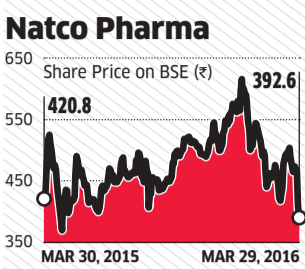


# What to Buy, Sell and Hold



**Natco Pharma** has a buy rating on **Religare** with a target price of ₹580. The brokerage said the stock will remain under pressure in the near term but expects the issues at the company's Kothur and Manali plants to be resolved soon and so retains its estimates. Natco Pharma declined 4.09% to ₹392.55 on Tuesday.

**JP Morgan** has an overweight rating on **Dish TV** with a target price of ₹120. The brokerage said the company's adjusted EV/ EBITDA multiple is at 9x FY17E earnings and 7x FY18E earnings which they consider cheap. Dish TV gained 3.45% to ₹82.45 on Tuesday.

**Phillip Capital** has a buy rating on **NTPC** with a target price of ₹164 citing that the company will benefit from demand-side reforms such as UDAY. NTPC's current valuation of 1.05x FY18 P/B includes concerns, but exclude the positives of the regulated model that should generate core RoEs of 18-18.5% in FY16-18. NTPC declined 1.58% to ₹127.30 on Tuesday.

## HSBC Cuts SBI's Rating to Hold

**MUMBAI:** HSBC Securities and Capital Markets (India) has cut its rating on SBI to 'hold' citing lack of any positive catalysts in the near term, but retained its target price of ₹189. Shares have rallied 23% since the December quarter results, outperforming the Nifty Bank index, which has gained 11.7% during the same period. On Tuesday, the stock ended up 0.56% at ₹189.50. "...we cannot rule out the prospect of the government asking SBI to merge a couple of other PSU banks as well over the next few years," HSBC said.

## Smallcap Mantra

<b>Minda Corporation</b>	
CMP (₹)	105.60
1-M Return (%)	-1.87
52-week H/L	108/69
FY17E PE / 5Y AVG	12.5/28.61

A diversified auto component supplier, is well placed to outperform the industry riding deepening penetration in existing OEMs, new client wins and enhanced growth in new businesses like wiring harness, sensors, steering roll connectors, etc. Moreover, JVs with global players Furukawa, Stoneridge and VAST, besides ensuring access to technology, also entail potential to widen products basket. Sharpened focus on balance sheet will lead to RoCE doubling to 27% in FY16-18. We estimate Minda's consolidated revenue to clock 21% CAGR over FY16-18. Operating margins are poised to improve riding scale benefits. We give buy rating with a target price of ₹131. It is trading at FY17E/FY18E PER of 12.5x/10x. **By Edelweiss**

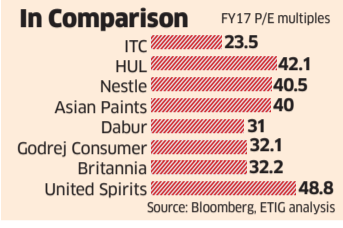
# CO HAS DECIDED to pass on Budget duty hike to consumers in a staggered manner of passing on the entire hike, and this could help turn volumes positive

# ITC Protecting its Volumes to Lift Earnings, Draw Rerating

**Jwalit.Vyas@timesgroup.com**

**ET Intelligence Group:** ITC's strategy of retail sales volume by passing the recent excise duty hike on to consumers in a staggered manner may go down well with investors. It has not been able to show any meaningful growth in volumes over the past two years. Against this backdrop, its latest stance may help in curbing a further dip in volumes.

used to pass on the entire duty hikes, even if they were sharper. The changing stance is expected to turn the cigarette volumes positive in FY17 which may help earnings growth to return to double digit. This could lead to a rerating of the stock which has appreciated 11.5% in the last one month. The stock had fallen 10% in 2015 after



it delivered only 1.4% net profit growth in the first nine months of FY16 against 11.4% in the previous year. This was primarily due to sharp price hikes. The volume in the cigarette business which accounts for over 85% of ITC's profit



was down by around 8%. With expected higher earnings growth, ITC's shares may attract higher valuation. Analysts are expecting 11-14% net profit growth in each of the next two years. The

stock is currently trading at 26 times its FY16 earnings, lowest in the last 10 years and much cheaper than other FMCG peers. Most other FMCG players are trading above 35 times earnings.

# Equitas to Use Bulk of IPO Money for its Bank

**ET Q&A** Equitas Holdings, which last year got an in-principle approval from the RBI to become a small finance bank, is coming out with an initial public offering (IPO) on April 5. In an interview with **Pratik Bhakta & Shilpy Sinha**, company's managing director **Vasudevan PN**, said Equitas would use its existing 2.7 million clients and develop an elaborate business correspondent network to build its low-cost deposits books. Edited excerpts:



loan book across housing finance, used commercial vehicle finance and small and medium enterprise (SME) finance. For the SME financing product, which has an average lending size of ₹1.7 lakh and lends to 45,000 customers, the company boasts of non-performing assets of 0.3%.

**How much capital do you want to raise and how do you plan to use it?**  
We want to raise about ₹720 crore through the initial offer. The price band of our issue has been kept at ₹109-110, and we are planning to sell around 13.24 crore shares. Of the ₹720 crore that we would like to raise, ₹620 crore would be invested in the bank and the remaining ₹100 crore would be with the holding company which we would use to set off all the expenses of the IPO, and also extend as a loan to the subsidiaries.

**How do you plan to mobilise funds for deposits after becoming a bank?**  
We already have a client base of 2.7 million for our micro finance business and we have to ensure that they put money in our bank account rather than putting in any informal savings scheme. Our field staff who anyway visit our clients regularly will also take deposits for services like recurring deposits. We plan to develop an army of 25 business correspondents per branch. These correspondents would help us reach out to the rest of the community.

**How do you plan to develop your branch network?**  
We have 539 branches currently, but our board has to take a call on how many of these branches would be converted into a combined liability branch.

**How would you be restructuring?**

Equitas is not only a micro finance company, but it also has a diversified

# Tata Motors Guns for Lost M-cap Crown as Maruti Gives Up Gains

**Chiranjivi.C@timesinternet.in**

**ETMarkets.com:** Midway through this financial year, Maruti Suzuki managed to snatch the crown of the biggest automobile company in the country in terms of market capitalisation (m-cap) from Tata Motors. Since then, it has been a clash of the titans in the auto industry, with the battle likely to enter a new phase in the coming financial year.

**CLASH OF TITANS**  
On April 1, 2015, Maruti's m-cap stood at ₹1,09,928 cr & TaMo's was ₹1,92,518.07 crore  
Tata Motors' m-cap has fallen sharply to ₹1,04,417.79 crore, a ₹88,100 crore erosion in a matter of months. This is reflected in the performance of both the stocks. Shares of Maruti have seen marginal gains of 0.33% during the fiscal. At the same time, Tata Motors plunged 32%.

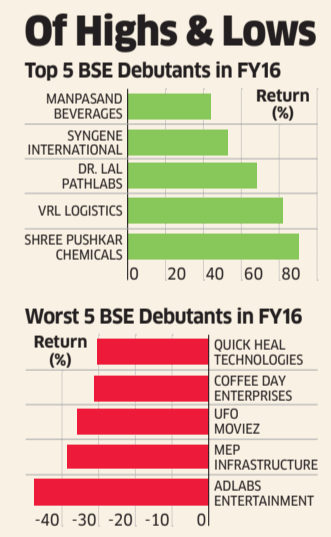
throughout 2015, while Maruti Suzuki enjoyed new highs on successful back-to-back new launches. Come 2016, things have turned for Maruti Suzuki. Meanwhile, Tata Motors has put up a good performance in the global market to make up for the shortcomings back home. A depreciation of the yen and expensive valuations have triggered a 21.5% correction in Maruti Suzuki so far this year, causing it to underperform Tata Motors, which is down 9.6% in the same period. "I do not have the conviction to buy Maruti, while margins have peaked, volume growth is going to be in low double digits. Why should the market pay a 20 PE multiple on FY17E earnings," said Manish Sonthalia, Motilal Oswal AM.

# 12 Newbies Deliver up to 90% When Others Slipped

**Amit.Mudgil@timesinternet.in**

**ETMarkets.com:** While most blue chip stocks failed to make a mark on the bourses in FY16, select newbies with little background drew immense investor interest, soaring up to 90% in an otherwise challenging year.

Data showed out of the 23 primary market debuts listed during April 2015-March 2016 so far, 12 have climbed between 8% and 91% over their issue prices during the fiscal, while 11 have fallen anywhere between 5% and 47%.



Thyrocare Technologies. Shree Pushkar Chemicals, which last traded at ₹123.90, made a gain of 90.62% over its issue price of ₹65. The stock was listed in September 2015. VRL Logistics, which was listed in April 2015, managed to notch up 82.22% gain over its issue price of ₹205. Overall, 10 of the 23 listings gave double-digit returns. This is against a 9.37% drop that the BSE Sensex witnessed during the period. On the flipside, several other new listings such as Adlabs and MEP Infrastructure Developers bled investor wealth.

## Day Trading Guide Edelweiss

Important retracement levels are pegged at 7400 and 7300 on the downside. However with two sessions left in the March series, expensive Nifty roll levels for long rollers stokes the possibility of an upside bias on expiry day. Hence, as long as 7750 is not breached on the upside, fresh momentum trades are best avoided.

## Tech Picks TEJAS SHAH Sr. Technical Analyst

**PIDILITE INDS**  
Strong recovery from its 200 day MA signals resumption of uptrend  
LAST CLOSE ▶ ₹595.35 STOP LOSS ▶ ₹577  
**BUY** TARGET ₹630

**BIOCON**  
Underlying momentum has turned bullish suggesting short-term upside potential  
LAST CLOSE ▶ ₹482.25 STOP LOSS ▶ ₹472  
**BUY** TARGET ₹504

**GLENMARK**  
Breakdown from five-week uptrend on heavy volumes indicates weakness  
LAST CLOSE ▶ ₹780.65 STOP LOSS ▶ ₹803  
**SELL** TARGET ₹737

**APOLLO HOSP**  
Head & Shoulder neckline break and close below 200 DMA are ominous signs of weakness  
LAST CLOSE ▶ ₹1,336.85 STOP LOSS ▶ ₹1,382  
**SELL** TARGET ₹1,245



## F&O Strategy TEJAS SHAH Senior Analyst

**FUTURES**  
**HINDALCO (APR)**  
Sell Between: 84.50 - 85.50  
TARGET ₹79 | STOP LOSS ₹88  
The recent rally in the stock has been largely driven by short-covering along with marginal long additions that have begun to unwind in the past couple of sessions. Technically, the stock has formed a strong reversal pattern at the top of a rally and is poised to retrace the same.

**OPTIONS**  
**AXIS BANK (APR)**  
Long 430 CE | Last Price: 18.20  
TARGET ₹30 | STOP LOSS ₹12  
Axis Bank has re-tested an earlier triangle consolidation breakout and is trading above its short-term averages that will lend support to the recent correction. This provides good entry opportunity for Longs into forthcoming RBI policy meeting.

## Fx Technical SAJAL GUPTA Head - Currencies, Edelweiss Securities

**USD/INR STATUS:** Time to accumulate between 66.25 - 66.50  
CMP 66.55 | TARGET 67.10 | STOP LOSS 66.10  
**CALL FOR THE DAY:** Look to accumulate between 66.25 and 66.50

**USD/JPY STATUS:** Yen strengthening on the cards  
CMP 113.70 | TARGET 112.50 | STOP LOSS 114.20  
**CALL FOR THE DAY:** Short USDJPY pair at current levels

## Commodity Calls RENISHA CHAINANI Sr Analyst

COMMODITY	EXCHANGE	TRADE
Silver(May)	MCX	Sell below 36450 sl 36700 tgt 36050
Crude Oil(APR)	MCX	Sell below 2580 sl 2630 tgt 2500
Copper(APR)	MCX	Sell below 329 sl 331.5 tgt 325

## Market Intelligence

**ADVANCE & DECLINE**

BSE	(Number of traded scrips)	NSE	(Number of scrips)
Advances	124 394 418 936 571	52WK High	1 9 2 27 10
Declines	173 751 797 1721 893	52WK Low	6 39 13 137 30
Unchanged	2 32 131 165 60	All High	1 6 2 16 7
	299 1177 1346 2822 1524	All Low	1 10 4 32 12

**HIGHS & LOWS**

BSE	(Number of scrips)	NSE	(Number of scrips)
52WK High	1 9 2 27 10	52WK Low	6 39 13 137 30
All High	1 6 2 16 7	All Low	1 10 4 32 12

**TURNOVER** Turnover in ₹ Crore Shares & Traded in Lakhs

BSE	NSE
29/3 3596 3139 1352 18061 8772 68.62	28/3 2741 2560 1354 17410 8442 71.40
29/3 3106 3057 1453 15928 7916 70.46	18/3 7309 5421 1888 966 843 123
22/3 3118 3811 1405 17496 8663 73.81	Tot Mar 8725 6658 20667 18016 17183 833
21/3 2930 3585 1405 16247 7848 74.18	Tot 2016 23502 23384 1328 53343 5920 5947

**FI ACTIVITY (₹ Cr.)**

Company	Buy	Sell	Net
28/3 5514 3264 2249 433 745 -313	22/3 3973 2906 1066 731 172 559	22/3 4999 3868 1130 2195 1361 834	21/3 4830 3350 1480 1487 602 885
18/3 7309 5421 1888 966 843 123	Tot Mar 8725 6658 20667 18016 17183 833	Tot Mar 13377 19121 5984 175485 90663 84622	Tot 2016 62286 55747 6521 379343 258664 120679

**MF ACTIVITY (₹ Cr.)**

Company	Buy	Sell	Net
23/3 1073 1665 -592 15206 7222 7984	22/3 518 1048 -530 11765 8101 3664	21/3 815 1352 -537 15266 10369 4897	18/3 779 1114 -335 13003 6896 6108
17/3 1080 1113 -33 11453 4325 7128	Tot Mar 13377 19121 5984 175485 90663 84622	Tot Mar 13377 19121 5984 175485 90663 84622	Tot 2016 62286 55747 6521 379343 258664 120679

**Five Consecutive Days Up**

Company (BSE)	Days	Prev Close	5 Days Close	5 Days Avg	5 Days Retn (%)
SIF	1268.70	1267.09	1224.65	1236.0	3.80
Sundaram Fst	169.95	162.94	143.55	139.7	17.97
BASF	889.85	885.20	797.30	116.1	11.61
BSL	60.20	60.70	47.10	31.63	31.63
Honda SIELP	1281.00	1271.75	1250.25	2.46	2.46
MINDA CORP	36798.15	36124.19	34774.94	5.90	5.90
Sreyans Ind	28.45	28.00	26.70	6.55	6.55
Elantus Beck	1298.00	1297.75	1251.75	3.69	3.69
Jyoti	61.25	60.65	46.95	30.46	30.46
Inter Combus	270.60	263.50	242.70	11.50	11.50
Excel Inds	226.00	201.20	178.60	32.47	32.47
Pfizer	1782.95	1727.65	1655.90	70.23	70.23
Bosch	20584.00	20509.05	19301.55	6.64	6.64
Lloyds Metal	17.85	17.55	16.75	6.57	6.57
Auto Cor Goa	431.80	431.00	414.10	4.27	4.27
KSBSL	1.14	1.00	0.85	31.22	31.22
Inpac	28.95	28.55	25.10	13.34	13.34
Conart Enrg	25.70	25.05	22.80	12.72	12.72
Vishnu Chem	27.60	25.90	22.50	21.43	21.43
BDH Inds	82.00	81.25	72.34	13.35	13.35

**Turnover Cash Market**

Company (BSE)	Days	Prev Close	5 Days Close	5 Days Avg	5 Days Retn (%)
Rollatiner	26.70	26.90	31.15	14.29	14.29
Univer Cable	70.75	72.25	74.40	4.91	4.91
Bimetal Bear	302.70	303.39	312.00	2.98	2.98
Thirumalai	168.70	170.60	182.90	7.47	7.47
R Reddy's	294.15	303.55	318.20	7.47	7.47
CapriBansil	78.90	79.70	81.64	4.58	4.58
Supreme Inds	49.65	50.60	53.10	6.50	6.50
Mankani SSI	5.10	5.10	3.90	3.90	3.90
Swastika Vins	2.11	2.17	2.29	7.86	7.86
Morgan Cruci	370.00	374.20	400.00	7.50	7.50
AC Networks	67.05	67.40	68.09	1.53	1.53
Elo Equip	124.75	126.25	131.00	6.20	6.20
Gul Thems B	48.65	50.60	53.10	6.50	6.50
Pil Italia	9.76	5.01	5.39	11.69	11.69
Apollo Hosp	1336.30	1305.75	1400.60	4.59	4.59
Shiv Bimetal	20.00	20.70	22.00	9.09	9.09
GS Auto Int	11.99	12.11	13.12	8.61	8.61
Indium Home	316.80	322.00	328.30	3.50	3.50
PII Italia	4.76	5.01	5.39	11.69	11.69
Nitta Gelat	207.30	211.50	219.30	5.47	5.47
Guj Sidi Chem	23.80	24.95	26.20	9.16	9.16
GMM Pfafflaur	240.40	247.60	260.00	7.54	7.54

**Positive Breakouts**

Company (BSE)	Days	20 Days Close	20 Days Avg	%	50 Days Close	50 Days Avg
Webel Energy	51.45	36.39	41.38	36.29		
Excel Inds	226.00	167.83	34.66	177.02		
Thiru Sug	58.55	44.51	31.54	40.41		
BSL	62.00	47.35	30.94	58.89		
Kalaktaya Chem	179.90	140.00	28.50	131.94		
Finotex Cym	31.65	24.84	27.42	25.22		
Vishnu Chem	272.60	214.35	27.18	250.61		
Waterbase	98.65	77.72	26.93	75.83		
Balaji Amine	178.10	140.69	26.59	137.69		
Dharani Sug	24.26	19.30	26.70	18.38		
Upper Ganges	93.10	74.72	24.60	69.57		
Akar Tools	46.85	37.89	23.65	38.66		
Navin Fluori	1756.75	1427.99	23.02	1539.26		
Hind Org Chem	16.66	13.57	22.77	14.02		
Chandra Prab	16.30	13.28	22.74	14.28		

**Negative Breakouts**

Company (BSE)	Days	20 Days Close	20 Days Avg	%	50 Days Close	50 Days Avg
Rasi Electro	9.15	14.20	35.56	15.41		
Visagar Poly	17.30	25.07	30.99	44.14		
Manakia Ind	2.92	4.				