

Sensex up 20.92 points on Monday, 14 May 2018

Sensex rose 20.92 points or 0.06% to 35556.71.
Nifty rose 0.10 points or flat to 10806.60.
Mid Cap fell 0.9%. Small Cap fell 1.0%.
BSE 500 fell 0.3%. Sensex Gainers: 16

Of 22 BSE Sectoral indices, 17 posted losses.
Advancers: 845 Decliners: 1827 Unchanged: 160
Advance/Decline Ratio 4:9

Sensex Day's Range: 35642.72 – 35456.56
52-Wk Sensex Range: 36443.98 – 30111.45
Nifty Day's Range: 10834.85 – 10774.75
52-Wk Nifty Range: 11171.55 – 9341.65

Sensex Gainers included NTPC +2.3%, Dr Reddy +1.5%, IndusInd Bank +1.1%, SBI +1%, Hero MotoCorp +0.9%, PowerGrid +0.9%.

Sensex Losers included M&M -2.2%, Tata Motor -2%, Yes Bank -1.5%, Bharti Airt -1.1%, Adani Ports -0.9%, TCS -0.7%, CIL -0.5%.

Sectoral Gainers were Bankex +0.2%, Oil & Gas +0.2%, PSU +0.1%, Utilities +0.1% and Finance +0.01%.

Sectoral Losers were Consumer Durables -2.5%, Telecom -1.1%, Industrials -1%, Auto -0.9%, Capital Goods -0.8%, Consumer Discretionary -0.8%, Realty -0.5%, Basic Materials -0.5%, Infrastructure -0.5%, TECK -0.3%, Power -0.3%, FMCG -0.2%, IT -0.2%, Metal -0.2%, Manufacturing -0.2%, Energy -0.2% and Healthcare -0.1%.

Buzzers:

MC switchgears +20%, Tasty Dairy +14.2%, Sun TV +11.5%, Nagpur Power +10.6%, IMP Powers +10%, Shree Ganesh +10%.

Heavy Losers:

Nile Ltd -20%, PTC India -14.3%, Pongdy Oxides -11.7%, PC Jeweller -11.6%, Bhahma Infra -11.4% and Frontline Sec -11.3%.

PTC India Financial slumps 14.3% after dismal Q4 numbers:

PTC India Financial Services (PFS) fell 14.3% to Rs 21.55 after the company reported net loss of Rs 110.4 crore in Q4 March 2018 compared with net profit of Rs 109.8 crore in Q4 March 2017. The stock had hit a high of Rs 24 so far during the day. The stock had hit a low of Rs 21.45 during the day, which is also a 52-week low for the counter. The stock hit a 52-week high of Rs 50.70 on 15 May 2017. PTC India Financial Services (PFS)'s total income fell 32.7% to Rs 290.5 crore in Q4 March 2018 over Q4 March 2017.

As at 31 March 2018, the gross non-performing assets (NPAs) as at 31 March 2018 stood at Rs 838 crore compared to Rs 585 crore as at 31 March 2017. The cumulative effective debt sanctioned amounted to Rs 33,104 crore whereas outstanding cumulative effective debt sanctioned stood at Rs 23,827 crore. The debt sanctioned during the year aggregated to Rs 8,250 crore comprising mainly of Rs 4,840 crore to renewable projects and Rs 3410 crore to other areas such as transmission, distribution, road etc. The debt sanctioned during the previous year aggregated to Rs 10,297 crore. The debt disbursements aggregated to Rs 5,103 crore during the year ended 31st March 2018 compared to Rs 4,179 crore during the previous year. PFS has been granted the status of an infrastructure finance company (IFC) by the Reserve Bank of India. The company offers an array of financial products to infrastructure companies in the entire energy value chain. PFS also provides fee based services viz loan syndication and underwriting etc.

Sun TV climbs 11.5% after good Q4 results:

Sun TV Network rose 11.5% to Rs 964.05 after net profit rose 22.8% to Rs 289.8 crore on 23.1% rise in net sales to Rs 716.9 crore in Q4 March 2018 over Q4 March 2017. The stock had hit a high of Rs 977.25 and a low of Rs 900.10 during the day. The stock hit a 52-week high of Rs 1,097.05 on 16 January 2018. The stock hit a 52-week low of Rs 652.30 on 10 August 2017. Subscription revenue rose by 28% at Rs 308.8 crore in Q4 March 2018 over Q4 March 2017.

Earnings before interest, taxes, depreciation and amortization (EBITDA) rose 33% at Rs 522.4 crore in Q4 March 2018 over Q4 March 2017. Sun TV Network, one of the largest television broadcasters in India, operates satellite television channels across four languages of Tamil, Telugu, Kannada and Malayalam, airs FM radio stations across India and owns the SunRisers Hyderabad cricket franchise of the Indian Premier League.

**PC Jeweller plunges 11.6%:**

PC Jeweller fell further by 11.6% to Rs 177.90. On Friday, the share fell 3.8% to Rs 201.15 after the company's board approved the proposal of buyback of equity shares at Rs 350 per share. The stock had hit a high of Rs 247 and a low of Rs 197.50 during the day. The stock had hit a record high of Rs 600.65 on 16 January 2018. The stock had hit a 52-week low of Rs 95.05 on 3 May 2018. PC Jeweller's board approved the proposal for buyback of upto 1.21 crore equity shares, comprising of 3.07% of the total paid-up equity capital of the company, for an aggregate amount not exceeding Rs 424 crore, at Rs 350 per share, on a proportionate basis through the tender offer route. The board noted that the promoters and promoter group of the company shall not participate in the proposed buyback. PC Jeweller's net profit rose 52.1% to Rs 162.71 crore on 25.63% rise in net sales to Rs 2644.89 crore in Q3 December 2017 over Q3 December 2016. PC Jeweller is one of the leading jewellery companies in India in the organized jewellery retail sector.

Dena Bank drops 6% after RBI initiates prompt corrective action

Dena Bank fell 6% to Rs 17.65 after the central bank initiated prompt corrective action against the public sector lender. The stock had hit a high of Rs 18.30 during the day. The stock had hit a low of Rs 16.15 during the day, which is also 52-week low for the counter. The stock hit a 52-week high of Rs 41.45 on 12 May 2017. The Reserve Bank has initiated prompt corrective action against public sector lender Dena Bank in view of high non-performing loans, restricting the bank from giving fresh credit and new hiring. Dena Bank reported net loss of Rs 1225.4 crore in Q4 March 2018 as against net loss of Rs 575.3 crore in Q4 March 2017. Total income declined 8.4% to Rs 2390.7 crore in Q4 March 2018 over Q4 March 2017. The result was announced at the fag end of the trading session on Friday, 11 May 2018.

The bank's gross non-performing assets (NPAs) stood at Rs 16361.44 crore as on 31 March 2018 as against Rs 14168.78 crore as on 31 December 2017 and Rs 12618.73 crore as on 31 March 2017. The ratio of gross NPAs to gross advances stood at 22.04% as on 31 March 2018 as against 19.56% as on 31 December 2017 and 16.27% as on 31 March 2017. The ratio of net NPAs to net advances stood at 11.95% as on 31 March 2018 as against 11.52% as on 31 December 2017 and 10.66% as on 31 March 2017. Provisions and contingencies surged 104.86% to Rs 1991.30 crore in Q4 March 2018 over Q4 March 2017. Dena Bank is a public sector bank. The Government of India held 80.74% stake in the bank as on 31 March 2018.

Meghmani Organics slips 4.5%:

Meghmani Organics (MOL) fell 4.5% to Rs 98.25 (FV Rs 1) after hitting an intraday high of Rs 104.50. Stewart & Mackertich has come out with a buy report on the share on 27 April with a target price of Rs 140. The stock had hit a life-time high of Rs 129.40 on 07 Nov 2017. The stock hit a 52-week low of Rs 36 on 23 May 2017. On a consolidated basis, net profit of Meghmani Organics rose 118% to Rs 43.5 crore on 26% rise in net sales to Rs 452 crore in Q3 Dec 2017 over Q3 Dec 2016. Q3FY18 EPS is Rs 1.7. During 9MFY18, net profit rose 89% to Rs 121 crore on 18% higher sales of Rs 1389 crore. 9MFY18 EPS is Rs 4.8. In the previous quarter, its laboratory facility in Gujarat received compliance certificate (valid till 17 Oct'20) from NGCMA (National Good Laboratory Practice (GLP) Compliance Monitoring Authority (NGCMA)).

MOL is a manufacturer of pigments and agrochemicals and caustic soda MOL specializes in the manufacture of green and blue pigment products that span multiple applications. MOL has a captive power plant of 60MW, leading to low power cost and high margins as power cost is 60% of total raw material cost in Caustic Soda production. Caustic soda constitutes about 30% of sales, Pigments 34% and agrochemicals 36% of sales. Exports represent 55% of sales. MOL is on further expansion drive. Newly caustic potash plant will have a planned Capex of Rs 540 cr. towards increasing Caustic capacity (50%) to 240 TPD and Power plant capacity to 90MW from 60 MW. It will set up Chloromethane plant (40,000 MTPA) and Hydrogen Peroxide (50%) project of 25,000MTPA.

Mangalam Drugs tumbles 7%:

Mangalam Drugs & Organics fell 7% to Rs 148.05. During 9MFY18 net profit rose 6.5% to Rs 16.8 crore on 5% lower sales of Rs 212 crore. 9MFY18 EPS is Rs 10.6. The stock hit a 52-week high of Rs 214.85 on 25 April 2017. The stock hit a 52-week low of Rs 122.90 on 22 November 2016. FY17 EPS was Rs 15.0. A dividend of 13% was paid. Exports amounted to Rs 50 cr., which comprised 22% of sales. With equity capital of Rs 15.8 crore and reserves of Rs 70.3 cr., the book value of the share works out to Rs 55. Total borrowings are Rs 73.8 crore. With cash, advances etc. of Rs 20 crore, net debt work out to Rs 53.8 crore. Net DER is 0.63:1. With the addition of Rs 33 crore in FY17, the value of the gross block is Rs 136 crore.

MDOL is engaged in the manufacturing of chemicals, such as active pharma ingredients (API) perfumery, disperse dye intermediates, bulk drugs and bulk drugs intermediates. The company has its manufacturing facilities at Vapi and Valsad in Gujarat. The products include chloroquine phosphate I.P., aluminum chloride anhydrous, and dyes and intermediaries.

Pondy Oxides Chemicals (POCL) tanks 11.7%:

PCL share fell 11.7% to Rs 413.60. Promoted in 1992, POCL is currently focusing on the lead acid battery segment for most of its sales are of Lead and Lead Alloys. Battery manufacturing companies are its clients. During Q3FY18, net profit remained surged 15% to Rs 8 crore on 7% higher sales of Rs 238 crore. Q3FY18 EPS is Rs 14.3. During 9MFY18, net profit rose smartly by 35% to Rs 22.1 crore on 22% higher sales of Rs 679.5 crore. 9MFY18 EPS stands at Rs 39.7 against Rs 29.5 in 9MFY17.

During FY17, net profit rose 179% to Rs 28.3 crore on 63% higher sales of Rs 759 crore. POCL increased its annual production of Lead Metal and Alloys from 32,140 MT in the previous year to 46,636 MT in the financial year 2016-17 showing an increase of 45%. A dividend of 30% was paid. Exports during FY17 were Rs 274 crore, which constituted 33% of sales. Equity capital is Rs 5.6 crore. With reserves of Rs 60.5 crore, the book value of the share is Rs 118. Net debt of Rs 71 crore gave net the DER of 0.9:1. The gross block stood at Rs 44 crore.

**Hinduja Global (HGS) topples 3.1%:**

Shares of HGS rose 3.1% to Rs 921.55. Hinduja Global Solutions (HGS) a global leader in customer experience announced that it is creating 100 new positions at its North Bay, Ontario customer experience contact centre in May to support a telecommunication client's business growth. HGS will be holding an onsite job fair on May 15th at 390 Lakeshore Drive, North Bay, Canada between 4:30 pm and 7:30 pm. HGS is hiring this new staff to meet the needs of the growing partnership. HGS Canada is an award-winning company that opened its first centre in Atlantic Canada in 1996.

Part of the multi-billion dollar conglomerate Hinduja Group, HGS takes a true "globally local" approach, with over 46,000 employees across 69 delivery centers in seven countries making a difference to some of the world's leading brands across nine key verticals. For the year ended 31st March 2017, HGS had revenues of US\$ 555 million.

Honeywell Automation jumps 2% ahead of Q4 numbers today:

Honeywell Automation (HAIL) rose 2% to Rs 18,815.50 ahead of Q4 results on 14 May 2018. The stock hit a fresh life-time high of Rs 21, 899 on 12 Dec 2017. Q3FY18, net profit fell 3% to Rs 62.3 cr. on 5% higher sales of Rs 728 cr. Q3FY18 EPS is Rs 70.4. 9MFY18, net profit rose 30% to Rs 191.4 cr. on 11% higher sales of Rs 2079 cr. 9MFY18 EPS is Rs 216.5. During FY17, net profit was Rs 169.5 cr. on sales of Rs 2483 cr. A dividend of 100% was paid. As at H1FY18, the value of the gross block is Rs 192 cr. While debts are Rs 83.3 cr. (Current & other liabilities), investments cash and loans given etc was Rs 798 cr. Thus fundamentals of HAIL are very strong. With equity capital of Rs 8.8 cr. and reserves of Rs 1288 cr., the book value of the share is Rs 1473.00. Honeywell Auto, USA holds 75% in the equity capital. DIs hold 15.3%, PCBs of 0.2%, foreign of 0.3% & 9.1% with investing public.

HAIL was set up in 1987 as a joint venture with Tata group. However, in 2004, the joint venture ended with Honeywell buying out the entire Tata stake. Honeywell, USA holds 75% share in the equity. HAIL has its manufacturing, design and engineering facilities in the industrial city of Pune. The company's business is divided across five business verticals namely Honeywell Process Solutions (HPS), Honeywell Building Solutions (HBS), Global Engineering Services, Environment & Combustion Control (E&CC) and Sensing & Control. Exports for FY16 amounted to Rs 860 cr. The over \$30 billion, Honeywell is a Fortune 100 diversified technology & manufacturing leader, serving customers worldwide with aerospace products and services; control technologies for buildings, homes and industry; turbochargers; and performance materials. Honeywell is ranked 75th in the Fortune 500.

Asian Markets:

Asian markets were: Nikkei + 0.5%, Hang Seng + 1.3%, Shanghai + 0.3%.

European Markets:

European markets were: FTSE - 0.2%, CAC 40 - 0.3%, DAX - 0.5%.

Crude:

Crude Oil was trading at \$70.59/barrel.

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