

# Stock Recommendations



OCTOBER 4, 2018

## Stock Recommendations

Name of the company	Latest Reco ^	Price as on 4-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	203	286	301	48.1	03-Aug-18	116,288	17.6	25.1	11.6	8.1	9.9	12.8	7.4	6.0
Ashok Leyland	BUY	118	111	128	8.3	19-Jul-18	336,397	6.4	7.1	18.5	16.6	24.3	23.7	9.8	8.5
Bajaj Auto Ltd	REDUCE	2,657	2,684	2,808	5.7	24-Jul-18	768,936	147.3	165.2	18.0	16.1	21.1	21.2	12.8	11.5
Escorts Ltd	ACCUMULATE	618	908	958	55.0	31-Jul-18	76,002	52.3	53.2	11.8	11.6	19.1	16.4	10.3	9.7
FIEM Industries Ltd	BUY	558	720	1,030	84.6	11-Sep-18	7,366	43.2	54.2	12.9	10.3	12.1	13.7	5.7	4.6
Gabriel India Ltd	BUY	119	142	185	55.3	10-Aug-18	17,150	7.8	9.2	15.3	12.9	19.8	20.0	8.2	6.6
Hero MotoCorp Ltd	ACCUMULATE	2,764	3,251	3,473	25.7	06-Aug-18	552,700	183.4	204.3	15.1	13.5	29.4	29.4	9.8	8.7
Mahindra & Mahindra	ACCUMULATE	795	927	984	23.8	08-Aug-18	987,812	38.0	40.8	20.9	19.5	14.1	13.7	11.3	9.9
Maruti Suzuki India Ltd	ACCUMULATE	7,199	9,397	10,360	43.9	27-Jul-18	2,174,023	320.9	414.4	22.4	17.4	21.5	23.5	12.5	9.5
Sterling Tools Ltd	ACCUMULATE	325	385	418	28.6	13-Aug-18	11,700	16.1	19.0	20.2	17.1	21.3	20.9	11.2	9.6
Talbro Automotive Components Ltd	BUY	236	287	396	67.5	30-Aug-18	2,837	21.5	28.3	11.0	8.4	14.0	16.1	7.0	5.5
Tata Motors	REDUCE	223	264	277	24.1	01-Aug-18	758,157	14.0	20.8	15.9	10.7	4.9	6.8	3.9	3.3
<b>Building Material</b>															
Asian Granito India Ltd (AGL)	ACCUMULATE	174	230	255	46.6	16-Aug-18	5,236	12.5	15.9	13.9	10.9	8.4	9.9	7.1	6.1
Century Plyboards (India) Ltd	BUY	173	250	323	87.0	26-Jul-18	38,437	10.0	11.9	17.3	14.5	23.7	23.0	10.9	9.3
Greenply Industries Ltd	BUY	147	202	286	94.9	09-Aug-18	17,710	10.5	12.4	14.0	11.8	13.2	13.8	8.6	7.2
Kajaria Ceramics Ltd	BUY	352	433	551	56.3	25-Jul-18	56,004	16.6	19.7	21.2	17.9	18.2	18.6	11.5	9.8
Shankara Building Products Ltd	BUY	1,159	1,653	2,017	74.1	17-Aug-18	26,473	44.6	53.1	26.0	21.8	20.3	20.1	13.4	11.9
Supreme Industries Ltd	ACCUMULATE	980	1,204	1,324	35.1	01-Aug-18	124,460	35.9	45.6	27.3	21.5	22.4	24.4	13.8	11.0
<b>Capital Goods &amp; Engineering</b>															
AIA Engineering	SELL	1,703	1,705	1,700	(0.2)	14-Aug-18	160,593	53.3	68.1	32.0	25.0	15.6	17.2	21.1	16.4
Bharat Electronics	BUY	82	116	135	64.0	01-Aug-18	200,565	6.0	6.7	13.7	12.3	17.8	18.1	7.1	6.9
Cummins India	ACCUMULATE	676	740	785	16.2	03-Sep-18	187,262	27.8	32.8	24.3	20.6	19.1	21.6	19.8	16.6
Engineers India Ltd	BUY	113	126	187	65.9	13-Aug-18	75,994	7.2	8.4	15.7	13.4	20.5	22.0	8.9	7.0
Genus Power Infrastructures Ltd	BUY	30	44	58	93.3	02-Aug-18	7,719	2.6	3.2	11.5	9.4	8.6	10.0	5.7	4.6
Greaves Cotton	ACCUMULATE	127	152	165	30.0	14-Sep-18	30,995	9.3	10.1	13.7	12.6	22.3	22.6	8.7	7.7
Larsen & Toubro	BUY	1,259	1,352	1,520	20.7	24-Aug-18	1,765,328	61.0	69.9	20.6	18.0	14.6	15.1	16.4	14.4
Praj Industries Ltd	ACCUMULATE	94	83	89	(5.0)	09-Aug-18	16,622	3.4	4.5	27.6	20.8	8.6	11.2	16.4	12.6

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								FY19E	FY20E	FY19E	FY20E	FY19E	FY20E	FY19E	FY20E
Va Tech Wabag Ltd	BUY	272	372	476	75.3	13-Aug-18	14,390	31.1	36.6	8.7	7.4	14.0	14.6	3.8	3.3
Voltamp Ltd	BUY	828	952	1,320	59.4	20-Aug-18	8,363	93.5	101.4	8.9	8.2	14.3	13.9	5.6	3.3
<b>Cement</b>															
India Cements Ltd	REDUCE	100	108	112	12.5	14-Aug-18	30,681	4.6	7.1	21.6	14.0	2.7	4.0	6.9	5.7
Shree Cement	ACCUMULATE	16,384	17,175	18,487	12.8	31-Jul-18	570,824	369.9	433.4	44.3	37.8	13.6	14.1	18.3	16.6
UltraTech Cement	BUY	3,944	3,857	4,726	19.8	20-Jul-18	1,082,138	110.7	139.5	35.6	28.3	11.1	12.6	16.4	14.0
<b>Chemicals</b>															
Aksharchem India Ltd	REDUCE	477	525	533	11.7	14-Aug-18	3,487	41.9	44.4	11.4	10.7	12.8	12.2	5.8	5.4
Bodal Chemicals Ltd	REDUCE	129	124	130	1.0	17-Aug-18	15,695	10.9	13.0	11.8	9.9	16.3	16.9	7.3	6.3
GHCL Ltd	BUY	212	253	330	55.6	17-Sep-18	20,536	36.8	41.6	5.8	5.1	18.7	17.9	4.9	4.4
<b>Construction</b>															
Dilip Buildcon Ltd	BUY	628	852	1,276	103.1	17-Aug-18	85,938	60.1	67.1	10.5	9.4	28.7	24.7	6.2	4.8
IRB Infrastructure Developers	BUY	132	194	271	104.8	26-Jul-18	46,503	28.9	33.9	4.6	3.9	16.5	16.6	11.7	11.7
KNR Construction	BUY	187	229	283	51.5	14-Aug-18	26,238	10.1	15.6	18.5	12.0	11.6	15.7	7.7	5.0
Nagarjuna Construction	BUY	75	97	151	101.2	14-Aug-18	41,723	7.3	8.2	10.3	9.2	9.9	10.2	4.5	3.7
NBCC (India) Ltd	BUY	57	62	95	67.4	28-Sep-18	102,150	2.3	2.9	24.7	19.6	21.7	24.5	16.0	11.4
PNC Infratech Ltd	BUY	132	165	219	65.6	10-Aug-18	33,922	9.0	11.8	14.7	11.2	12.1	14.0	6.9	4.8
Simplex Infrastructures	BUY	245	413	600	144.9	21-Aug-18	13,892	26.3	39.9	9.3	6.1	7.8	9.9	5.6	5.2
Vascon Engineers Ltd	BUY	23	27	48	110.1	20-Aug-18	3,976	2.4	3.6	9.5	6.3	5.6	7.9	8.3	5.7
<b>Consumer Durables</b>															
Amber Enterprises Ltd	BUY	920	921	1,145	24.5	13-Aug-18	28,886	33.5	46.5	27.5	19.8	11.1	13.6	13.2	10.0
Bajaj Electricals Ltd	ACCUMULATE	496	508	545	10.0	03-Oct-18	48,960	19.5	25.4	25.4	19.5	19.7	21.9	14.7	11.9
Blue Star Ltd	ACCUMULATE	565	703	743	31.6	10-Aug-18	53,802	17.8	24.2	31.7	23.3	16.5	20.3	17.1	13.9
Eveready Industries India Ltd	BUY	204	230	322	57.9	27-Jul-18	14,827	9.5	14.4	21.5	14.2	18.5	23.5	12.8	9.3
Havells India Ltd	SELL	606	560	500	(17.5)	23-Jul-18	378,020	14.1	16.6	43.0	36.5	21.1	22.3	25.9	21.6
MIRC Electronics Ltd	BUY	26	28	32	23.6	18-Sep-18	5,980	0.9	1.8	28.8	14.4	8.6	14.5	15.4	11.0
Voltas Ltd	ACCUMULATE	516	620	658	27.6	13-Aug-18	170,373	18.3	23.9	28.2	21.6	14.7	17.1	19.5	15.0

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								FY19E	FY20E	FY19E	FY20E	FY19E	FY20E	FY19E	FY20E
<b>FMCG</b>															
Hindustan Unilever	SELL	1,574	1,753	1,605	2.0	17-Jul-18	3,399,732	29.1	35.7	54.1	44.1	89.3	89.8	37.6	30.6
ITC Ltd	BUY	287	287	330	14.9	27-Jul-18	3,503,768	10.3	11.4	27.9	25.2	23.5	24.7	18.2	16.3
Marico Ltd	ACCUMULATE	314	352	375	19.4	06-Aug-18	405,125	7.2	8.9	43.6	35.3	34.4	37.6	30.0	24.1
<b>Information Technology</b>															
Cyient Ltd (Infotech)	BUY	759	717	810	6.8	30-Aug-18	85,733	42.9	52.3	17.7	14.5	18.9	19.5	11.5	9.4
KPIT Technologies	NOT RATED	206	287	NIL	NIL	12-Jun-18	40,715	21.6	25.1	9.5	8.2	15.9	17.0	7.1	5.7
NIIT LTD	BUY	69	95	125	80.6	30-Jul-18	11,556	6.3	8.6	11.0	8.0	7.5	14.4	5.7	3.8
NIIT Technologies	ACCUMULATE	1,196	1,121	1,185	(0.9)	19-Jul-18	70,128	62.0	69.7	19.3	17.2	18.5	18.0	10.1	8.8
Persistent Systems	BUY	716	827	1,025	43.1	31-Jul-18	57,284	52.2	65.1	13.7	11.0	18.4	20.0	7.2	5.4
Qess Corp Ltd	BUY	817	1,128	1,302	59.3	27-Jul-18	118,501	28.7	32.6	28.5	25.1	15.6	15.2	23.3	19.6
Zensar Technologies	ACCUMULATE	296	250	275	(7.3)	14-Aug-18	66,656	14.5	17.7	20.4	16.7	25.8	26.8	12.3	9.8
<b>Metals &amp; Mining</b>															
Hindustan Zinc	ACCUMULATE	289	284	300	3.8	23-Aug-18	1,220,695	23.1	24.4	12.5	11.8	24.5	22.8	6.6	6.0
Jindal Stainless (Hisar) Ltd	BUY	107	127	227	111.9	01-Aug-18	25,287	19.1	24.5	5.6	4.4	23.4	23.1	3.0	2.1
JSW Steel	ACCUMULATE	378	317	340	(10.0)	26-Jul-18	912,659	28.5	29.6	13.2	12.8	20.6	17.3	7.7	7.4
MOIL Ltd	BUY	163	174	260	59.7	13-Aug-18	43,383	17.2	19.4	9.5	8.4	14.4	14.7	3.8	2.9
National Aluminium Co	BUY	69	72	100	44.7	10-Aug-18	133,570	9.6	7.8	7.2	8.9	17.0	13.1	3.4	4.0
NMDC Ltd	BUY	115	108	125	8.6	29-Aug-18	364,257	12.2	11.3	9.4	10.2	14.3	12.2	5.6	5.9
Tata Sponge Iron Ltd	REDUCE	831	955	1,055	27.0	19-Jul-18	12,794	98.5	98.7	8.4	8.4	13.8	12.5	2.7	2.1
<b>Oil &amp; Gas</b>															
Castrol India Ltd **	BUY	142	167	195	37.8	02-Aug-18	140,010	7.3	7.8	19.4	18.1	52.1	51.6	12.0	11.0
Chennai Petroleum Corporation	BUY	279	317	373	33.8	31-Jul-18	41,541	64.2	67.7	4.3	4.1	22.2	20.4	3.3	3.1
Gujarat State Petronet Ltd (GSPL)	SELL	181	198	182	0.4	01-Aug-18	102,253	11.2	11.0	16.2	16.5	11.7	10.5	6.2	6.2
Indraprastha Gas (IGL)	SELL	235	276	257	9.2	07-Sep-18	164,745	12.1	14.1	19.5	16.7	20.8	20.6	10.8	8.8
Mahanagar Gas Ltd	ACCUMULATE	794	948	1,030	29.7	02-Aug-18	78,432	56.7	59.9	14.0	13.3	24.9	23.1	7.5	7.0
MRPL	BUY	71	83	106	50.4	13-Aug-18	123,516	11.3	12.3	6.2	5.7	17.8	16.9	4.6	4.2
Oil India Ltd	BUY	209	207	245	17.2	16-Aug-18	237,251	27.1	28.0	7.7	7.5	9.7	9.7	6.1	6.1
Petronet LNG	BUY	214	231	267	24.6	30-Jul-18	321,300	16.1	18.6	13.3	11.5	22.0	22.0	6.9	5.9

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								FY19E	FY20E	FY19E	FY20E	FY19E	FY20E	FY19E	FY20E
<b>Paints</b>															
Akzo Nobel India Ltd	BUY	1,599	1,720	2,200	37.5	03-Aug-18	74,694	55.8	64.7	28.7	24.7	20.9	21.3	17.6	14.8
Asian Paints Ltd	SELL	1,228	1,467	1,420	15.6	25-Jul-18	1,177,556	26.6	30.2	46.2	40.7	24.7	24.0	30.7	26.9
Berger Paints	SELL	273	338	305	11.6	31-Aug-18	265,107	5.9	6.8	46.3	40.2	24.2	23.3	28.4	24.8
Kansai Nerolac Paints Ltd	BUY	435	477	600	37.9	23-Jul-18	234,519	11.9	13.5	36.6	32.2	20.3	19.6	23.9	20.9
<b>Real Estate</b>															
The Phoenix Mills Ltd	BUY	543	597	707	30.1	28-Aug-18	83,179	17.9	20.6	30.4	26.4	9.3	9.8	13.4	12.5
<b>Shipping</b>															
GE Shipping Company	SELL	282	352	350	24.0	08-May-18	42,902	22.0	24.1	12.8	11.7	4.1	4.3	3.8	3.0
Shipping Corporation of India	BUY	43	85	110	153.7	16-Feb-18	18,359	4.7	6.2	9.2	7.0	3.0	3.8	2.3	2.1
<b>Transportation</b>															
Adani Port & Special Eco Zone	BUY	317	378	485	53.0	10-Sep-18	652,172	22.9	26.2	13.8	12.1	21.1	20.3	9.7	8.4
Allcargo Global Logistics	BUY	99	121	145	46.5	27-Aug-18	24,342	9.1	9.7	10.9	10.2	8.9	8.9	5.5	4.9
Blue Dart Express	SELL	2,962	3,690	3,215	8.6	01-Aug-18	70,188	73.7	84.6	40.2	35.0	23.9	22.5	23.3	20.9
Cochin Shipyard Ltd	BUY	386	440	610	58.0	16-Aug-18	52,516	30.5	33.9	12.7	11.4	12.0	12.3	4.6	4.2
Container Corporation of India	BUY	609	652	775	27.2	30-Jul-18	296,936	24.1	27.7	25.3	22.0	13.5	13.9	17.6	14.9
VRL Logistics Ltd	BUY	269	320	395	46.9	13-Aug-18	24,524	13.5	16.5	19.9	16.3	17.8	19.7	8.8	7.3
<b>Others</b>															
Arvind Ltd	BUY	316	420	500	58.0	07-Aug-18	81,961	16.3	25.2	19.4	12.6	9.9	13.8	9.8	7.6
Carborundum Universal Ltd	BUY	352	362	420	19.3	07-Aug-18	65,955	14.6	19.2	24.1	18.3	15.9	18.3	13.1	10.3
Central Depository Services (I) Ltd	BUY	234	268	320	36.7	06-Aug-18	24,581	10.6	12.0	22.1	19.5	16.6	16.9	15.1	12.9
Dollar Industries Ltd	BUY	283	313	427	50.9	14-Aug-18	16,131	13.0	15.6	21.8	18.1	19.1	19.5	12.7	10.8
Essel Propacl Ltd	BUY	102	105	140	37.9	07-Aug-18	31,887	6.7	8.2	15.2	12.4	14.9	15.8	7.4	6.4
Finolex Industries	ACCUMULATE	515	630	671	30.2	04-Sep-18	63,891	28.6	33.6	18.0	15.3	12.4	13.4	8.5	7.0
Indo Count Industries Ltd	BUY	60	83	103	70.8	07-Aug-18	11,903	7.3	9.4	8.3	6.4	14.2	16.0	6.2	5.0
Insecticides (India) Ltd	BUY	469	724	892	90.3	10-Aug-18	9,682	49.1	55.7	9.5	8.4	17.1	16.6	6.1	5.3
Maharashtra Seamless Ltd	BUY	425	472	805	89.4	24-Sep-18	28,482	61.7	72.1	6.9	5.9	13.2	13.6	5.0	4.1
Mahindra Holidays & Resorts India Ltd	BUY	217	279	390	79.4	13-Aug-18	28,921	12.8	14.7	17.0	14.8	20.8	21.0	9.8	8.2
Mirza International Ltd	BUY	78	100	120	53.8	10-Aug-18	9,360	6.3	8.0	12.4	9.8	12.6	14.2	6.9	5.7

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								FY19E	FY20E	FY19E	FY20E	FY19E	FY20E	FY19E	FY20E
Mold-Tek Packaging Ltd	BUY	270	305	351	30.1	06-Aug-18	7,473	14.6	16.7	18.5	16.2	20.5	20.4	11.1	9.7
Radico Khaitan Ltd	ACCUMULATE	340	403	449	31.9	27-Jul-18	45,280	13.5	16.6	25.2	20.5	14.7	15.8	14.1	11.9
Time Technoplast Ltd	BUY	129	140	195	51.5	06-Aug-18	29,099	10.3	13.0	12.5	9.9	14.7	16.1	6.6	5.4
VIP Industries Ltd	BUY	409	414	515	26.1	04-Oct-18	58,007	11.8	13.2	34.6	30.9	28.4	26.4	23.1	20.3
Wonderla Holidays Ltd	BUY	279	335	406	45.4	09-Aug-18	15,806	9.3	12.0	30.0	23.3	6.6	8.3	13.5	10.9

Source: Kotak Securities - Private Client Research

<sup>^</sup> 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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