

# Stock Recommendations



OCTOBER 1, 2018

## Stock Recommendations

Name of the company	Latest Reco ^	Price as on 1-Oct (Rs)	Price as on latest Report (Rs)	Latest price target ^ (Rs)	Upside/ (Down-side) (%)	Latest Report Date	Mkt Cap (Rs mn)	EPS (Rs)		PE (x)		RoE (%)		EV/EBIDTA (x)	
								FY19E	FY20E	FY19E	FY20E	FY19E	FY20E	FY19E	FY20E
<b>Auto &amp; Auto Ancillary</b>															
Apollo Tyres	ACCUMULATE	213	286	301	41.2	03-Aug-18	121,893	17.6	25.1	12.1	8.5	9.9	12.8	7.6	6.1
Ashok Leyland	BUY	120	111	128	6.8	19-Jul-18	341,093	6.4	7.1	18.7	16.9	24.3	23.7	9.9	8.7
Bajaj Auto Ltd	REDUCE	2,730	2,684	2,808	2.9	24-Jul-18	790,091	147.3	165.2	18.5	16.5	21.1	21.2	13.2	11.8
Escorts Ltd	ACCUMULATE	623	908	958	53.8	31-Jul-18	76,635	52.3	53.2	11.9	11.7	19.1	16.4	10.4	9.8
FIEM Industries Ltd	BUY	582	720	1,030	77.0	11-Sep-18	7,682	43.2	54.2	13.5	10.7	12.1	13.7	5.9	4.8
Gabriel India Ltd	BUY	121	142	185	53.1	10-Aug-18	17,395	7.8	9.2	15.5	13.1	19.8	20.0	8.3	6.7
Hero MotoCorp Ltd	ACCUMULATE	2,973	3,251	3,473	16.8	06-Aug-18	594,600	183.4	204.3	16.2	14.6	29.4	29.4	10.5	9.4
Mahindra & Mahindra	ACCUMULATE	848	927	984	16.1	08-Aug-18	1,053,567	38.0	40.8	22.3	20.8	14.1	13.7	12.2	10.8
Maruti Suzuki India Ltd	ACCUMULATE	7,464	9,397	10,360	38.8	27-Jul-18	2,254,113	320.9	414.4	23.3	18.0	21.5	23.5	13.1	10.0
Sterling Tools Ltd	ACCUMULATE	331	385	418	26.4	13-Aug-18	11,905	16.1	19.0	20.5	17.4	21.3	20.9	11.4	9.8
Talbro Automotive Components Ltd	BUY	245	287	396	61.7	30-Aug-18	2,939	21.5	28.3	11.4	8.7	14.0	16.1	7.2	5.7
Tata Motors	REDUCE	229	264	277	20.8	01-Aug-18	778,873	14.0	20.8	16.4	11.0	4.9	6.8	4.0	3.3
<b>Building Material</b>															
Asian Granito India Ltd (AGL)	ACCUMULATE	177	230	255	44.1	16-Aug-18	5,328	12.5	15.9	14.2	11.1	8.4	9.9	7.2	6.1
Century Plyboards (India) Ltd	BUY	177	250	323	82.5	26-Jul-18	39,371	10.0	11.9	17.7	14.9	23.7	23.0	11.1	9.5
Greenply Industries Ltd	BUY	150	202	286	90.7	09-Aug-18	18,096	10.5	12.4	14.3	12.1	13.2	13.8	8.8	7.3
Kajaria Ceramics Ltd	BUY	383	433	551	44.0	25-Jul-18	60,803	16.6	19.7	23.1	19.4	18.2	18.6	12.4	10.7
Shankara Building Products Ltd	BUY	1,241	1,653	2,017	62.6	17-Aug-18	28,349	44.6	53.1	27.8	23.4	20.3	20.1	14.3	12.7
Supreme Industries Ltd	ACCUMULATE	970	1,204	1,324	36.5	01-Aug-18	123,190	35.9	45.6	27.0	21.3	22.4	24.4	13.7	10.9
<b>Capital Goods &amp; Engineering</b>															
AIA Engineering	SELL	1,720	1,705	1,700	(1.2)	14-Aug-18	162,196	53.3	68.1	32.3	25.3	15.6	17.2	21.3	16.6
Bharat Electronics	BUY	83	116	135	63.2	01-Aug-18	201,540	6.0	6.7	13.8	12.3	17.8	18.1	7.2	6.9
Cummins India	ACCUMULATE	669	740	785	17.3	03-Sep-18	185,461	27.8	32.8	24.1	20.4	19.1	21.6	19.6	16.5
Engineers India Ltd	BUY	119	126	187	56.6	13-Aug-18	80,476	7.2	8.4	16.6	14.2	20.5	22.0	9.7	7.7
Genus Power Infrastructures Ltd	BUY	29	44	58	98.0	02-Aug-18	7,539	2.6	3.2	11.3	9.2	8.6	10.0	5.6	4.5
Greaves Cotton	ACCUMULATE	128	152	165	29.2	14-Sep-18	31,190	9.3	10.1	13.7	12.6	22.3	22.6	8.7	7.8
Larsen & Toubro	BUY	1,248	1,352	1,520	21.8	24-Aug-18	1,749,836	61.0	69.9	20.5	17.9	14.6	15.1	16.3	14.3
Praj Industries Ltd	ACCUMULATE	89	83	89	0.5	09-Aug-18	15,709	3.4	4.5	26.0	19.7	8.6	11.2	15.3	11.8

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								FY19E	FY20E	FY19E	FY20E	FY19E	FY20E	FY19E	FY20E
Va Tech Wabag Ltd	BUY	282	372	476	68.7	13-Aug-18	14,951	31.1	36.6	9.1	7.7	14.0	14.6	4.0	3.4
Voltamp Ltd	BUY	832	952	1,320	58.6	20-Aug-18	8,406	93.5	101.4	8.9	8.2	14.3	13.9	5.7	3.4
<b>Cement</b>															
India Cements Ltd	REDUCE	100	108	112	11.7	14-Aug-18	30,897	4.6	7.1	21.8	14.1	2.7	4.0	6.9	5.7
Shree Cement	ACCUMULATE	16,750	17,175	18,487	10.4	31-Jul-18	583,570	369.9	433.4	45.3	38.6	13.6	14.1	18.7	17.0
UltraTech Cement	BUY	3,940	3,857	4,726	19.9	20-Jul-18	1,081,191	110.7	139.5	35.6	28.2	11.1	12.6	16.4	13.9
<b>Chemicals</b>															
Aksharchem India Ltd	REDUCE	469	525	533	13.6	14-Aug-18	3,428	41.9	44.4	11.2	10.6	12.8	12.2	5.7	5.3
Bodal Chemicals Ltd	REDUCE	103	124	130	25.8	17-Aug-18	12,603	10.9	13.0	9.5	7.9	16.3	16.9	5.9	5.1
GHCL Ltd	BUY	215	253	330	53.5	17-Sep-18	20,812	36.8	41.6	5.8	5.2	18.7	17.9	4.9	4.4
<b>Construction</b>															
Dilip Buildcon Ltd	BUY	637	852	1,276	100.3	17-Aug-18	87,162	60.1	67.1	10.6	9.5	28.7	24.7	6.2	4.9
IRB Infrastructure Developers	BUY	144	194	271	87.8	26-Jul-18	50,721	28.9	33.9	5.0	4.3	16.5	16.6	11.9	11.8
KNR Construction	BUY	189	229	283	49.6	14-Aug-18	26,576	10.1	15.6	18.7	12.1	11.6	15.7	7.8	5.1
Nagarjuna Construction	BUY	72	97	151	109.4	14-Aug-18	40,083	7.3	8.2	9.9	8.8	9.9	10.2	4.4	3.6
NBCC (India) Ltd	BUY	59	62	95	61.8	28-Sep-18	105,660	2.3	2.9	25.5	20.2	21.7	24.5	16.6	12.0
PNC Infratech Ltd	BUY	138	165	219	58.5	10-Aug-18	35,448	9.0	11.8	15.4	11.7	12.1	14.0	7.2	5.0
Simplex Infrastructures	BUY	264	413	600	127.1	21-Aug-18	14,983	26.3	39.9	10.0	6.6	7.8	9.9	5.7	5.3
Vascon Engineers Ltd	BUY	22	27	48	114.3	20-Aug-18	3,898	2.4	3.6	9.3	6.2	5.6	7.9	8.2	5.6
<b>Consumer Durables</b>															
Amber Enterprises Ltd	BUY	913	921	1,145	25.4	13-Aug-18	28,678	33.5	46.5	27.3	19.6	11.1	13.6	13.1	9.9
Bajaj Electricals Ltd	SELL	501	625	545	8.9	10-Aug-18	49,449	19.5	25.4	25.7	19.7	19.7	21.9	14.8	12.0
Blue Star Ltd	ACCUMULATE	553	703	743	34.4	10-Aug-18	52,701	17.8	24.2	31.1	22.9	16.5	20.3	16.8	13.6
Eveready Industries India Ltd	BUY	212	230	322	51.9	27-Jul-18	15,416	9.5	14.4	22.3	14.7	18.5	23.5	13.2	9.6
Havells India Ltd	SELL	595	560	500	(16.0)	23-Jul-18	371,435	14.1	16.6	42.2	35.9	21.1	22.3	25.4	21.1
MIRC Electronics Ltd	BUY	25	28	32	28.3	18-Sep-18	5,761	0.9	1.8	27.7	13.9	8.6	14.5	14.9	10.6
Voltas Ltd	ACCUMULATE	536	620	658	22.7	13-Aug-18	177,280	18.3	23.9	29.3	22.4	14.7	17.1	20.5	15.8

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								FY19E	FY20E	FY19E	FY20E	FY19E	FY20E	FY19E	FY20E
<b>FMCG</b>															
Hindustan Unilever	SELL	1,643	1,753	1,605	(2.3)	17-Jul-18	3,548,556	29.1	35.7	56.5	46.0	89.3	89.8	39.3	32.0
ITC Ltd	BUY	297	287	330	11.1	27-Jul-18	3,625,808	10.3	11.4	28.8	26.1	23.5	24.7	18.9	16.9
Marico Ltd	ACCUMULATE	333	352	375	12.5	06-Aug-18	429,893	7.2	8.9	46.3	37.4	34.4	37.6	31.9	25.6
<b>Information Technology</b>															
Cyient Ltd (Infotech)	BUY	761	717	810	6.5	30-Aug-18	85,942	42.9	52.3	17.7	14.5	18.9	19.5	11.5	9.5
KPIT Technologies	NOT RATED	222	287	NIL	#VALUE!	12-Jun-18	43,815	21.6	25.1	10.3	8.8	15.9	17.0	7.8	6.2
NIIT LTD	BUY	75	95	125	66.7	30-Jul-18	12,525	6.3	8.6	11.9	8.7	7.5	14.4	6.7	4.7
NIIT Technologies	ACCUMULATE	1,167	1,121	1,185	1.5	19-Jul-18	68,453	62.0	69.7	18.8	16.7	18.5	18.0	9.9	8.6
Persistent Systems	BUY	757	827	1,025	35.4	31-Jul-18	60,580	52.2	65.1	14.5	11.6	18.4	20.0	7.7	5.9
Qess Corp Ltd	BUY	886	1,128	1,302	47.0	27-Jul-18	128,456	28.7	32.6	30.9	27.2	15.6	15.2	25.5	21.4
Zensar Technologies	ACCUMULATE	321	250	275	(14.4)	14-Aug-18	72,180	14.5	17.7	22.1	18.1	25.8	26.8	13.4	10.7
<b>Metals &amp; Mining</b>															
Hindustan Zinc	ACCUMULATE	289	284	300	3.8	23-Aug-18	1,221,117	23.1	24.4	12.5	11.8	24.5	22.8	6.6	6.0
Jindal Stainless (Hisar) Ltd	BUY	112	127	227	102.5	01-Aug-18	26,456	19.1	24.5	5.9	4.6	23.4	23.1	3.1	2.2
JSW Steel	ACCUMULATE	381	317	340	(10.7)	26-Jul-18	920,514	28.5	29.6	13.4	12.9	20.6	17.3	7.7	7.4
MOIL Ltd	BUY	157	174	260	65.6	13-Aug-18	41,825	17.2	19.4	9.1	8.1	14.4	14.7	3.5	2.6
National Aluminium Co	BUY	62	72	100	61.0	10-Aug-18	120,039	9.6	7.8	6.5	8.0	17.0	13.1	2.9	3.5
NMDC Ltd	BUY	111	108	125	12.5	29-Aug-18	351,756	12.2	11.3	9.1	9.8	14.3	12.2	5.4	5.7
Tata Sponge Iron Ltd	REDUCE	809	955	1,055	30.5	19-Jul-18	12,453	98.5	98.7	8.2	8.2	13.8	12.5	2.5	1.9
<b>Oil &amp; Gas</b>															
Castrol India Ltd **	BUY	145	167	195	34.2	02-Aug-18	143,719	7.3	7.8	19.9	18.6	52.1	51.6	12.3	11.3
Chennai Petroleum Corporation	BUY	282	317	373	32.4	31-Jul-18	41,966	64.2	67.7	4.4	4.2	22.2	20.4	3.3	3.1
Gujarat State Petronet Ltd (GSPL)	SELL	182	198	182	0.1	01-Aug-18	102,507	11.2	11.0	16.2	16.5	11.7	10.5	6.2	6.3
Indraprastha Gas (IGL)	SELL	248	276	257	3.8	07-Sep-18	173,320	12.1	14.1	20.5	17.6	20.8	20.6	11.5	9.4
Mahanagar Gas Ltd	ACCUMULATE	810	948	1,030	27.1	02-Aug-18	80,058	56.7	59.9	14.3	13.5	24.9	23.1	7.7	7.1
MRPL	BUY	70	83	106	52.5	13-Aug-18	121,764	11.3	12.3	6.2	5.7	17.8	16.9	4.6	4.1
Oil India Ltd	BUY	221	207	245	10.8	16-Aug-18	250,926	27.1	28.0	8.2	7.9	9.7	9.7	6.3	6.4
Petronet LNG	BUY	222	231	267	20.2	30-Jul-18	333,225	16.1	18.6	13.8	11.9	22.0	22.0	7.2	6.2

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								FY19E	FY20E	FY19E	FY20E	FY19E	FY20E	FY19E	FY20E
<b>Paints</b>															
Akzo Nobel India Ltd	BUY	1,615	1,720	2,200	36.2	03-Aug-18	75,413	55.8	64.7	28.9	25.0	20.9	21.3	17.7	14.9
Asian Paints Ltd	SELL	1,280	1,467	1,420	11.0	25-Jul-18	1,227,328	26.6	30.2	48.1	42.4	24.7	24.0	32.1	28.0
Berger Paints	SELL	285	338	305	6.9	31-Aug-18	276,895	5.9	6.8	48.4	42.0	24.2	23.3	29.7	25.9
Kansai Nerolac Paints Ltd	BUY	453	477	600	32.3	23-Jul-18	244,356	11.9	13.5	38.1	33.6	20.3	19.6	24.9	21.8
<b>Real Estate</b>															
The Phoenix Mills Ltd	BUY	525	597	707	34.7	28-Aug-18	80,378	17.9	20.6	29.3	25.5	9.3	9.8	13.0	12.2
<b>Shipping</b>															
GE Shipping Company	SELL	281	352	350	24.6	08-May-18	42,712	22.0	24.1	12.8	11.7	4.1	4.3	3.8	3.0
Shipping Corporation of India	BUY	42	85	110	160.4	16-Feb-18	17,893	4.7	6.2	9.0	6.8	3.0	3.8	2.2	2.1
<b>Transportation</b>															
Adani Port & Special Eco Zone	BUY	330	378	485	46.8	10-Sep-18	679,530	22.9	26.2	14.4	12.6	21.1	20.3	10.1	8.7
Allcargo Global Logistics	BUY	99	121	145	46.5	27-Aug-18	24,354	9.1	9.7	10.9	10.2	8.9	8.9	5.5	4.9
Blue Dart Express	SELL	2,929	3,690	3,215	9.8	01-Aug-18	69,410	73.7	84.6	39.7	34.6	23.9	22.5	23.1	20.7
Cochin Shipyard Ltd	BUY	388	440	610	57.3	16-Aug-18	52,727	30.5	33.9	12.7	11.4	12.0	12.3	4.6	4.2
Container Corporation of India	BUY	652	652	775	18.8	30-Jul-18	317,972	24.1	27.7	27.1	23.5	13.5	13.9	19.1	16.3
VRL Logistics Ltd	BUY	282	320	395	40.1	13-Aug-18	25,718	13.5	16.5	20.9	17.1	17.8	19.7	9.2	7.6
<b>Others</b>															
Arvind Ltd	BUY	325	420	500	53.8	07-Aug-18	84,227	16.3	25.2	20.0	12.9	9.9	13.8	10.0	7.7
Carborundum Universal Ltd	BUY	390	362	420	7.8	07-Aug-18	73,020	14.6	19.2	26.7	20.3	15.9	18.3	14.6	11.5
Central Depository Services (I) Ltd	BUY	220	268	320	45.6	06-Aug-18	23,084	10.6	12.0	20.7	18.3	16.6	16.9	13.9	11.8
Dollar Industries Ltd	BUY	269	313	427	59.0	14-Aug-18	15,305	13.0	15.6	20.7	17.2	19.1	19.5	12.1	10.3
Essel Propacl Ltd	BUY	103	105	140	36.2	07-Aug-18	32,279	6.7	8.2	15.3	12.5	14.9	15.8	7.5	6.5
Finolex Industries	ACCUMULATE	526	630	671	27.7	04-Sep-18	65,162	28.6	33.6	18.4	15.6	12.4	13.4	8.7	7.2
Indo Count Industries Ltd	BUY	61	83	103	70.1	07-Aug-18	11,953	7.3	9.4	8.3	6.4	14.2	16.0	6.3	5.1
Insecticides (India) Ltd	BUY	494	724	892	80.5	10-Aug-18	10,210	49.1	55.7	10.1	8.9	17.1	16.6	6.4	5.6
Maharashtra Seamless Ltd	BUY	432	472	805	86.6	24-Sep-18	28,911	61.7	72.1	7.0	6.0	13.2	13.6	5.1	4.1
Mahindra Holidays & Resorts India Ltd	BUY	214	279	390	82.0	13-Aug-18	28,502	12.8	14.7	16.7	14.6	20.8	21.0	9.6	8.1
Mirza International Ltd	BUY	80	100	120	49.3	10-Aug-18	9,642	6.3	8.0	12.8	10.0	12.6	14.2	7.0	5.9

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Mold-Tek Packaging Ltd	BUY	295	305	351	19.0	06-Aug-18	8,172	14.6	16.7	20.2	17.7	20.5	20.4	12.0	10.5
Radico Khaitan Ltd	ACCUMULATE	339	403	449	32.3	27-Jul-18	45,134	13.5	16.6	25.1	20.4	14.7	15.8	14.0	11.9
Time Technoplast Ltd	BUY	129	140	195	51.2	06-Aug-18	29,167	10.3	13.0	12.5	9.9	14.7	16.1	6.6	5.4
VIP Industries Ltd	ACCUMULATE	400	529	570	42.3	06-Aug-18	56,864	12.3	14.2	32.6	28.2	29.3	27.7	21.7	18.4
Wonderla Holidays Ltd	BUY	277	335	406	46.8	09-Aug-18	15,656	9.3	12.0	29.7	23.1	6.6	8.3	13.4	10.8

Source: Kotak Securities - Private Client Research

^ All recommendations are with a 9-12 month perspective from the date of the report/update. Investors are requested to use their discretion while deciding the timing, quantity of investment as well as the exit.

\* Figures for CY18 & CY19

\*\* Figures for CY19 & CY20

# Figures for CY18 & FY20 (15 month period)

## Figures for CY19 & CY20 - September year ending

**NR Not Rated.** The investment rating and target price, if any, have been suspended temporarily. Such suspension is in compliance with applicable regulation(s) and/or Kotak Securities policies in circumstances when Kotak Securities Or its affiliates is acting in an advisory capacity in a merger or strategic transaction involving this company and in certain other circumstances.

**NM Not meaningful**

## RATING SCALE

### Definitions of ratings

- BUY** – We expect the stock to deliver more than 12% returns over the next 12 months
- ACCUMULATE** – We expect the stock to deliver 5% - 12% returns over the next 12 months
- REDUCE** – We expect the stock to deliver 0% - 5% returns over the next 12 months
- SELL** – We expect the stock to deliver negative returns over the next 12 months
- NR** – **Not Rated.** Kotak Securities is not assigning any rating or price target to the stock. The report has been prepared for information purposes only.
- RS** – **Rating Suspended.** Kotak Securities has suspended the investment rating and price target for this stock, either because there is not a Sufficient fundamental basis for determining, or there are legal, regulatory or policy constraints around publishing, an investment rating or target. The previous investment rating and price target, if any, are no longer in effect for this stock and should not be relied upon.
- NA** – **Not Available or Not Applicable.** The information is not available for display or is not applicable
- NM** – **Not Meaningful.** The information is not meaningful and is therefore excluded.
- NOTE** – Our target prices are with a 12-month perspective. Returns stated in the rating scale are our internal benchmark.

## FUNDAMENTAL RESEARCH TEAM

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