

Stock Recommendations



OCTOBER 5, 2018

Stock Recommendations

Name of the company	Latest Reco ^	Price as on 5-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
Auto & Auto Ancillary															
Apollo Tyres	ACCUMULATE	198	286	301	52.0	03-Aug-18	113,256	17.6	25.1	11.3	7.9	9.9	12.8	7.3	5.8
Ashok Leyland	BUY	108	111	128	18.8	19-Jul-18	306,657	6.4	7.1	16.8	15.2	24.3	23.7	8.8	7.6
Bajaj Auto Ltd	REDUCE	2,545	2,684	2,808	10.3	24-Jul-18	736,451	147.3	165.2	17.3	15.4	21.1	21.2	12.2	10.9
Escorts Ltd	ACCUMULATE	585	908	958	63.9	31-Jul-18	71,900	52.3	53.2	11.2	11.0	19.1	16.4	9.7	9.1
FIEM Industries Ltd	BUY	550	720	1,030	87.3	11-Sep-18	7,259	43.2	54.2	12.7	10.1	12.1	13.7	5.7	4.6
Gabriel India Ltd	BUY	118	119	157	33.0	05-Oct-18	16,999	7.4	8.7	16.0	13.6	18.9	19.1	8.4	6.8
Hero MotoCorp Ltd	ACCUMULATE	2,741	3,251	3,473	26.7	06-Aug-18	548,170	183.4	204.3	14.9	13.4	29.4	29.4	9.7	8.6
Mahindra & Mahindra	ACCUMULATE	770	927	984	27.9	08-Aug-18	956,551	38.0	40.8	20.3	18.9	14.1	13.7	10.9	9.5
Maruti Suzuki India Ltd	ACCUMULATE	6,904	9,397	10,360	50.1	27-Jul-18	2,085,114	320.9	414.4	21.5	16.7	21.5	23.5	11.9	9.0
Sterling Tools Ltd	ACCUMULATE	328	385	418	27.6	13-Aug-18	11,790	16.1	19.0	20.3	17.2	21.3	20.9	11.2	9.7
Talbro Automotive Components Ltd	BUY	224	287	396	76.8	30-Aug-18	2,687	21.5	28.3	10.4	7.9	14.0	16.1	6.7	5.2
Tata Motors	REDUCE	216	264	277	28.1	01-Aug-18	734,385	14.0	20.8	15.4	10.4	4.9	6.8	3.9	3.2
Building Material															
Asian Granito India Ltd (AGL)	ACCUMULATE	172	230	255	48.0	16-Aug-18	5,185	12.5	15.9	13.8	10.8	8.4	9.9	7.0	6.0
Century Plyboards (India) Ltd	BUY	162	250	323	99.8	26-Jul-18	35,978	10.0	11.9	16.2	13.6	23.7	23.0	10.3	8.7
Greenply Industries Ltd	BUY	142	202	286	101.0	09-Aug-18	17,173	10.5	12.4	13.6	11.5	13.2	13.8	8.4	7.0
Kajaria Ceramics Ltd	BUY	343	433	551	60.4	25-Jul-18	54,574	16.6	19.7	20.7	17.4	18.2	18.6	11.2	9.6
Shankara Building Products Ltd	BUY	1,043	1,653	2,017	93.4	17-Aug-18	23,824	44.6	53.1	23.4	19.6	20.3	20.1	12.1	10.8
Supreme Industries Ltd	ACCUMULATE	983	1,204	1,324	34.7	01-Aug-18	124,835	35.9	45.6	27.4	21.6	22.4	24.4	13.8	11.1
Capital Goods & Engineering															
AIA Engineering	SELL	1,698	1,705	1,700	0.1	14-Aug-18	160,117	53.3	68.1	31.9	24.9	15.6	17.2	21.0	16.3
Bharat Electronics	BUY	81	116	135	67.7	01-Aug-18	196,179	6.0	6.7	13.4	12.0	17.8	18.1	6.9	6.7
Cummins India	ACCUMULATE	658	740	785	19.3	03-Sep-18	182,467	27.8	32.8	23.7	20.1	19.1	21.6	19.2	16.2
Engineers India Ltd	BUY	103	126	187	81.6	13-Aug-18	69,422	7.2	8.4	14.3	12.3	20.5	22.0	7.7	6.0
Genus Power Infrastructures Ltd	BUY	29	44	58	103.5	02-Aug-18	7,333	2.6	3.2	11.0	8.9	8.6	10.0	5.4	4.3
Greaves Cotton	ACCUMULATE	127	152	165	29.9	14-Sep-18	31,019	9.3	10.1	13.7	12.6	22.3	22.6	8.7	7.7
Larsen & Toubro	BUY	1,227	1,352	1,520	23.8	24-Aug-18	1,720,815	61.0	69.9	20.1	17.6	14.6	15.1	16.2	14.1
Praj Industries Ltd	ACCUMULATE	98	83	89	(9.2)	09-Aug-18	17,385	3.4	4.5	28.8	21.8	8.6	11.2	17.3	13.3

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								FY19E	FY20E	FY19E	FY20E	FY19E	FY20E	FY19E	FY20E
Va Tech Wabag Ltd	BUY	265	372	476	79.7	13-Aug-18	14,040	31.1	36.6	8.5	7.2	14.0	14.6	3.7	3.2
Voltamp Ltd	BUY	810	952	1,320	63.0	20-Aug-18	8,181	93.5	101.4	8.7	8.0	14.3	13.9	5.4	3.1
Cement															
India Cements Ltd	REDUCE	96	108	112	17.2	14-Aug-18	29,449	4.6	7.1	20.8	13.5	2.7	4.0	6.7	5.6
Shree Cement	ACCUMULATE	15,809	17,175	18,487	16.9	31-Jul-18	550,786	369.9	433.4	42.7	36.5	13.6	14.1	17.6	16.0
UltraTech Cement	BUY	3,794	3,857	4,726	24.6	20-Jul-18	1,041,019	110.7	139.5	34.3	27.2	11.1	12.6	15.8	13.5
Chemicals															
Aksharchem India Ltd	REDUCE	450	525	533	18.4	14-Aug-18	3,290	41.9	44.4	10.7	10.1	12.8	12.2	5.4	5.0
Bodal Chemicals Ltd	REDUCE	127	124	130	2.0	17-Aug-18	15,549	10.9	13.0	11.7	9.8	16.3	16.9	7.3	6.2
GHCL Ltd	BUY	209	253	330	57.7	17-Sep-18	20,255	36.8	41.6	5.7	5.0	18.7	17.9	4.8	4.3
Construction															
Dilip Buildcon Ltd	BUY	607	852	1,276	110.3	17-Aug-18	82,997	60.1	67.1	10.1	9.0	28.7	24.7	6.0	4.7
IRB Infrastructure Developers	BUY	128	194	271	112.1	26-Jul-18	44,904	28.9	33.9	4.4	3.8	16.5	16.6	11.7	11.6
KNR Construction	BUY	183	229	283	54.4	14-Aug-18	25,754	10.1	15.6	18.1	11.8	11.6	15.7	7.5	4.9
Nagarjuna Construction	BUY	71	97	151	111.5	14-Aug-18	39,694	7.3	8.2	9.8	8.7	9.9	10.2	4.3	3.6
NBCC (India) Ltd	BUY	54	62	95	77.6	28-Sep-18	96,300	2.3	2.9	23.3	18.4	21.7	24.5	14.8	10.5
PNC Infratech Ltd	BUY	132	165	219	65.5	10-Aug-18	33,935	9.0	11.8	14.7	11.2	12.1	14.0	6.9	4.8
Simplex Infrastructures	BUY	241	413	600	148.8	21-Aug-18	13,676	26.3	39.9	9.2	6.0	7.8	9.9	5.5	5.2
Vascon Engineers Ltd	BUY	23	27	48	112.4	20-Aug-18	3,932	2.4	3.6	9.4	6.3	5.6	7.9	8.3	5.6
Consumer Durables															
Amber Enterprises Ltd	BUY	898	921	1,145	27.6	13-Aug-18	28,186	33.5	46.5	26.8	19.3	11.1	13.6	12.8	9.8
Bajaj Electricals Ltd	ACCUMULATE	489	508	545	11.5	03-Oct-18	48,289	19.5	25.4	25.1	19.2	19.7	21.9	14.5	11.8
Blue Star Ltd	ACCUMULATE	575	703	743	29.2	10-Aug-18	54,798	17.8	24.2	32.3	23.8	16.5	20.3	17.4	14.1
Eveready Industries India Ltd	BUY	202	230	322	59.1	27-Jul-18	14,711	9.5	14.4	21.3	14.1	18.5	23.5	12.7	9.3
Havells India Ltd	SELL	595	560	500	(15.9)	23-Jul-18	371,061	14.1	16.6	42.2	35.8	21.1	22.3	25.4	21.1
MIRC Electronics Ltd	BUY	25	28	32	27.2	18-Sep-18	5,807	0.9	1.8	27.9	14.0	8.6	14.5	15.0	10.7
Voltas Ltd	ACCUMULATE	509	620	658	29.2	13-Aug-18	168,258	18.3	23.9	27.8	21.3	14.7	17.1	19.2	14.8

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								FY19E	FY20E	FY19E	FY20E	FY19E	FY20E	FY19E	FY20E
FMCG															
Hindustan Unilever	SELL	1,559	1,753	1,605	3.0	17-Jul-18	3,366,468	29.1	35.7	53.6	43.7	89.3	89.8	37.3	30.3
ITC Ltd	BUY	277	287	330	19.1	27-Jul-18	3,382,339	10.3	11.4	26.9	24.3	23.5	24.7	17.5	15.7
Marico Ltd	ACCUMULATE	308	352	375	21.9	06-Aug-18	396,804	7.2	8.9	42.7	34.6	34.4	37.6	29.4	23.6
Information Technology															
Cyient Ltd (Infotech)	BUY	722	717	810	12.1	30-Aug-18	81,614	42.9	52.3	16.8	13.8	18.9	19.5	10.8	8.9
KPIT Technologies	NOT RATED	196	287	NIL	NIL	12-Jun-18	38,651	21.6	25.1	9.1	7.8	15.9	17.0	6.7	5.3
NIIT LTD	BUY	67	95	125	87.3	30-Jul-18	11,147	6.3	8.6	10.6	7.8	7.5	14.4	5.2	3.5
NIIT Technologies	ACCUMULATE	1,163	1,121	1,185	1.9	19-Jul-18	68,195	62.0	69.7	18.8	16.7	18.5	18.0	9.8	8.5
Persistent Systems	BUY	712	827	1,025	43.9	31-Jul-18	56,968	52.2	65.1	13.6	10.9	18.4	20.0	7.1	5.4
Qess Corp Ltd	BUY	790	1,128	1,302	64.8	27-Jul-18	114,557	28.7	32.6	27.5	24.2	15.6	15.2	22.5	18.9
Zensar Technologies	ACCUMULATE	284	250	275	(3.4)	14-Aug-18	63,956	14.5	17.7	19.6	16.0	25.8	26.8	11.8	9.3
Metals & Mining															
Hindustan Zinc	ACCUMULATE	281	284	300	6.8	23-Aug-18	1,186,892	23.1	24.4	12.2	11.5	24.5	22.8	6.4	5.7
Jindal Stainless (Hisar) Ltd	BUY	104	127	227	119.1	01-Aug-18	24,450	19.1	24.5	5.4	4.2	23.4	23.1	3.0	2.1
JSW Steel	ACCUMULATE	367	317	340	(7.3)	26-Jul-18	886,072	28.5	29.6	12.9	12.4	20.6	17.3	7.5	7.2
MOIL Ltd	BUY	162	174	260	60.1	13-Aug-18	43,250	17.2	19.4	9.4	8.4	14.4	14.7	3.8	2.8
National Aluminium Co	BUY	65	72	100	53.6	10-Aug-18	125,838	9.6	7.8	6.8	8.3	17.0	13.1	3.1	3.7
NMDC Ltd	BUY	109	108	125	14.3	29-Aug-18	346,060	12.2	11.3	9.0	9.7	14.3	12.2	5.3	5.6
Tata Sponge Iron Ltd	REDUCE	797	955	1,055	32.3	19-Jul-18	12,280	98.5	98.7	8.1	8.1	13.8	12.5	2.4	1.9
Oil & Gas															
Castrol India Ltd **	BUY	137	167	195	42.5	02-Aug-18	135,312	7.3	7.8	18.7	17.5	52.1	51.6	11.5	10.6
Chennai Petroleum Corporation	BUY	256	317	373	45.6	31-Jul-18	38,174	64.2	67.7	4.0	3.8	22.2	20.4	3.2	2.9
Gujarat State Petronet Ltd (GSPL)	SELL	176	198	182	3.2	01-Aug-18	99,433	11.2	11.0	15.7	16.0	11.7	10.5	6.0	6.0
Indraprastha Gas (IGL)	SELL	221	276	257	16.2	07-Sep-18	154,875	12.1	14.1	18.3	15.7	20.8	20.6	10.1	8.2
Mahanagar Gas Ltd	ACCUMULATE	780	948	1,030	32.1	02-Aug-18	77,020	56.7	59.9	13.7	13.0	24.9	23.1	7.4	6.8
MRPL	BUY	64	83	106	65.0	13-Aug-18	112,566	11.3	12.3	5.7	5.2	17.8	16.9	4.4	4.0
Oil India Ltd	BUY	187	207	245	31.1	16-Aug-18	212,170	27.1	28.0	6.9	6.7	9.7	9.7	5.6	5.6
Petronet LNG	BUY	214	231	267	24.9	30-Jul-18	320,550	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
Paints															
Akzo Nobel India Ltd	BUY	1,553	1,720	2,200	41.7	03-Aug-18	72,525	55.8	64.7	27.8	24.0	20.9	21.3	17.0	14.3
Asian Paints Ltd	SELL	1,210	1,467	1,420	17.4	25-Jul-18	1,159,911	26.6	30.2	45.5	40.0	24.7	24.0	30.3	26.4
Berger Paints	SELL	268	338	305	13.9	31-Aug-18	259,723	5.9	6.8	45.4	39.4	24.2	23.3	27.8	24.3
Kansai Nerolac Paints Ltd	BUY	396	477	600	51.7	23-Jul-18	213,175	11.9	13.5	33.2	29.3	20.3	19.6	21.6	18.9
Real Estate															
The Phoenix Mills Ltd	BUY	539	597	707	31.2	28-Aug-18	82,521	17.9	20.6	30.1	26.2	9.3	9.8	13.3	12.4
Shipping															
GE Shipping Company	SELL	281	352	350	24.5	08-May-18	42,735	22.0	24.1	12.8	11.7	4.1	4.3	3.8	3.0
Shipping Corporation of India	BUY	42	85	110	163.8	16-Feb-18	17,660	4.7	6.2	8.9	6.7	3.0	3.8	2.2	2.0
Transportation															
Adani Port & Special Eco Zone	BUY	302	378	485	60.7	10-Sep-18	620,803	22.9	26.2	13.2	11.5	21.1	20.3	9.3	8.0
Allcargo Global Logistics	BUY	96	121	145	50.5	27-Aug-18	23,702	9.1	9.7	10.6	9.9	8.9	8.9	5.3	4.8
Blue Dart Express	SELL	2,886	3,690	3,215	11.4	01-Aug-18	68,397	73.7	84.6	39.2	34.1	23.9	22.5	22.7	20.4
Cochin Shipyard Ltd	BUY	381	440	610	60.2	16-Aug-18	51,782	30.5	33.9	12.5	11.2	12.0	12.3	4.4	4.1
Container Corporation of India	BUY	605	652	775	28.1	30-Jul-18	294,938	24.1	27.7	25.1	21.8	13.5	13.9	17.4	14.8
VRL Logistics Ltd	BUY	269	320	395	46.8	13-Aug-18	24,533	13.5	16.5	19.9	16.3	17.8	19.7	8.8	7.3
Others															
Arvind Ltd	BUY	313	420	500	59.5	07-Aug-18	81,171	16.3	25.2	19.2	12.4	9.9	13.8	9.7	7.5
Carborundum Universal Ltd	BUY	333	362	420	26.2	07-Aug-18	62,367	14.6	19.2	22.8	17.3	15.9	18.3	12.4	9.8
Central Depository Services (I) Ltd	BUY	230	268	320	39.4	06-Aug-18	24,103	10.6	12.0	21.7	19.1	16.6	16.9	14.7	12.5
Dollar Industries Ltd	BUY	275	313	427	55.3	14-Aug-18	15,675	13.0	15.6	21.2	17.6	19.1	19.5	12.3	10.5
Essel Propacl Ltd	BUY	102	105	140	36.9	07-Aug-18	32,122	6.7	8.2	15.3	12.5	14.9	15.8	7.4	6.4
Finolex Industries	ACCUMULATE	522	630	671	28.6	04-Sep-18	64,709	28.6	33.6	18.2	15.5	12.4	13.4	8.6	7.2
Indo Count Industries Ltd	BUY	61	83	103	69.8	07-Aug-18	11,972	7.3	9.4	8.3	6.5	14.2	16.0	6.3	5.1
Insecticides (India) Ltd	BUY	443	724	892	101.3	10-Aug-18	9,153	49.1	55.7	9.0	8.0	17.1	16.6	5.8	5.0
Maharashtra Seamless Ltd	BUY	421	472	805	91.1	24-Sep-18	28,224	61.7	72.1	6.8	5.8	13.2	13.6	5.0	4.0
Mahindra Holidays & Resorts India Ltd	BUY	213	279	390	83.0	13-Aug-18	28,342	12.8	14.7	16.6	14.5	20.8	21.0	9.6	8.0
Mirza International Ltd	BUY	76	100	120	58.4	10-Aug-18	9,090	6.3	8.0	12.0	9.5	12.6	14.2	6.7	5.6

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								FY19E	FY20E	FY19E	FY20E	FY19E	FY20E	FY19E	FY20E
Mold-Tek Packaging Ltd	BUY	269	305	351	30.5	06-Aug-18	7,451	14.6	16.7	18.4	16.1	20.5	20.4	11.1	9.6
Radico Khaitan Ltd	ACCUMULATE	323	403	449	38.9	27-Jul-18	42,992	13.5	16.6	23.9	19.5	14.7	15.8	13.4	11.3
Time Technoplast Ltd	BUY	119	140	195	64.1	06-Aug-18	26,861	10.3	13.0	11.5	9.1	14.7	16.1	6.2	5.1
VIP Industries Ltd	BUY	409	414	515	26.0	04-Oct-18	58,050	11.8	13.2	34.6	31.0	28.4	26.4	23.1	20.4
Wonderla Holidays Ltd	BUY	276	335	406	47.1	09-Aug-18	15,622	9.3	12.0	29.7	23.0	6.6	8.3	13.3	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.

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