%Ch5D	%Ch1M	%Ch3M	%Ch1Yr
ICE LIBOR USD	1.74163	0.24	-2.00	-7.06	-8.02	-36.40
MIBOR	-0.399	0.25	-0.25	-3.64	1.72	-29.55
INCALL	4.9	-4.85	0.00	-5.77	-3.92	-24.62

Agro Cmdty	Price	%Ch1D	%Ch5D	%Ch1M	%Ch3M	%Ch1Yr
Coffee	97.95	-0.20	-4.58	-19.98	-13.01	-18.41
Cotton	67.66	-0.37	0.24	-3.11	2.45	-10.90
Sugar	14.91	1.15	2.05	9.71	20.34	6.05
Wheat	554.5	-0.31	0.14	0.77	7.20	0.36
Soybean	881.5	0.06	1.03	-6.62	-7.09	-9.15

Forex	Rate	%Ch1D	%Ch5D	%Ch1M	%Ch3M	%Ch1Yr
USD Index	98.615	0.12	1.26	1.66	0.48	2.18
EUR	1.0953	-0.27	-1.26	-1.79	-0.88	-3.42
GBP	0.7736	0.01	2.17	1.52	-0.86	0.19
BRL	4.2825	-0.96	-0.82	-5.09	-4.85	-13.59
JPY	109.79	0.18	-1.31	-1.23	-0.46	0.03
INR	71.4137	-0.30	-0.09	0.58	-0.63	0.06
CNY	6.9979	-0.39	-0.79	-0.75	-0.28	-3.61
KRW	1186.5	-0.56	0.44	-1.69	-2.28	-5.26

Among Currencies, Dollar Index was strong, grew 1.26%. EUR was little soft. GBP was flat. INR appreciated 0.3% at 71.41, JPY was flat.

Energy	Price	%Ch1D	%Ch5D	%Ch1M	%Ch3M	%Ch1Yr
NYMEX Crude	50.68	-0.53	-1.71	-19.17	-11.32	-3.72
Natural Gas	1.855	-0.38	0.76	-13.84	-30.11	-35.28

Precious Metals	Price	%Ch1D	%Ch5D	%Ch1M	%Ch3M	%Ch1Yr
Gold($/Oz)	1568.47	0.12	-1.30	-0.37	6.81	19.72
Silver($/Oz)	17.7693	-0.30	-1.51	-3.46	3.87	12.92

LME	Price	%Ch1D	%Ch5D	%Ch1M	%Ch3M	%Ch1Yr
Copper	5735	0.23	2.64	-6.57	-2.91	-8.66
Aluminium	1737	1.16	0.35	-5.24	-4.03	-8.91
Zinc	2207	-0.27	0.87	-5.05	-10.83	-18.38
Lead	1844	1.32	1.04	-3.96	-12.94	-11.77
Nickel	13060	-0.76	3.49	-5.50	-19.61	1.04

Polymer Mkt	Index	%Ch5D	%Ch1M	%Ch3M	%Ch1Yr
HDPE	880	2.33	10.00	1.15	-14.56
LDPE	945	1.07	4.42	2.16	-6.90
Injection Grade	995	0.00	3.65	-4.33	-7.44
General purpose	1010	0.00	3.06	-4.72	-8.60
Polystyrene HIPS	1250	0.00	4.17	2.46	-14.97
Polystyrene GPPS	1210	0.00	5.22	5.22	-12.32

Shipping Ind	Index	%Ch1D	%Ch5D	%Ch1M	%Ch3M	%Ch1Yr
Baltic Dry	431	0.23	-13.45	-45.51	-69.82	-29.34
BWIRON	130.94	-0.87	1.43	-6.24	-0.91	-10.94
SG Dubai HY	2.73	9.64	362.71	2050.00	1.87	-18.26

Bond Yld 10Y	Yield	%Ch1D	%Ch5D	%Ch1M	%Ch3M	%Ch1Yr
US	1.5989	-2.64	6.11	-12.04	-16.61	-39.83
UK	0.564	-3.09	7.63	-28.79	-28.88	-52.08
Brazil	3.392	-0.96	-1.19	-7.98	-12.10	-38.25
Japan	-0.038	-123.53	42.42	-660.00	40.63	-375.00
Aus	1.042	-4.58	9.45	-14.31	-13.96	-51.51
India	6.441	-0.09	-2.42	-1.72	-1.00	-12.00

Gold fell 1.3% & Silver fell 1.5% so far this week. Among Base Metals Copper gained 2.64% , Aluminium was marginally positive. Nickel gained 3.49%. Zinc, Lead gained 0.87% & 1.04% respectively. Among energy, crude lost 1.7%, NG gained 0.76% this week.

Concall highlights

Castrol India

- Strong brand name, wide distribution network, new customer acquisition and advocacy efforts have enabled the Co. to achieve profit in a difficult business environment.
- Co. attained higher margins on the back of favourable product mix, strong distribution and robust cost & efficiency despite muted demand across sectors.
- Co. lost market share in the CV space whereas Co. managed to maintain its market share in 2Ws space.
- Management has guided for a 5-6% long term volume growth and also indicated that the focus will be on personal mobility space to improve the margin and profitability.
- Advertisement expense for the quarter stood at INR113.9 crore and Royalty payment made was around 3% of the operational revenue.
- Co. has invested significant amount in the second half of CY2019 in Silvassa facility which is likely to be operation in 2021.
- The production stood at 54 MT (million tonnes) and Capacity utilization stood at 80%.
- Management indicated continued investment in distribution, brands and advocacy and also announced BS VI ready portfolio across categories.
- Announced strategic partnerships with Ford India, Honda Two Wheelers India, Jawa Motorcyles (Classic Legends) and Renault India.
- Co. has moved into adjacencies going beyond the engine providing leading vehicle care products in the automotive sector through a strategic partnership with globally recognized technology company 3M India Limited.
- Co. leveraged digital technology to launch unique solutions to provide premium customer experience.

Aditya Birla Capital

- During Q3 credit demand was muted. Despite challenging environment, the company posted very good set of numbers. Corporate demand has come down.
- Lending book of the company grew 13% YoY at INR12190 cr. Cost Income ratio of the company has improved by 9% from 58% to 49%.
- Of the total product portfolio home loan contributed 54%, Affordable housing contributed 17%, Retail loan contributed 24% and corporate loan contributed 5%.
- Cost of borrowing of the company stood at 8.4%. The management anticipates in Q4 credit cost will remain at the same range as Q3.
- Health Insurance business is expected to arrive breakeven by 2021-22.The company has 6.5 million life coverage at the end of Dec 2019.
- Average ticket size for affordable home loan is INR14Lk , normal home loan ticket size stood at INR37Lk, construction finance ticket size stood at INR18 cr.
- Asset Management AUM contributed 37% to total AUM. The company has entered into Asset Reconstruction (ARC) business. ARC AUM stood at INR2900 cr.
- No. of Investors folio touched 7.1 million. The company lost liquid fund AUM in Q3FY20.
- The company has raised INR2100 cr. among INR 1100 cr has already been received. The company will infuse this fund in the credit business. Another INR1000 cr which is likely to come will be used to retire debt.

Affle India

- Due to Economic slowdown, revenue of the company impacted by at least 5%. Advertisement from Travel & Tourism sector was muted in the third quarter. Flow of Advertiser was lower, There could be some spillover effect in Q4 as well.
- Consumer Platform business of the company is well supported by the current trend of greater time spent by the consumer across connected devices, increased adoption of online payments and consistent growth in digital marketing spends by advertisers.
- The digital advertisement business revenue in India has grown at a faster pace of more than 40% in first 9 months of FY20 . International business revenue grew 23% in the same period mainly driven by South East Asia and Middle East Asia.
- Currently Revenue from India business and International business is almost 50:50. International business revenue where the company does not have on ground presence, will start contributing more as the company will start spending after those destination. Going forward, contribution from International business is likely to be higher.
- The company has launched an artificial intelligence based Omni channel Marketing Platform, that will strengthen company's consumer platform business The Company will continue to Invest in 4V strategy along with emphasis on vertical Omni channel integrations to further extend their reach.
- Historically Q3 is the highest revenue generating quarter as during this period investment after advertisement touches the highest point. This is the trend not only in India but this is a global trend.

SRF

- Specialty demand drove growth. Agro chemical global demand provided traction during Q3FY20.
- HFC capacity has been commissioned at Dahej & Bhiwandi at a cost of INR477 cr, this led negative impact on Margin profile, As volume would ramp up, operating leverage will play out, Margin also will be normalized.
- SRF Board has Approved INR65.5 cr Capex for future incremental capacity of HFC to renovate the equipment of refrigerant business.
- In the packaging film business, both BOPET and BOPP films witnessed steady demand. Packaging film contributed 34% to the total revenue during Q3FY20. 50-60% of packaging film revenue comes from export.
- 3 new BOPET lines have been commissioned, 2 in Indonesia & 1 in India. There could be oversupply in the market in near term which may impact margin. But Expecting normalized margin in ensuing quarters. Total BOPET capacity is 1.15 lakh tons . With Hungary plant another 40k tons will be added in the BOPET line.
- Impact of corona virus impacting supply. The company booked INR 6-7 cr inventory loss this quarter in technical textile business.
- The company received 12 new process patents during Q3FY20.The company filed 8 new patents in the same period.
- Refrigerant prices fell due to weak demand. R22 volume shrunk but it is used for captive consumption for manufacturing few Agro Chemical products. R32 ramping up is happening at a faster pace.

Thermax Limited

- Co.'s Q3FY20 order booking stood at INR1606 crore, up 8.5% YoY owing to a large FGD order of INR431 crore from a public-private JV power company for its thermal power plant in Jharkhand.
- At the PBT level, Co. experienced a dip on a YoY basis due to accelerated depreciation and loss from one of the acquisition.
- On the China front, Co. has sold off its factory and offices and has got all the required machines imported back to India.
- Co. has started getting traction from Oil & Gas segment after prolonged muted performance from this segment. Co. has won orders from Gujarat refinery and Panipat refinery during the last quarter.
- Order intake in the energy segment has come down last quarter. Management indicated about strong enquiry from this segment and confident about improved order flow in this segment in near future.
- Higher proportion of order from the specialty chemical business is one of main reason behind 50 bps YoY improvement at the operating margin level.
- Order inflow in Q3FY20 from the Energy segment, Environment segment and Chemical segment recorded at INR799 crore, INR691 crore and INR117 crore respectively.
- Order backlog at the end of Q3FY20 from the Energy segment, Environment segment and Chemical segment stood at INR3734 crore, INR1635 crore and INR69 crore respectively.
- Profitability of the Dangote facility has improved and quantum of loss has come down as per the plan and Management is confident that it will generate profit within coming two quarters.

ACE

- According to the Management, Dec'19 has brought some respite in terms of significantly higher sales volume and the same trend continued in Jan'20 which indicates that economic slowdown has bottomed in the last quarter.
- Co. experienced significant jump in order inflow in Dec'19 after a dismal October and November and the Q4FY20 started in positive note with 15% rise in order inflow on a MoM basis for Jan'20.
- Considering the sudden improvement in demand scenario management has upgraded the revenue guidance to de-growth of 12-15% from 15-20% for FY20. Management is also expecting ~8% rise in EBITDA level and 8-10% improvement in EPS Level. Increases in EPS can be attributed to successful buyback of equity shares.
- Management has indicated that days of turbulence for the Co. are over and Topline & Profitability will normalize going forward as the economic activity improves.
- Post Dec'19 order execution improved drastically by 12-15% and the same trend continued in Jan'20 as well.
- Most offtake is from the construction companies for last 2 months. Material handling segment is also showing signs of recovery.
- Order backlog at the end of Q3FY20 is up 15-20% on the YoY on an average depending on the segment.
- Co. opted for price hike of 2-5% depending on the models from Jan'20 to pass on rising steel prices.
- Management has guided for a 1-2% improvement in operating margin on a YoY basis in Q4FY20 and an operating margin of 11-12% for FY21.
- Capacity utilization stood at around 40-60% depending on the products. There is no immediate requirement of CapEx in coming 1-2 years unless demand scenario changes drastically.
- Construction Equipment Vehicles (less than 15 HP) will be upgraded to BS III emission standard whereas Crane, Backhoe loaders will be upgraded to BS IV emission standard from October 2020. The product prices are expected to go up by INR1-3 lakhs on an average.
- Co. is currently exporting its products 20-22 different nations as of now.

NIIT Ltd.

- Constant currency Revenue growth of the company stood at 18%. Revenue from new customers kicked in the third quarter.
- Corporate Learning Group acquired 2 new Managed Training Services (MTS) customers, renewed 2 contracts and expanded the tenure of 2 contracts in the third quarter. In the 9 months the company added 9 new customers. The management foresee revenue to touch USD285 Mn.
- Revenue Contribution of CLG business stood at 77% where Skills & career business contributed 22% to the top line of the company. India business of the company shrunk to 15% after exiting school business. US and Europe continued to contribute higher part of the pie at 77%.
- The company is significantly investing in the Stackroute Sales & Marketing to enhance Skills & career business.
- Canada project of the company is going in line with expectation. Canada project tenure is 5 yrs. from the day of going live. The time of building platform for delivery of the project was 2 yrs. For the school business, third quarter is traditionally weak quarter.
- Amortization expenses from Canada project was higher which lowered EBIT level. DSO days of the company improved to 66 days versus 77 days a year back.
- The company has repaid debt of INR178 cr. Current Outstanding debt of the company stood at INR20 cr. The company paid dividend of INR102.6 cr. Currently INR927.2 cr left as cash balance from NIIT technology proceedings. The company has a total Cash balance of INR1358 cr at the end of Dec 2019. Net cash of the company stood at INR1292 cr.
- CLG business annual revenue growth is expected to be in the range of 10-15% for FY20.FY21 expected tax rate would be 18-20%.
- The routine Capex of the company is in the range of INR50-70 cr. Capex may be higher depending on project. For new projects growth capital may be infused.

Varun Beverages

- Net revenues have increased by 55.3% YoY and 39.7% YoY to Rs 1240 cr and Rs 7248 cr respectively in Q4CY19 and CY19.
- EBITDA has increased by 142.2% YoY and 43.8% YoY to Rs 116 cr and Rs 1448 cr respectively in Q4CY19 and CY19.
- Net loss for the quarter was Rs 54 cr. For the full year the net profit was Rs 472 cr, which increased by 57.5% YoY compared to last year.
- Total sales volumes were up 80.7% YoY at 82.5 million cases in Q4 2019 as compared to 45.6 million cases in Q4 2018. For CY 2019, total sales volumes were up 44.9% YoY at 492.7 million cases in 2019 as compared to 340.0 million cases in 2018. The organic volume growth for the full year stood at 17.2% supported by robust performance in India (Organic Growth 13.1%) as well as International territories (Organic Growth 34%). Morocco, Zimbabwe and Sri Lanka have all grown in double digits during the year.
- Realization per case has come down by ~3.6% in 2019 essentially on account of change in product mix in India post consolidation of South and West sub-territories, introduction of water in Morocco and lower sales realization in Zimbabwe in USD terms.
- CSD constituted 70.6%, Juice 6.7% and Packaged Drinking water 22.7% of total sales volumes in 2019.
- Gross margins declined by 120 bps during 2019 due to change in product mix, higher PET prices and higher sales realization in USD terms in Zimbabwe in previous year. EBITDA margins expanded by 59 bps in 2019 to 20.3% on account of operating leverage in the business.
- The performance for the full year was primarily driven by robust volumes reported in both the Indian and International markets, improved performance in underpenetrated territories acquired in 2017 and early 2018. This resulted in a healthy domestic organic volume growth of 13%. International business also registered a solid volume growth of 34%, driven by double digit volume growth in the key markets of Morocco, Zimbabwe and Sri Lanka. In addition, the full year performance also includes the impact of South and West India sub-territories acquisition from May' 19 onwards.
- While Q4 is typically a seasonally weak quarter, the losses were notably lower in comparison to Q4 2019 on account of better business efficiencies and integration of new territories that are relatively less seasonal.
- Varun will continue to build upon our key position in the beverage industry with presence in the fastest growing markets, solid infrastructure and a well-entrenched distribution network. We are fully focused towards enhancing our presence in the recently acquired territories to garner deeper penetration in the upcoming years. Furthermore, Varun is constantly looking at opportunities to innovate and upgrade its product portfolio to tap the shift in consumer preferences across existing and new markets. This along with improving demand in Varun's core markets should enable higher and sustained performance in the longer term.

- Varun maintained a capex guidance of 50% of depreciation for the current year.
- The strategy that would be adopted for South and West territories would be to improve the go to market presence, more infrastructure and improving sales force.
- There are no plans of any inorganic expansion outside of India for 2020.
- The penetration level and distribution reach of South and West territories would be comparable to existing territories in India after 2-3 years.
- There is a possibility of reversal of Rs 130 cr provision that was made for Zimbabwe operations once the issue with the Central Bank of Zimbabwe is settled.
- Full year operating margins are expected to sustain at this level going forward.
- The Company sees huge potential for its dairy based beverages, but will be able to share some growth numbers only after a year of operation.
- The Company has more than 1.5 mln dealers and 4% increase every year can be assumed.
- About 15% of Varun's overall volumes are catered to by glass bottles and rest by PET bottles.

Bharti Airtel

- Highest 4G Net adds during the quarter due to IUC pricing of Jio in Oct-Nov. Our inference from management's commentary is 4G net adds has normalised to pre-IUC pricing levels.
- Because of IUC pricing of Jio, asymmetry in off-net calls has changed forever.
- Some likely increase in capex in immediate future but still would be lower than peak capex. Capex to mainly support addition in no of towers beyond current ~190,000 in order to tap oppurtunites in rural areas.
- 5G spectrum auction - Management maintained that they will not participate in auction at current reserve prices as it is unviable.
- Exit ARPU is close to Rs. 140 vs quarter avg of Rs. 135.

Avanti Feed

- Financial performance of the company was muted in Q3 as historically 3rd quarter is the weakest quarter. Along with that the spike in raw material prices also impacted performance adversely.
- Shrimp production is likely to increase and accordingly demand for shrimp feed is also likely to go up. Shrimp feed consumption is estimated to increase to 11 lakhs tons in CY2020 versus 10 lakhs tons in CY 2019.
- Current market share of the company in Shrimp feed is 48%, the management expects market share to further go up.
- Raw material price for shrimp feed increases to INR4500/MT due to increase in Soya meal price. Soya bean price increased Rs.4/kg due to higher MSP & extended rainfall. Fishmeal price is stable. Fish meal has been levied 5% GST from 1st Oct. The company has taken price hike. With good crop, price may come down.
- Export revenue grew 16% YoY. US continued to dominate the revenue pie with a contribution of around 82%.
- Corona virus infection across China is not likely to impact business, as China contributes only 4% revenue. Corona Virus is a temporary event and it will be normalized in some time. China is a potential market and China can be driver of growth for the company in coming days.
- The company is commissioning shrimp hatchery having 200mn seeds per annum capacity, the first phase of work is already complete. The new shrimp processing plant in Andhra Pradesh having 15000MT capacity is on stream.

Result Update

Aditya Birla Capital

- Topline of the company grew 14% YoY at INR4326 cr. The growth in the topline was driven by 5%YoY growth in the Interest Income,18%YoY growth in the Life Insurance policyholders' income & 51% YoY growth in the health insurance operations.
- EBITDA of the company grew 3% YoY at INR1440 cr. EBITDA margin compressed by almost 400 bps at 33.3%.
- Higher Finance cost dragged down the Earnings before tax at INR276 cr. Net Profit of the company grew 26% YoY at INR175 cr. Net Profit Margin stood at 4%.
- Segment wise NBFC grew 4% YoY, Housing finance grew 21%, Life Insurance grew 18%, General Insurance broking grew 29% and Health Insurance grew 52% YoY. However, revenue from Asset Management fell 6% YoY and stock 7 securities broking fell 5% YoY. NBFC business contributed 33%,Life Insurance 44%, housing finance and Asset Management 7% each to the top line of the company.

Godrej

Godrej Properties Ltd on Monday reported a 9% increase in its consolidated net profit at INR45.46 crore for the quarter ended December on higher income. Its net profit stood at INR41.63 crore in the year-ago period. Total income rose to INR517.47 crore in the third quarter of this fiscal as compared to INR430.7 crore in the corresponding period of the previous year. The company's sales bookings fell 22% to INR1189 crore in the October-December quarter, compared to INR1528 crore in the year-ago period. Sales bookings in volume terms fell 44% to 15.83 million sq ft. Godrej Properties delivered around 1.7 million sq ft during the third quarter. During the December quarter, Godrej Properties added four new projects, of which three are in joint ventures, comprising saleable area of around 12.7 million sq ft.

Bayer Crop

- Bayer crop posted strong Q3 performance. Topline of the company jumped 38% YoY at INR854 cr.
- Raw material consumption cost of the company was soft at 36% of total revenue versus 42% a year back. Gross Margin of the company grew almost 400 bps at 46%.Employee Cost stood flat compared to Dec 2019. EBITDA of the company jumped 3.5 times at INR160 cr. EBITDA margin expanded by 1100 bps at 19%. Net profit of the company jumped almost 5 times at INR135 cr.Net profit Margin stood at 16%.

Tata Chemical

- Topline of the company grew 2% YoY at INR2620 cr.
- Raw material cost went up at 20% of total revenue versus 18% a year ago. Gross margin of the company stood at 80%. However, Freight forwarding cost and Power & fuel cost went down by 15% & 15% respectively on YoY basis which resulted EBITDA to grow by 15% YoY at INR474 cr. EBITDA Margin expanded 200 bps at 18%.
- Net profit of the company grew 23% YoY at INR230 cr. Net profit Margin stood at 9%.
- Segment wise, revenue from Basic Chemistry product fell 6%, Specialty product grew 41% YoY. Margin of Specialty product improved almost 300 bps at 16% & Specialty product improved almost 500 bps at 7%. Revenue contribution of Basic chemistry product stood at 77% & Specialty product stood at 13%.

PNB

Punjab National Bank (PNB) reported a standalone net loss of INR492.28 crore for December quarter 2019-20 due to substantial increase in bad loan provisioning. The bank had posted a net profit of INR246.51 crore for the same period a year ago. In the previous September quarter, the bank had a profit of INR507.05 crore. Total income during the quarter under review was at INR15967.49 crore as against INR14854.24 crore in the year-ago same period. The bank made a provisioning of INR4445.36 crore for bad loans during the quarter under review. This was up from INR2565.77 crore parked aside for the year-ago period. On consolidated basis, the lender reported a net loss of INR501.93 crore during the quarter under review. Gross non-performing assets (NPAs) of the bank stood at 16.3% of gross advances as at December-end 2019, down from 16.33% by the year-ago same period. Net NPAs or bad loans were at 7.18%, down from 8.22% by December 2018.

UPL

UPL reported 77.54 per cent year-on-year (YoY) rise in net profit at INR838 crore for the quarter ended December 31. It had posted a net profit of INR472 crore in the same period last year. Revenue from operations increased 80.69 per cent YoY to INR8,892 crore during the quarter under review. The company announced its results post market hours.

Eicher Motors Limited

- Standalone revenue for Q3FY20 grew 0.8% YoY to INR2363.5 crore whereas Gross profit margin plunged 366 bps YoY to 45.3%.
- Absolute EBITDA dropped 14% YoY to INR595.2 crore; however despite optimisation in Employee benefit expense EBITDA margin dipped by 431bps YoY to 25.2% owing to rise in other expenses.
- Standalone PAT reported at INR488.9 crore, down 2.5% YoY and PAT margin fell by 69 bps YoY to 20.7% despite having lower effective tax rate.

Hikal Ltd

- Top line of the company fell 2% YoY at INR404 cr in Q3FY20.
- Raw material cost of the company was soft by 900 bps YoY at 48%. Gross margin of the company improved by 250 bps YoY at 48%. However, 7% higher employee expense and 9% higher other expenses led EBITDA to fall by 3.4% YoY at INR76 cr. EBITDA margin contracted marginally at 19%.
- Tax rate of the company was on the higher side at 33% versus 30% last year same quarter and 13% previous quarter. Net profit of the company fell 3.5% YoY at INR28.4 cr. Net Profit margin stood flat at 7%.
- Segment wise revenue from pharmaceutical business fell 1% YoY and revenue from crop protection business fell 2% YoY. Margin of the pharmaceutical business expanded 330 bps at 16.5% but crop protection margin contracted almost 500 bps at 15%. Pharmaceutical segment contributed 61% to the topline where crop protection contributed 39% to the topline of the company.

DLF

DLF reported a 24 per cent increase in consolidated net profit at INR414.01 crore for the quarter ended December despite fall in income. Its net profit stood at INR335.15 crore in the year-ago period. Total income fell 36 per cent to INR1,533.34 crore in the third quarter of 2019-20 from INR2,405.89 crore in the corresponding period previous year. Despite the fall in income, the company's net profit increased due to an exceptional gain of INR231 crore during the December quarter. DLF declared an interim dividend of INR1.20 per share.

Lupin

Lupin consolidated loss widened to Rs 835 crore in December quarter from INR151.75 crore in the same quarter last year. Sales for the quarter dropped 2.75 per cent to INR3,716.09 crore from INR3,821.19 crore in the same quarter last year. Tax expenses for the quarter jumped to INR767 crore from INR245.40 crore. Exceptional losses for the quarter stood at INR288.68 crore which were less than INR342.22 crore in exceptional losses in the same quarter last year. Losses on exceptional items pertained to impairment of INR1,579.77 crore related to certain acquired IPs and profit INR1,291 crore on divestment of the company's entire stake in Kyowa Pharmaceutical. Margin for the quarter came in at 11.4 per cent compared with 17.3 per cent in the year-ago quarter.

Sun Pharma

Sun Pharmaceuticals reported a 26.43 per cent drop in year-on-year (YoY) net profit at INR913.52 crore compared with INR1,241.85 crore in the same quarter last year. Revenue for the quarter rose 4.98 per cent to INR8,038.65 crore from INR7,656.71 crore in the same quarter last year. EBITDA margin came in at 21.5 per cent while net profit margin at 11.4 per cent. The company invested INR527 crore in R&D for the quarter compared with INR465 crore in the year-ago quarter. India sales for the quarter stood at INR2,517 crore, up 13 per cent. US finished dosage sales stood at USD350 million, down 3 per cent. Emerging markets sales stood at USD195 million, down by 4 per cent. Rest of world sales at USD155 million were up 24 per cent YoY. Taro posted sales of USD148 million, drops 16 per cent Yoy. Taro’s net profit for Q3 was USD68 million. The company's board announced a dividend of INR3 per share.

Adani Power

Adani Power’s comprehensive net loss narrowed to INR703 crore for the third quarter of 2019-20, as against a loss of INR1,180 crore reported a year ago, driven and improvement in fuel cost recovery including compensatory tariffs. The Gautam Adani-led company reported consolidated total income of INR6,685 crore in Q3FY20, as compared to INR6,667 crore in Q3FY19. The company’s topline included revenue recognition pertaining to earlier periods towards compensation for change in law and carrying cost, and late payment surcharge in Q3FY20. As per the company Q3FY20, Adani Power, along with the power plants of its subsidiaries at Mundra, Tiroda, Kawai, and Udupi achieved an average plant load factor (PLF) of 70%, while the Raipur Energen (REL) plant achieved a PLF of 55% while the average PLF in the same period last year was 73%. Aggregate sales volumes in Q3FY20 was 16.4 billion units as against 15.8 billion units a year ago.

Bata India Ltd.

- In Q3FY20 SSG rate was +2% (YoY), expect SSG rate to improve going forward
- In Q3FY20 revenue mix between premium & economy segment was 50:50. (Premium segment ASP is above Rs 1000/pair)
- In Q3FY20 retail segment grew by 4.5% (YoY) & wholesale segment grew 20% (YoY)
- Company has opened first Naturalizer store in Delhi, which is a standalone store for women footwear
- In Q3FY20 advertisement spend was 3% of sales
- There is a deferred tax adjustment in FY20, company will switch to lower tax rate in FY21e

Esab India

- Top line of the company grew 11% YoY at INR169 cr.
- Gross Margin of the company fell 550 bps YoY at 38.3%. However, other expenses fell 38% YoY at INR22.6 cr which impacted EBITDA favorably. EBITDA jumped 72% YoY at INR23.4 cr. EBITDA margin expanded almost 500 bps YoY at 14%.
- Net profit of the company jumped 54% YoY at INR17.76 cr. Net Profit margin stood at 10%.

The Anup Engineering

- Topline of the company fell 9% YoY at INR76.7 cr.
- Gross Margin of the company improved almost 1000 bps at 51%. EBITDA grew 6% YoY at INR21 cr. EBITDA margin expanded almost 400 bps YoY at 27%.
- Earnings before tax grew almost 6% YoY at INR19.5 cr. Effective tax rate of the company was higher at 29% versus 21.5% a year ago, which resulted 5% de-growth at the bottom line. Net profit of the company was reported to be at INR13.8 cr. Net Profit margin compressed 65 bps at 18%

Dalmia Cement

- Topline of the company grew 12% YoY basis at INR2418 cr. The topline growth was higher volume.
- Gross Margin of the company fell almost 90 bps at 82%.However, Power & fuel expenses was soft by 250 bps at 19% to the topline. Freight forwarding expenses was marginally higher at 21% to the total revenue. EBITDA grew 7% YoY at INR455 cr. EBITDA margin compressed 80 bps at 19%.
- Depreciation expenses of the company was higher by 22% YoY. But Finance cost came down to INR93 cr versus INR117 cr a year back. The company received a tax reversal of INR1 cr in the period under discussion. However, net profit of the company fell 16% YoY at INR26 cr. Net profit margin stood at 1%.
- Sales Volume of the company during this quarter stood at 5.1Mn ton, grew 14% YoY. Realization was soft by 2% at 4741 cr. EBITDA per ton fell to INR885 versus INR951 a year ago.

NTPC

NTPC reported a 22.60 per cent year-on-year (YoY) rise in net profit at INR3,197.73 crore for the December quarter compared with INR2,608.18 crore in the same quarter last year. Revenue from operations fell 0.30 per cent YoY to INR25,412.39 crore compared with INR25,491.04 crore in the year-ago quarter. EBITDA for the quarter at INR7,593 crore was higher than INR6,901.90 crore in the same quarter last year. Consolidated margin for the quarter expanded 280 basis points to 29.9 per cent compared with 27.1 per cent in the year-ago quarter.

Voltas

Voltas Ltd reported a 12.64 per cent increase in its consolidated net profit at INR87.95 crore in the third quarter ended December 2019. The company had posted a consolidated net profit of INR78.08 crore in the same quarter last fiscal. Revenue from operations during the period under review stood at INR1,492.51 crore as against INR1,491.78 crore in the year-ago quarter. Voltas revenue from unitary cooling products for comfort and commercial use segment increased 14 per cent at INR601 crore as compared to INR526 crore in the corresponding quarter last year. Air Coolers and other products also witnessed increased traction and healthy growth. The company's electro-mechanical projects and services segment had a revenue of INR808 crore as compared to INR875 crore in the year-ago quarter primarily due to slow pace of execution of projects. Carry forward order book of the segment was higher at INR7,024 crore, including major orders booked in water projects as compared to INR4,994 crore in the corresponding quarter last year.

Domestic News

Auto Sales Update for January 2020

Companies	Jan'20	Jan'19	YoY Chg	Dec'19	MoM Chg
Maruti Suzuki	154,123	151,721	1.58%	133,296	15.62%
Hyundai India	52,002	53,813	-3.37%	50,135	3.72%
M&M	52,546	55,722	-5.70%	39,230	33.94%
Tata Motors	47,754	58,001	-17.67%	34,082	40.12%
Ashok Leyland	11,850	19,741	-39.97%	11,168	6.11%
Escorts	6,063	5,991	1.20%	4,114	47.37%
Eicher Motors	63,520	72,701	-12.63%	50,416	25.99%
TVS Motors	234,920	282,630	-16.88%	231,571	1.45%
Hero MotoCorp	501,622	582,660	-13.91%	424,845	18.07%
Mahindra Tractors	23,116	22,212	4.07%	17,990	28.49%
SML Isuzu	1,112	997	11.53%	549	102.55%

Low consumer sentiment continued to affect sales of major Indian automobile manufacturers in January. Maruti Suzuki India reported that sales, which included exports and off-take by other OEMs, grew by just 1.6% to 154,123 vehicle in January against 151,721 during the year-ago month. Exports inched up by 0.6% to 9,624 vehicles against 9,571 shipped out during the year-ago month. Hyundai Motor India's overall sales, including exports declined by 3.37% to 52,002 vehicles against 53,813 sold in January 2019. The domestic sales edged lower by 8.3% to 42,002 vehicles against 45,803 sold in the year-ago month. Tata Motors' overall sales, including exports in January declined year-on-year to 47,862 vehicles against 58,185 units sold in the same month of 2019. Its domestic sales fell by 18% to 45,242 vehicles compared with 54,915 units in January 2019. Commercial vehicles' sales in January fell by 16% to 33,860 units from 40,175. Similarly, passenger vehicles' sales declined by 22% to 13,894 units from 17,826 shipped during January 2019. Mahindra and Mahindra (M&M) reported a 6% fall in January sales to 52,546 vehicles against 55,722 sold in year-ago month. The domestic sales slipped 3 per cent to 50,785 units against 52,500 sold in January 2019. But exports plunged by 45% to 1,761 vehicles against 3,222 shipped out in January 2019. Escorts Ltd Agri Machinery Segment (EAM) in January 2020 sold 6,063 tractors registering a growth of 1.2% against 5,991 tractors sold in January 2019. Domestic tractor sales in January 2020 stood at 5,845 tractors registering a growth of 1.4% against 5,762 tractors in January 2019. Export for the month of January 2020 came in at 218 tractors as against 229 tractors sold in January 2019. Ashok Leyland reported a 40% decline in total commercial vehicle sales at 11,850 units in January 2020. Total sales in the domestic market were down 41% at 10,850 units as compared to 18,533 units in January 2018. Royal Enfield has witnessed a 13% dip in sales in January.

BHEL bags second hydroelectric project order in Nepal

BHEL has bagged an order for electro-mechanical works for 40 MW Rahughat Hydroelectric Project in Nepal. This is the second consecutive success for BHEL in the hydro power sector of Nepal. Last year, it had won an order for the largest hydropower project in Nepal, 900 MW Arun-3 HEP, which is presently under construction. The latest order has been placed on BHEL by the Raghuganga Hydropower Limited (RGHPL), a company 100% owned by Nepal Electricity Authority (NEA), the sole public power utility in Nepal and owned by the Government of Nepal. The order for Rahughat HEP, located in the Raghuganga municipality of Myagdi district of Nepal, envisages design, engineering, manufacturing, supply, erection and commissioning of the complete electro-mechanical package involving supply of two Vertical Pelton Turbines (20 MW each) along with associated equipment, matching generators, governors, controls & instrumentation, protection system, transformers, 220 KV switchyard and balance of plant (BoP) packages. Major equipment for the contract will be manufactured and supplied by BHEL's plants at Bhopal, Jhansi, Rudrapur and Bengaluru, while the installation activities on-site will be carried out by the company's northern region division.

NCC bags orders worth INR530 crore in January

NCC Ltd has bagged three orders worth INR530 crore from Central and State government agencies in January. All the orders pertain to the building division. These orders are received from Central/State Government agencies and do not include any internal orders.

January auto wholesales slide as OEMs trim BS-4 stock to brace for BS-6 deadline

Amid Budget blues, auto sales numbers that trickled over the weekend portrayed a declining trend. This is not surprising given that the original equipment manufacturers (OEMs) are left with barely two months to exhaust BS-4 vehicle inventory. Indeed, the largest car maker in the country Maruti Suzuki India Limited was an outlier, given that it had transitioned to BS-6 vehicles much earlier than its peers. Therefore, January sales inched up by 1.6% YoY driven by the compact, mini and mid-size segment cars. Sales of Hyundai Motor India Limited contracted 4% with domestic sales declining a sharp 8%. The trend was bleak in utility vehicles (UV) across companies. Maruti's UV sales too fell 26% YoY, while that of Tata Motors Ltd and Mahindra & Mahindra Ltd (M&M) brought no cheer. According to the dealers, higher proportion of diesel vehicles put customers on a back foot given the emission issues that are in focus. Given the low base of the last few months and the uncertainty of BS-6 transition coming to an end soon, auto sales growth could look better in FY21.

Manufacturing PMI grows strongly despite setbacks

There are some bright spots in the Indian economy after all. The IHS Markit India Manufacturing Purchase Managers Index rose to 55.3 in January, its highest level in just under eight years, from 52.7 in December. While the pace of improvement is a positive surprise, companies have attributed the rise to greater underlying demand. As it has been with the Indian economy, consumer goods sub-sector once again shone bright, while growth maintained its pace among intermediate goods. Another positive highlight of the PMI data is capital goods moving back into expansion mode, which suggests that investment activity in the economy may be picking up. The PMI indicators also support the upturn in new businesses from external markets. New export orders have seen their fastest increase since November 2018, with manufacturers noting higher sales to Asia, Europe, and North America. Besides, a favourable exchange rate also aided revival. Note that the rupee has been trading stable at about 71 per dollar. Support has also come in the form of softer increases in both input costs and output charges. While firms reported higher prices for metals, textiles, and food, others noted lower charges for copper, packaging materials and rubber. In fact, the rate of inflation surpassed that seen for costs.

Apollo Tyres

Apollo Tyres reported a 12.09 per cent decline in consolidated net profit to INR173.85 crore for the quarter ended on December 31, 2019, mainly due to sluggish demand from original equipment manufacturers. The company had posted a net profit of INR197.95 crore for the corresponding period of 2018-19. Consolidated net sales declined to INR4,347.16 crore for the quarter under consideration as against INR4,655.36 crore for the same period year ago.

Zydus Wellness

Zydus Wellness reported a consolidated net profit of INR4.24 crore for the quarter ended December 31, 2019. The company had reported a net profit of INR39.69 crore for the corresponding period of the previous fiscal. The consolidated financial results for the three and nine months ended December 31, 2019 include operations of Heinz India Pvt Ltd which was merged into Zydus Wellness Products Ltd. Consolidated revenue from operations of the company stood at INR332.67 crore for the quarter under consideration. It was INR145.41 crore for the same period a year ago.

Jindal Steel starts transportation of iron ore from Odisha's mines

Jindal Steel and Power Ltd (JSPL) announced that it has started transportation of iron ore from its supplier's mines in Odisha. Following the recent order by Supreme Court the Co. has started transportation of already-processed and royalty-paid iron ore from its supplier's mines in district Keonjhar, Odisha. Last week, the Supreme Court allowed SMPL to resume its mining operations in Odisha subject to deposit of INR933 crore towards environmental compensation by February 29. This relief to JSPL has come after legal efforts of almost six years. This is a great relief to the company in terms of bolstering its working capital and raw material security.

HCL Technologies to set up global delivery center in Sri Lanka

HCL Technologies will set up its global delivery center in Colombo, Sri Lanka. The company, which has signed an agreement with the Board of Investment (BOI) of Sri Lanka, said its key business and development strategy in the island nation will be to generate local employment and provide skill programs. HCL's local entity, HCL Technologies Lanka (Private) Limited, will collaborate with the Sri Lanka board to implement its 'Work Integrated Education Program' to foster growth by cooperating with local information and communications technology and engineering institutions to develop and train the island's talent pool. The centre will provide global services in the field of applications & system integration, infrastructure services and digital process operations.

Lagos, one of Bajaj's biggest export markets, bans commercial bikes, autos

Nigeria's financial hub Lagos, one of the largest export markets for Bajaj Auto Limited, has banned commercial motorcycles and auto rickshaws. Lagos government imposed the ban on commercial motorcycles and auto-rickshaws from 1 February following a rise in fatal accidents on its city roads. Allaying concerns, the Management indicated that though Nigeria contributes about 25% to Bajaj Auto's exports, Lagos contributes only 6-7% to the company's overall motorcycle exports. Bajaj Auto's international business contributed about 43% to the company's net sales in the third quarter. Africa, driven by Nigeria, Congo, Uganda and Ethiopia, recorded a growth of 15% YoY in Q3 of FY20.

Tata Global

- Topline of the company grew 3% YoY at INR1962 cr.
- Gross Margin of the company improved 140 bps YoY at 46%. Advertisement cost as a percent of total revenue stood at 8.8% versus 8.1% a year ago. EBITDA of the company grew 22% YoY at 240 cr. EBITDA margin expanded by almost 200 bps at 12.2%.
- Net profit of the company grew 16% YoY at 140.5 cr. Net profit margin expanded by 120 bps at 7%.
- Segment wise revenue from tea grew 2% YoY , revenue from coffee fell 4% YoY. Margin of tea business stood flat at 12%, margin of Coffee business expanded by almost 600 bps at 20%. Revenue contribution of tea business stood at 81% and coffee business stood at 18% at the end of the third quarter.

Adani Enterprises

Adani Enterprises reported a net profit of INR426 crores in the third quarter of 2019-20, as against INR92 crores in the same quarter a year ago. The company's consolidated total income increased by 5 per cent to INR11,075 crore in the December quarter. The flagship company of the Adani Group said that it has doubled its solar power equipment manufacturing volume doubled to 283 mw in the quarter as against 140 mw a year ago. Adani Enterprises, continue to focus on incubating assets in transportation and utilities space. These new India-centric businesses will be instrumental in the economic growth of the country, at the same time it will endorse our work and take the benefits to masses. In its mining services business, production volume at Parsa Kente coal mine in Chhattisgarh increased by 26 per cent to 4.71 million ton vs 3.74 million ton. The coal production at Gare Pelma III mine in Chhattisgarh started in the quarter with volume of 0.06 million ton. In the food business, the company has maintained its leadership position with its 'Fortune' brand and continues to lead the refined edible oil market with more than 20 per cent market share.

Cipla

Cipla reported a consolidated profit of INR351.03 crore for the December quarter, up 5.7 per cent year-on-year (YoY) compared with a profit of INR332.20 crore in the same period last year. Net revenue came in at INR4,371 crore, up 9 per cent from INR4,007.54 crore in the year-ago period. The company reported an Ebitda margin of 17.3 per cent. The company said overall business grew 13 per cent, while prescription business' growth was at 14 per cent, and trade generics business recorded growth of 7 per cent over the previous year.

Emami to sell cement biz to Nirma group arm for INR5500 crore

Emami Group announced that it has entered into a binding agreement with a Nirma group arm - Nuvoco Vistas Corporation Ltd - for the sale of its cement business, Emami Cement Ltd, for an enterprise value of INR5500 crore. Emami group's interests span from FMCG to real estate. Emami Cement operates one integrated cement plant and three grinding units with a total cement grinding capacity of around 8.3 million tonnes per annum. This transaction is an important step in our Group's stated objective of becoming debt-free and with this transaction Co. will substantially achieve this objective. The Nuvoco transaction is subject to regulatory approvals, including the Competition Commission of India's approval, and is expected to be completed in the next 3-4 months.

Dilip Buildcon bags INR861 crore road project in Chhattisgarh

Dilip Buildcon announced that it has bagged a road project worth INR860.50 crore in Chhattisgarh. The company has been declared as L-1 bidder in the tender floated by the National Highways Authority of India for the project in the state of Chhattisgarh. The project, having a length of 39.30 km, is to be completed in two years. The project entails four-laning of Pathrapali-Kathghora "Pkg-II of Bilaspur-Kathghora section of NH-111 new NH-130 in the state of Chhattisgarh under Bharatmala on Hybrid Annuity Mode" by the National Highways Authority of India.

CDPQ, Piramal Partner to deploy USD300 million for private credit financing in India

Global institutional investor Caisse de dépôt et placement du Québec (CDPQ) and Piramal Asset Management have set up a USD300 million platform to target private credit financing opportunities in India. CDPQ is contributing 75% of the investment and Piramal will commit the remaining 25%. The platform will offer private credit solutions to companies across various industries in India, including manufacturing, consumer, industrial, healthcare, pharmaceuticals, logistics, among others. The platform will offer private credit solutions to companies across various industries in India, including manufacturing, consumer, industrial, healthcare, pharmaceuticals, logistics, among others. This partnership will focus on performing credit and look to invest in companies with a scalable business model that have demonstrated strong execution capabilities, robust cashflows, a validated repayment history with lenders, and that require capital to support the continued growth of their businesses.

Global News

Asia Stocks Drop After Biggest Jump Since June

Asian stocks fell after their biggest daily jump since June, and U.S. futures slipped after Wall Street notched a fresh record high, as the global rally in risk assets took a pause Friday. Treasury yields dipped and equity gauges dropped from Tokyo and Seoul to Sydney after news of further coronavirus infections on a cruise ship off Japan offered a reminder that cases remain on the rise. Shares opened lower in Shanghai and Hong Kong. Confidence that the epidemic won't derail the 2020 global expansion has helped put global shares on course for the best week since June. The dollar was flat ahead of the key monthly U.S. payroll report. Oil held above $51 a barrel in New York.

OPEC Expects Russia to Respond in Days to Oil Output Cut Plan

OPEC expects Russia to respond in days, rather than weeks, to a production-cut proposal as the cartel confronts a price rout triggered by the collapse in petroleum demand from China, according to a delegate. The OPEC+ alliance, which controls about half of the world's oil production, is facing one of its biggest ever tests as the coronavirus outbreak in Asia sent oil prices to one-year lows this week, hurting the budgets of entire nations from Saudi Arabia to Kazakhstan. In response to the epidemic, technical experts from the Organization of Petroleum Exporting Countries and its allies on Thursday recommended a further supply curb of 600,000 barrels a day until June, said OPEC delegates, who asked not to be named because talks were private.

Jury Orders J&J to Pay $750 Million for Talc Case Punishment

Johnson & Johnson was ordered by a New Jersey jury to pay an additional $750 million in punitive damages to a group of former Baby Powder users who had already been awarded $37.2 million as compensation for cancers they blamed on asbestos in the talc-based product. After the verdict Thursday in New Brunswick, state court Judge Ana V. Viscomi reduced the punitive award to $186.5 million. State law limits the amount to five times the compensatory damages awarded to the plaintiffs last year.

Japan Finds 41 More Cruise Cases; Deaths Top 636

Japan found an additional 41 coronavirus cases on a quarantined cruise ship, while the number of infections on China's mainland climbed to more than 31,000. Beijing ramped up efforts to contain the coronavirus that has claimed 636 lives in the country, while at the same time voicing strong objections as other countries place more restrictions on travelers.

OPEC+ Response to Virus Has Oil Rising Despite Stockpiles Build

Oil rose for a second day on optimism OPEC+ will agree on deeper cuts in response to virus-led demand destruction, countering a further increase in U.S. crude stockpiles. While Saudi Arabia and Russia remain split over the threat the outbreak poses to global demand, talks between experts from OPEC and its allies have been extended into a third day as they seek to determine the impact on consumption. Speculation of a potential resolution helped to offset a larger-than-expected increase in American inventories.

Tesla Mania Cools With Record 21% Plunge, Snapping 60% Rally

The incredible six-day, 60% rally in Tesla Inc. that left Wall Street watchers scratching their heads screeched to a halt Wednesday. The electric-vehicle maker fell as much as 21% to $704.11, erasing most of the gains the stock saw over the past two days amid what seemed like an unstoppable advance. The shares closed down 17% at $734.70. Tesla had added 36% to its value in the first two days of the week, but by Wednesday's close, it was just 9% higher than where it opened Monday morning, and 13% above Friday's close. The breather came as analysts at Canaccord Genuity cut their rating on the stock to hold following an "electrifying run" on concerns that its Shanghai factory may struggle as China works to contain the coronavirus.

Rubber Bulls Look Past Virus Panic to Looming Supply Deficit

Rubber bulls are training their sights beyond the recent slump in prices due to the rapidly spreading coronavirus and instead betting that tighter supplies will help prices rebound from a three-month low. The worst drought in four decades in Thailand, the world's biggest rubber producer and exporter, and a leaf disease ravaging plantations in some countries including Indonesia and Malaysia could cut supply further this year, according to industry experts. Some major producers have also been trying to limit acreage, cut exports and boost local use.

Trump Touts His 'Great American Comeback' in State of Union

Donald Trump will say he is building "the world's most prosperous and inclusive society" in a triumphant State of The Union address delivered on the eve of his likely acquittal in the Senate's impeachment trial and as he reached the highest public approval of his presidency. Trump's speech laid out his argument for re-election, centered on the strength of the U.S. economy and what he called the "great American comeback" during his first term in office.

Global Iron Ore Market Hits Fresh Crisis After Year of Turmoil

The global iron ore market is facing a crisis of demand right after emerging from a crisis of supply. The virus outbreak in China is driving concerns that consumption will take a hit, pummeling prices that had been lifted last year by interruptions at mines, including a fatal dam burst. As the disease spreads, there's been a slew of early-but-significant signals: some mills in China have begun curtailing steel output; construction projects and manufacturing including auto production have slowed; and a vast swathe of Asia's top economy remains offline. Futures retreated on Wednesday.

Saudi Bid to Cut Hits Russian Pushback as OPEC Experts Meet

Saudi Arabia's diplomatic push for an OPEC+ production cut ran into Russian resistance again on Tuesday, while delegates from the alliance met in Vienna to assess the fallout from the coronavirus. OPEC+ technical experts gathered to analyze the impact of the crisis on oil demand, and diplomatic efforts between Riyadh and Moscow continued in parallel. According to two delegates, Saudi Arabia is pushing for a production cut of at least 500,000 barrels a day -- and even up to twice that amount. But Russia, whose budget is more resilient to lower oil prices, continued to push back, according to several delegates.

There Are Oil Bargains in Asia After Virus Batters Demand

Oil sellers are looking for alternative buyers in Asia for prompt cargoes as Chinese demand dries up because of the coronavirus and some customers ask to defer purchases. The suppliers -- including oil majors and trading houses -- are offering grades including Russia's ESPO, Basrah Light from Iraq and Brazilian Lula for delivery in just a few weeks time, according to traders in Asia with knowledge of the matter. This is unusual because the cargoes would typically have traded several weeks ago and already be en route to their destinations.

Commodity Prices Collapse in China as Demand Fears Spook Market

Chinese commodity markets collapsed on the first day of trading after the Lunar New Year holidays as investors returned to markets gripped by fear over the impact the coronavirus will have on demand in the world's biggest consumer of raw materials. The country's three major commodity exchanges were hit by a wave of selling as they reopened at 9 a.m. local time as Chinese traders had their first opportunity to catch up with losses inflicted on overseas markets while they had been on holiday. China's benchmark iron ore contract fell by its daily limit of 8%, while copper, crude and palm oil also sank by the maximum allowed.

Events

CORPORATE ACTION BONUS / RIGHTS / STOCK SPLIT / DIVIDEND / FCCB / M&A / WARRANTS ETC.

Company	Record Date	Ex-Date	Details
SRF Ltd			Cash dividend of INR7 effective 10-02-2020
TVS Motor Co Ltd			Cash dividend of INR2.1 effective 11-02-2020
REC Ltd			Cash dividend of INR11 effective 11-02-2020
Bharat Electronics Ltd			Cash dividend of INR1.4 effective 11-02-2020
KPR Mill Ltd			Cash dividend of INR3.75 effective 11-02-2020
Siemens Ltd			Corporate meeting effective 11-02-2020
Dhampur Sugar Mills Ltd			Cash dividend of INR6 effective 12-02-2020
DLF Ltd			Cash dividend of INR1.2 effective 12-02-2020
Welspun Corp Ltd			Cash dividend of INR10 effective 12-02-2020
MOIL Ltd			Cash dividend of INR3 effective 12-02-2020
Piramal Enterprises Ltd			Corporate meeting effective 13-02-2020
Engineers India Ltd			Cash dividend of INR3.6 effective 14-02-2020
Igarashi Motors India Ltd			Corporate meeting effective 14-02-2020

Domestic Events

- **Upcoming Result:-** Motherson Sumi Systems Limited, Bharat Forge Ltd, Grasim Industries Ltd, GAIL (India) Limited, Merafe Resources Limited, National Aluminium Company Limited, Petronet LNG Ltd, Bharat Heavy Electricals Limited, CESC Ltd, Coal India Ltd, Siemens Ltd, Hindalco Industries Ltd, NBCC (India) Ltd, Ashok Leyland Ltd, PetroFrontier Corp, Torrent Power Ltd, Dish TV India Limited, Apollo Hospitals Enterprise Limited, Nestle India Limited, Page Industries Limited, Bharat Petroleum Corp Ltd, GMR Infrastructure Ltd, Shree Cement Limited, Muthoot Finance Ltd, Glenmark Pharmaceuticals Ltd, Balkrishna Industries Limited, Sun TV Network Ltd.
- **February 12, 2020:-** India Industrial Production for December 2019., India Inflation for January 2020.
- **February 14, 2020:-** India Foreign Exchange Reserve for February 07, 2020., India WPI Inflation for January 2020.

Global Events

- **February 10, 2020:-** China Inflation for January 2020., Japan Current Account for December 2019.
- **February 12, 2020:-** Euro Area Markit Services & Composite PMI for January 2020., Euro Area Industrial Production for December 2019., The U.S. MBA Mortgage Applications for February 07, 2020., The U.S. Balance of Trade for December 2019., Japan Machine Tool Orders for January 2020.
- **February 13, 2020:-** The U.S. Monthly Budget Statement for January 2020., The U.S. Inflation for January 2020., The U.S. Initial Jobless Claims for February 08, 2020.
- **February 14, 2020:-** Euro Area GDP for Q4 2019., Euro Area Balance of Trade for December2019., The U.S. Retail Sales & Industrial Production for January 2020.

Source of News : The content may have been taken from The Economic Times, Business Standard, Business Line, Mint and other leading financial newspapers and financial portals BSE,NSE, Bloomberg, Moneycontrol & others.

Disclaimer

Analyst Certification:

We /I, Jaydeb Dey, and Deepankar Saha, Research Analyst(s) of Stewart & Mackertich Wealth Management Limited (in short "Stewart & Mackertich/ the Company"), authors and the names subscribed to this Research Report, hereby certify that all of the views expressed in this Research Report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this Research Report. It is also confirmed that We/I the above mentioned Research Analyst(s) of this Research Report have not received any compensation from the subject companies mentioned in the Research Report in the preceding twelve months and do not serve as an officer, director or employee of the subject companies mentioned in the Research Report.

Terms & Conditions and Other Disclosures:

Stewart & Mackertich Wealth Management Ltd is engaged in the business of Stock Broking, Depository Services, Portfolio Management and Distribution of Financial Products. Stewart & Mackertich Wealth Management Ltd Limited is a registered as Research Analyst Entity with Security & Exchange Board of India (SEBI) with Registration Number – INH300001474.

Stewart & Mackertich and our associates might have investment banking and other business relationship with a significant percentage of companies covered by our Investment Research Department. Stewart & Mackertich generally prohibits its analysts, persons reporting to analysts and their relatives from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover.

The information and opinions in this Research Report have been prepared by Stewart & Mackertich and are subject to change without any notice. The Research Report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of Stewart & Mackertich Wealth Management Ltd. While we would endeavor to update the information herein on a reasonable basis, Stewart & Mackertich is under no obligation to update or keep the information current. Also, there may be regulatory, compliance or other reasons that may prevent Stewart & Mackertich from doing so. Non-rated securities indicate that rating on a particular security has been suspended temporarily and such suspension is in compliance with applicable regulations and/or policies of Stewart & Mackertich Wealth, in circumstances where Stewart & Mackertich might be acting in an advisory capacity to this company, or in certain other circumstances.

Disclaimer

This Research Report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This Research Report and information herein is solely for informational purpose and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the customers simultaneously, not all customers may receive this Research Report at the same time. Stewart & Mackertich will not treat recipients as customers by virtue of their receiving this Research Report.

Nothing in this Research Report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this Research Report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. The recipient should independently evaluate the investment risks. The value and return on investment may vary because of changes in interest rates, foreign exchange rates or any other reason. Stewart & Mackertich accepts no liabilities whatsoever for any loss or damage of any kind arising out of the use of this Research Report. Past performance is not necessarily a guide to future performance. Investors are advised to see Risk Disclosure Document to understand the risks associated before investing in the securities markets. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice.

Since associates of Stewart & Mackertich are engaged in various financial service businesses, they might have financial interests or beneficial ownership in various companies including the subject company/companies mentioned in this Research Report.

Stewart & Mackertich or its subsidiaries collectively or Research Analysts or their relatives do not own 1% or more of the equity securities of the Company mentioned in the Research Report as of the last day of the month preceding the publication of the Research Report.

Stewart & Mackertich encourages independence in Research Report preparation and strives to minimize conflict in preparation of Research Report. Accordingly, neither Stewart & Mackertich and their Associates nor the Research Analysts and their relatives have any material conflict of interest at the time of publication of this Research Report or at the time of the Public Appearance, if any.

Stewart & Mackertich or its associates might have managed or co-managed public offering of securities for the subject company or might have been mandated by the subject company for any other assignment in the past twelve months.

Stewart & Mackertich or its associates might have received any compensation from the companies mentioned in the Research Report during the period preceding twelve months from the date of this Research Report for services in respect of managing or co-managing public offerings, corporate finance, investment banking, brokerage services or other advisory service in a merger or specific transaction from the subject company.

Disclaimer

Stewart & Mackertich or its associates might have received any compensation for products or services other than investment banking or brokerage services from the subject companies mentioned in the Research Report in the past twelve months.

Stewart & Mackertich or its associates or its Research Analysts did not receive any compensation or other benefits whatsoever from the subject companies mentioned in the Research Report or third party in connection with preparation of the Research Report.

Compensation of Research Analysts is not based on any specific Investment Banking or Brokerage Service Transactions.

The Research Analysts might have served as an officer, director or employee of the subject company.

Neither the Research Analysts nor Stewart & Mackertich have been engaged in market making activity for the companies mentioned in the Research Report.

Stewart & Mackertich may have issued other Research Reports that are inconsistent with and reach different conclusion from the information presented in this Research Report.

Stewart & Mackertich submit' s that no material disciplinary action has been taken on the Company by any Regulatory Authority impacting Equity Research Analysis activities.

This Research Report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject Stewart & Mackertich and affiliates to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction.

For queries related to compliance of the report, please contact: -

Sudipto Datta, **Compliance Officer**
Stewart & Mackertich Wealth Management Ltd.
Vaibhav, 4 Lee Road, Kolkata 700020, West Bengal, India.
Contact No.: +91 33 4011 5414 /91 33 6634 5414
Email Id.: **compliance@smifs.com / sudipta@smifs.com**
Website: **www.smifs.com**