

## WHAT MFs BOUGHT & SOLD IN MARCH

# Siemens, Thermax, BHEL on Fund Managers' Radar

In March, fund managers have shown keen interest in companies largely in the capital goods sector and select ones in niche sectors. There are two ideas which run through these investments. One, in case of the capital goods sector, the Street has seen marked improvement in order inflows which have short tenures and also provide good stability to revenues. Two, companies in some niche sectors remained fundamentally strong and also turned attractive in the month of March. Here are five prominent companies which attracted high interest from fund managers in March.

— Rajesh N Naidu and Prashant Mahesh

### SIEMENS

**CMP: ₹1,184**

**Bought by: DSP Mutual Fund**  
**Market Cap: ₹42,150 crore**

Fund managers believe this is a good play on India's capital expenditure recovery. Analysts expect private investment, which has remained low for the past few years, to pick up 2019 onwards on account of growing utilisation and better credit availability. With the political uncertainties over after the elections, public sector spending is likely to pick up. Backing from its parent helps Siemens both on financial and technical fronts. Strong balance sheet, high cash levels, and improving return margins and return ratios make it a good bet.

### Top AMC's Action in March 2019

AMC	BUY	SELL	Complete Exits	Fresh Buy
HDFC	NTPC	JSW Steel	CECSC Ventures	BHEL
	BoB	MRF	Matrimony.Com	NALCO
	Coal India	Container Corp	Spencer's Retail	—
ICICI	NTPC	Power Grid	—	HDFC AMC
	SBI Life	ITC	—	UBI
	Infosys	Axis Bank	—	—
SBI	ICICI Pru Life	HPCL	Arvind	Endurance Tech
	HDFC Bank	Bharti Airtel	Reliance Cap	Chola Fin
	Britannia	Adani Ports	Varrac Engg	Abbott India
Aditya Birla SL	SBI	BPCL	Allcargo	Gujarat Gas
	SBI Life	Axis Bank	Canara Bank	Ujjivan Fin
	NTPC	Infosys	CECSC Ventures	Bajaj Holdings
Reliance	ONGC	HDFC	JP Associates	ICRA
	Coal India	Bajaj Finance	PC Jeweller	BEML
	NTPC	RIL	Vakrangee	Welspun Corp

Source: Accord Fintech, Compiled by ETIG Database

### BHEL

**CMP: ₹77**

**Bought by: HDFC Mutual Fund**  
**Market Cap: ₹27,003 crore**

Improving earnings outlook, low valuations, healthy cash balance and good order inflow have attracted attention of fund managers who believe the capex cycle is likely to turn soon. With the Indian railways targeting a capex of ₹35,000 crore on electrification by 2021, this is a new opportunity for BHEL with the company entering this space by winning railway electrification order for 450 km. It also expects an order pipeline of 8-10GE in the power segment in the next few quarters.

### THERMAX

**CMP: ₹983**

**Bought by: Reliance Mutual Fund**  
**Market Cap: ₹11,714 crore**

Green shots of revival in private capex are visible in few segment like cement and metals with some companies drawing up expansion plans. Thermax provides solutions in the energy and environment space with the energy business contributing 76% to revenues, environment business 16% and chemical business 8%. A strong balance sheet, robust execution track record, reasonable valuations and an expected recovery in private sector capex cycle is driving fund managers to this company.

### SHEELA FOAM

**CMP: ₹1,345**

**Bought by: DSP MF**  
**Market Cap: ₹6,561 crore**

In March, the stock of Sheela Foam, which manufactures mattresses (known for 'Sleepwell' brand) and other foam-based products used in furniture-cushioning material, pillows, bolstering cushions, and sofa-cum beds, fell by 8%. A key reason for this was the company's promoters announced an offer for sale. This provided an opportunity for fund managers to buy shares as its business fundamentals remain strong. The company is expected to clock 10-15% volume growth in mattresses. Analysts expect the company's revenues to grow at least in the range of 15-20% for the current and the next fiscals. Given these factors, fund managers enhanced their exposure in the company's stock.

### AARTI INDUSTRIES

**CMP: ₹1,629**

**Bought by: Franklin Templeton Mutual Fund**  
**Market Cap: ₹14,124 crore**

Aarti Industries, which manufactures speciality chemicals and supplies to companies in pharmaceutical and agrochemicals, raised ₹750 crore through the QIP route. These funds have come at an opportune time for the company. It has capex of ₹671 crore which would entail commissioning two greenfield projects. It has already struck multi-year supply deals. For the present and the next one year, this capex should boost the company's revenues and earnings in the range of 14-20% and 16-28%, respectively. Precisely for these factors, the company's stock has attracted fund managers' attention in this year.

