

**DYK**

**LKPs In & Out's – Weekly Bulletin**

**Important Market &  
Industry Information**

## 1. Technical Research Desk

### • Technical Reports - Equity

- This week's LKP Equity Spade Report recommendation, Varun Beverages Ltd.

**VARUN BEVERAGES LTD**

Buy: Rs. 1325

Stop Loss: Below  
Rs. 1258 CB

Target: Rs. 1392/1457

Duration: 1 Week

Final report performance: -2.3%

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## 2. Commodity & Currency Research Desk

- Rupee in week traded very much range bound between 83.00-82.55 as probably RBI intervention was seen everytime price were near 82.90 where as resistance in rupee was seen at 82.55 as dollar index strength kept rupee rise limited in the week
- Gold prices in Comex was weak as prices took resistance near 1840\$ and minor supports were seen near 1820\$ as dollar index strength played crucial role in weak Gold price. US lower GDP number at 2.7% vs 3.2% provided some supports as prices limited the fall near 1820\$. In MCX Gold kept swings between 56200 to 55600 as rupee range volatility and comex weakness kept MCX Gold weak by 1% this week as price was seen near 55700 before evening session on Friday.



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**3. Upcoming FPO**

**Upcoming IPO**



**DIVGI TORQTRANSFER SYSTEMS LIMITED**

**Business Overview**

Divgi TorqTransfer amongst the very few automotive component entities in India who have the capability to develop and provide system level transfer case, torque coupler and dual clutch automatic transmissions ("DCT") solutions (Source: CRISIL Report). Company is one of the leading players supplying transfer case systems to automotive OEMs in India and the largest supplier of transfer case systems to passenger vehicle manufacturers in India (Source: CRISIL Report). Company is the only player manufacturing and exporting transfer cases to global OEMs from India, and the only manufacturer of torque couplers in India (Source: CRISIL Report). Company also have the capability to develop and provide transmission systems for electric vehicles ("EVs"). Company is in the process of designing and developing prototypes of transmission systems for EVs pursuant to receipt of a business award for this purpose. Divgi have been awarded a contract for the supply of EV transmission systems for one of the leading providers of EVs in India, and for supply of components for Hybrid Vehicles for a global OEM. Company actively collaborates with Europe's transmission engineering consulting firms like FEV and Hofer. Divgi manufacture and supply a variety of products under the broad categories of (i) torque transfer systems (which includes fourwheel-drive ("4WD") and all-wheel-drive ("AWD") products); (ii) synchronizer systems for manual transmissions and DCT; and (iii) components for the above-mentioned product categories for torque transfer systems and synchronizer systems in manual transmission, DCT, and EVs and also developed (i) transmission systems for EVs; (ii) DCT systems; and (iii) rear wheel drive manual transmissions. Divgi is one of the few companies who serve both as systems level solution provider as well as component kit supplier to global OEMs and Tier I transmission systems suppliers (Source: CRISIL Report).

**Competitive Strengths**

- One of the very few suppliers in India having the capability to develop and provide system level transfer case, torque coupler, DCT solutions and transmission systems for EVs across a wide array of automotive vehicles and geographies, with leadership across select product categories.
- Strategically located manufacturing facilities capable of producing high precision components meeting system-level design intent.
- Long-term relationships with marquee domestic and global customers.
- Experienced board of directors and senior management team supported by skilled and qualified workforce.
- Consistent financial performance with focus on innovation and R&D capabilities.

**Issue Highlights**

<b>Promoters:</b>	Jitendra Bhaskar Divgi, Hirendra Bhaskar Divgi Divgi Holdings Private Limited
<b>Offer Size:</b>	Fresh Issue of Rs 200 Cr + Offer for Sale of up to 3,146,802 Equity Shares
<b>Face Value:</b>	Rs. 5/-
<b>Lead Managers:</b>	Inga Ventures Private Limited, Equirus Capital Private Limited
<b>Listing:</b>	BSE & NSE
<b>Registrar:</b>	Link Intime India Private Ltd.

**Issue Structure**

Particulars	Allocation
QIBs	75%
NIIIs	15%
Retail	10%

**Listed Industry Peers**

Sona BLW Precision Forgings Limited
Bosch Limited
ZF Commercial Vehicle Control Systems India Ltd.
Sundram Fasteners Limited
Endurance Technologies Limited

Source: SEBI-DRHP



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**Upcoming IPOs**

Upcoming IPO

**LKP Securities Limited**

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**AVALON TECHNOLOGIES LIMITED**

**Business Overview**

Avalon Technologies is one of the leading fully integrated Electronic Manufacturing Services (“EMS”) companies with end-to-end capabilities in delivering box build solutions in India in terms of revenue in Fiscal 2022 (source: F&S Report), with a focus on high value precision engineered products. Through a unique global delivery model (source: F&S Report), company provide a full stack product and solution suite, right from printed circuit board (“PCB”) design and assembly to the manufacture of complete electronic systems (“Box Build”), to certain global original equipment manufacturers (“OEMs”), including OEMs located in the United States, China, Netherlands and Japan. Through its end-to-end capabilities, company believe that customers may achieve tangible benefits such as reduced manufacturing costs, improved supply chain management and reduced inventory obsolescence. Its capabilities include PCB design and assembly, cable assembly and wire harnesses, sheet metal fabrication and machining, magnetics, injection molded plastics and end-to-end box build of electronic systems. Company specialize in manufacturing and providing design support for critical integrated assemblies, sub-assemblies, components and enclosures for multiple industry verticals. The end-use industries company cater to include a mix of established and long product lifecycle industries, such as industrial, mobility and medical devices and high growth “sunrise” industries, such as solar, electric vehicles and hydrogen in the clean energy sector and digital infrastructure in the communications sector.

**Competitive Strengths**

- End-to-end integrated solutions, providing a “One Stop Shop” for electronics and electro-mechanical design and manufacturing services
- High entry barriers to business through its collective cross-industry experience, customer engagement capabilities and leading position in the high mix flexible volume product manufacturing segment
- Well-diversified business leading to strong growth avenues
- Established relationships with marquee customer base
- Global delivery footprint with high quality standards and advanced manufacturing and assembly capabilities
- Strong financial performance, stable cash flows and visible growth profile
- Experienced board, management and operating team

**Issue Highlights**

**Promoters:** Kunhamed Bicha and Bhaskar Srinivasan

**Offer Size:** Fresh Issue of Rs 400 Cr + Offer for Sale of Rs 625 Cr

**Face Value:** Rs. 2/-

**Lead Managers:** JM Financial Limited, DAM Capital Advisors Limited, IIFL Securities Limited, Nomura Financial Advisory and Securities (India) Private Limited

**Listing:** BSE & NSE

**Registrar:** Link Intime India Private Ltd.

**Issue Structure**

Particulars	Allocation
QIBs	75%
NIIIs	15%
Retail	10%

**Listed Industry Peers**

Dixon Technologies Limited
Amber Enterprises Limited

Source: SEBI-DRHP

LKP Securities Ltd

For more information / queries / clarification on the above contact Mr. Dinesh Waghela on : 022-2266 0171 or write to us on ipo@lkpsec.com / dinesh\_waghela@lkpsec.com

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