

# Stock Recommendations



SEPTEMBER 7, 2018

## Stock Recommendations

Name of the company	Latest Reco ^	Price as on 7-Sep (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	248	286	301	21.5	03-Aug-18	141,713	17.6	25.1	14.1	9.9	9.9	12.8	8.5	6.8
Ashok Leyland	BUY	132	111	128	(3.0)	19-Jul-18	375,672	6.4	7.1	20.6	18.6	24.3	23.7	11.0	9.7
Bajaj Auto Ltd	REDUCE	2,924	2,684	2,808	(4.0)	24-Jul-18	846,075	147.3	165.2	19.8	17.7	21.1	21.2	14.3	12.8
Escorts Ltd	ACCUMULATE	797	908	958	20.2	31-Jul-18	98,068	52.3	53.2	15.2	15.0	19.1	16.4	13.5	12.8
FIEM Industries Ltd	BUY	727	745	1,030	41.8	16-Aug-18	9,591	43.1	54.2	16.9	13.4	11.9	13.4	7.3	6.0
Gabriel India Ltd	BUY	136	142	185	35.8	10-Aug-18	19,613	7.8	9.2	17.5	14.8	19.8	20.0	9.4	7.6
Hero MotoCorp Ltd	ACCUMULATE	3,329	3,251	3,473	4.3	06-Aug-18	665,870	183.4	204.3	18.2	16.3	29.4	29.4	11.9	10.6
Mahindra & Mahindra	ACCUMULATE	974	927	984	1.1	08-Aug-18	1,210,309	38.0	40.8	25.6	23.9	14.1	13.7	14.4	12.8
Maruti Suzuki India Ltd	ACCUMULATE	8,719	9,397	10,360	18.8	27-Jul-18	2,633,198	320.9	414.4	27.2	21.0	21.5	23.5	15.7	12.1
Sterling Tools Ltd	ACCUMULATE	339	385	418	23.3	13-Aug-18	12,204	16.1	19.0	21.1	17.8	21.3	20.9	11.6	10.0
Talbro Automotive Components Ltd	BUY	303	287	396	30.9	30-Aug-18	3,630	21.5	28.3	14.1	10.7	14.0	16.1	8.6	6.8
Tata Motors	REDUCE	277	264	277	(0.1)	01-Aug-18	942,050	14.0	20.8	19.8	13.3	4.9	6.8	4.5	3.7
<b>Building Material</b>															
Asian Granito India Ltd (AGL)	ACCUMULATE	228	230	255	12.0	16-Aug-18	6,854	12.5	15.9	18.2	14.3	8.4	9.9	8.5	7.3
Century Plyboards (India) Ltd	BUY	207	250	323	56.0	26-Jul-18	46,058	10.0	11.9	20.7	17.4	23.7	23.0	12.8	11.0
Greenply Industries Ltd	BUY	194	202	286	47.3	09-Aug-18	23,430	10.5	12.4	18.5	15.7	13.2	13.8	10.7	8.9
Kajaria Ceramics Ltd	BUY	444	433	551	24.0	25-Jul-18	70,607	16.6	19.7	26.8	22.6	18.2	18.6	14.4	12.4
Shankara Building Products Ltd	BUY	1,353	1,653	2,017	49.0	17-Aug-18	30,925	44.6	53.1	30.3	25.5	20.3	20.1	15.5	13.8
Supreme Industries Ltd	ACCUMULATE	1,168	1,204	1,324	13.3	01-Aug-18	148,387	35.9	45.6	32.5	25.6	22.4	24.4	16.5	13.2
<b>Capital Goods &amp; Engineering</b>															
AIA Engineering	SELL	1,731	1,705	1,700	(1.8)	14-Aug-18	163,262	53.3	68.1	32.5	25.4	15.6	17.2	21.4	16.7
Bharat Electronics	BUY	92	116	135	47.0	01-Aug-18	223,838	6.0	6.7	15.3	13.7	17.8	18.1	8.2	7.8
Cummins India	ACCUMULATE	763	740	785	2.8	03-Sep-18	211,614	27.8	32.8	27.5	23.3	19.1	21.6	22.6	19.0
Engineers India Ltd	BUY	126	126	187	47.9	13-Aug-18	85,227	7.2	8.4	17.6	15.1	20.5	22.0	10.5	8.4
Genus Power Infrastructures Ltd	BUY	39	44	58	49.7	02-Aug-18	9,970	2.6	3.2	14.9	12.1	8.6	10.0	7.6	6.1
Greaves Cotton	ACCUMULATE	156	148	156	(0.3)	16-Aug-18	38,197	9.4	10.3	16.6	15.2	22.5	22.9	10.9	9.7
Larsen & Toubro	BUY	1,348	1,352	1,520	12.8	24-Aug-18	1,889,195	61.0	69.9	22.1	19.3	14.6	15.1	17.2	15.1
Praj Industries Ltd	ACCUMULATE	92	83	89	(3.5)	09-Aug-18	16,365	3.4	4.5	27.1	20.5	8.6	11.2	16.1	12.4

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								FY19E	FY20E	FY19E	FY20E	FY19E	FY20E	FY19E	FY20E
Va Tech Wabag Ltd	BUY	399	372	476	19.2	13-Aug-18	21,171	31.1	36.6	12.8	10.9	14.0	14.6	5.9	5.2
Voltamp Ltd	BUY	907	952	1,320	45.5	20-Aug-18	9,161	93.5	101.4	9.7	8.9	14.3	13.9	6.7	4.3
<b>Cement</b>															
India Cements Ltd	REDUCE	121	108	112	(7.5)	14-Aug-18	37,323	4.6	7.1	26.3	17.1	2.7	4.0	7.7	6.4
Shree Cement	ACCUMULATE	17,944	17,175	18,487	3.0	31-Jul-18	625,165	369.9	433.4	48.5	41.4	13.6	14.1	20.1	18.3
UltraTech Cement	BUY	4,268	3,857	4,726	10.7	20-Jul-18	1,171,194	110.7	139.5	38.6	30.6	11.1	12.6	17.6	15.0
<b>Chemicals</b>															
Aksharchem India Ltd	REDUCE	507	525	533	5.2	14-Aug-18	3,703	41.9	44.4	12.1	11.4	12.8	12.2	6.2	5.7
Bodal Chemicals Ltd	REDUCE	117	124	130	11.3	17-Aug-18	14,256	10.9	13.0	10.7	9.0	16.3	16.9	6.7	5.7
GHCL Ltd	BUY	263	253	330	25.5	19-Jul-18	25,458	36.8	41.6	7.1	6.3	18.7	17.9	5.6	5.0
<b>Construction</b>															
Dilip Buildcon Ltd	BUY	799	852	1,276	59.6	17-Aug-18	109,365	60.1	67.1	13.3	11.9	28.7	24.7	7.5	5.9
IRB Infrastructure Developers	BUY	179	194	271	51.7	26-Jul-18	62,795	28.9	33.9	6.2	5.3	16.5	16.6	12.3	12.2
KNR Construction	BUY	216	229	283	30.8	14-Aug-18	30,390	10.1	15.6	21.4	13.9	11.6	15.7	9.1	6.0
Nagarjuna Construction	BUY	93	97	151	61.8	14-Aug-18	51,869	7.3	8.2	12.8	11.4	9.9	10.2	5.5	4.6
NBCC (India) Ltd	BUY	71	72	95	33.7	16-Aug-18	127,890	2.3	2.9	30.9	24.5	21.7	24.5	21.0	15.3
PNC Infratech Ltd	BUY	151	165	219	44.8	10-Aug-18	38,796	9.0	11.8	16.8	12.8	12.1	14.0	8.1	5.6
Simplex Infrastructures	BUY	390	413	600	53.8	21-Aug-18	22,113	26.3	39.9	14.8	9.8	7.8	9.9	6.6	6.1
Vascon Engineers Ltd	BUY	30	27	48	60.8	20-Aug-18	5,194	2.4	3.6	12.4	8.3	5.6	7.9	10.4	7.2
<b>Consumer Durables</b>															
Amber Enterprises Ltd	BUY	1,003	921	1,145	14.2	13-Aug-18	31,480	33.5	46.5	29.9	21.6	11.1	13.6	14.4	11.0
Bajaj Electricals Ltd	SELL	535	625	545	1.9	10-Aug-18	52,838	19.5	25.4	27.4	21.1	19.7	21.9	15.6	12.7
Blue Star Ltd	ACCUMULATE	681	703	743	9.1	10-Aug-18	64,875	17.8	24.2	38.2	28.1	16.5	20.3	20.6	16.8
Eveready Industries India Ltd	BUY	252	230	322	27.7	27-Jul-18	18,331	9.5	14.4	26.5	17.5	18.5	23.5	15.4	11.2
Havells India Ltd	SELL	673	560	500	(25.7)	23-Jul-18	419,991	14.1	16.6	47.7	40.5	21.1	22.3	29.1	24.2
MIRC Electronics Ltd	ACCUMULATE	29	29	32	9.0	17-Aug-18	6,777	1.4	1.8	21.0	16.3	12.3	14.4	14.4	11.8
Voltas Ltd	ACCUMULATE	599	620	658	9.8	13-Aug-18	198,085	18.3	23.9	32.8	25.1	14.7	17.1	23.4	18.1

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								FY19E	FY20E	FY19E	FY20E	FY19E	FY20E	FY19E	FY20E
<b>FMCG</b>															
Hindustan Unilever	SELL	1,639	1,753	1,605	(2.1)	17-Jul-18	3,539,700	29.1	35.7	56.3	45.9	89.3	89.8	39.2	31.9
ITC Ltd	BUY	310	287	330	6.3	27-Jul-18	3,788,732	10.3	11.4	30.1	27.2	23.5	24.7	19.8	17.7
Marico Ltd	ACCUMULATE	358	352	375	4.9	06-Aug-18	461,175	7.2	8.9	49.7	40.2	34.4	37.6	34.2	27.5
<b>Information Technology</b>															
Cyient Ltd (Infotech)	BUY	794	717	810	2.1	30-Aug-18	89,688	42.9	52.3	18.5	15.2	18.9	19.5	12.1	10.0
KPIT Technologies	NOT RATED	308	287	NIL	NIL	12-Jun-18	60,879	21.6	25.1	14.3	12.3	15.9	17.0	11.3	9.2
NIIT LTD	BUY	101	95	125	23.5	30-Jul-18	16,909	6.3	8.6	16.1	11.8	7.5	14.4	11.6	8.5
NIIT Technologies	ACCUMULATE	1,371	1,121	1,185	(13.6)	19-Jul-18	80,436	62.0	69.7	22.1	19.7	18.5	18.0	11.8	10.3
Persistent Systems	BUY	870	827	1,025	17.9	31-Jul-18	69,568	52.2	65.1	16.7	13.4	18.4	20.0	9.2	7.1
Qess Corp Ltd	BUY	949	1,128	1,302	37.2	27-Jul-18	137,598	28.7	32.6	33.1	29.1	15.6	15.2	27.5	23.1
Zensar Technologies	ACCUMULATE	326	1,249	1,373	320.8	14-Aug-18	14,684	72.6	88.6	4.5	3.7	25.8	26.8	1.7	0.9
<b>Metals &amp; Mining</b>															
Hindustan Zinc	ACCUMULATE	298	284	300	0.7	23-Aug-18	1,259,145	23.1	24.4	12.9	12.2	24.5	22.8	6.9	6.2
Jindal Stainless (Hisar) Ltd	BUY	132	127	227	71.7	01-Aug-18	31,199	19.1	24.5	6.9	5.4	23.4	23.1	3.5	2.6
JSW Steel	ACCUMULATE	407	317	340	(16.4)	26-Jul-18	982,752	28.5	29.6	14.3	13.7	20.6	17.3	8.1	7.8
MOIL Ltd	BUY	191	174	260	36.4	13-Aug-18	50,789	17.2	19.4	11.1	9.8	14.4	14.7	5.1	4.0
National Aluminium Co	BUY	72	72	100	39.3	10-Aug-18	138,789	9.6	7.8	7.5	9.2	17.0	13.1	3.6	4.2
NMDC Ltd	BUY	119	108	125	5.0	29-Aug-18	376,599	12.2	11.3	9.8	10.5	14.3	12.2	5.8	6.1
Tata Sponge Iron Ltd	REDUCE	985	955	1,055	7.1	19-Jul-18	15,164	98.5	98.7	10.0	10.0	13.8	12.5	4.0	3.4
<b>Oil &amp; Gas</b>															
Castrol India Ltd **	BUY	155	167	195	25.9	02-Aug-18	153,165	7.3	7.8	21.2	19.9	52.1	51.6	13.2	12.1
Chennai Petroleum Corporation	BUY	295	317	373	26.3	31-Jul-18	43,992	64.2	67.7	4.6	4.4	22.2	20.4	3.4	3.2
Gujarat State Petronet Ltd (GSPL)	SELL	191	198	182	(4.8)	01-Aug-18	107,780	11.2	11.0	17.1	17.4	11.7	10.5	6.6	6.7
Indraprastha Gas (IGL)	SELL	276	276	257	(6.9)	07-Sep-18	193,235	12.1	14.1	22.8	19.6	20.8	20.6	13.1	10.7
Mahanagar Gas Ltd	ACCUMULATE	854	948	1,030	20.6	02-Aug-18	84,355	56.7	59.9	15.1	14.3	24.9	23.1	8.2	7.6
MRPL	BUY	78	83	106	36.2	13-Aug-18	136,393	11.3	12.3	6.9	6.3	17.8	16.9	4.9	4.5
Oil India Ltd	BUY	207	207	245	18.4	16-Aug-18	234,754	27.1	28.0	7.6	7.4	9.7	9.7	6.0	6.1
Petronet LNG	BUY	243	231	267	10.0	30-Jul-18	364,050	16.1	18.6	15.1	13.0	22.0	22.0	8.0	6.9

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								FY19E	FY20E	FY19E	FY20E	FY19E	FY20E	FY19E	FY20E
<b>Paints</b>															
Akzo Nobel India Ltd	BUY	1,735	1,720	2,200	26.8	03-Aug-18	81,025	55.8	64.7	31.1	26.8	20.9	21.3	19.2	16.2
Asian Paints Ltd	SELL	1,316	1,467	1,420	7.9	25-Jul-18	1,262,044	26.6	30.2	49.5	43.6	24.7	24.0	33.0	28.9
Berger Paints	SELL	316	338	305	(3.5)	31-Aug-18	306,632	5.9	6.8	53.6	46.5	24.2	23.3	32.9	28.8
Kansai Nerolac Paints Ltd	BUY	496	477	600	21.0	23-Jul-18	267,344	11.9	13.5	41.7	36.7	20.3	19.6	27.3	24.0
<b>Real Estate</b>															
The Phoenix Mills Ltd	BUY	603	597	707	17.2	28-Aug-18	92,319	17.9	20.6	33.7	29.3	9.3	9.8	14.4	13.5
<b>Shipping</b>															
GE Shipping Company	SELL	302	352	350	15.9	08-May-18	45,889	22.0	24.1	13.7	12.5	4.1	4.3	4.0	3.2
Shipping Corporation of India	BUY	54	85	110	105.6	16-Feb-18	22,657	4.7	6.2	11.4	8.6	3.0	3.8	2.8	2.6
<b>Transportation</b>															
Adani Port & Special Eco Zone	BUY	377	396	485	28.5	07-Aug-18	776,415	22.9	26.2	16.5	14.4	21.1	20.3	11.3	9.8
Allcargo Global Logistics	BUY	117	121	145	23.7	27-Aug-18	28,844	9.1	9.7	12.9	12.1	8.9	8.9	6.5	5.9
Blue Dart Express	SELL	3,320	3,690	3,215	(3.2)	01-Aug-18	78,684	73.7	84.6	45.0	39.2	23.9	22.5	26.1	23.5
Cochin Shipyard Ltd	BUY	424	440	610	43.9	16-Aug-18	57,644	30.5	33.9	13.9	12.5	12.0	12.3	5.5	5.0
Container Corporation of India	BUY	658	652	775	17.7	30-Jul-18	320,873	24.1	27.7	27.3	23.8	13.5	13.9	19.3	16.5
VRL Logistics Ltd	BUY	313	320	395	26.2	13-Aug-18	28,546	13.5	16.5	23.2	19.0	17.8	19.7	10.1	8.5
<b>Others</b>															
Arvind Ltd	BUY	394	420	500	26.8	07-Aug-18	102,098	16.3	25.2	24.2	15.6	9.9	13.8	11.5	8.9
Carborundum Universal Ltd	BUY	371	362	420	13.2	07-Aug-18	69,554	14.6	19.2	25.4	19.3	15.9	18.3	13.9	10.9
Central Depository Services (I) Ltd	BUY	259	268	320	23.6	06-Aug-18	27,195	10.6	12.0	24.4	21.6	16.6	16.9	17.2	14.7
Dollar Industries Ltd	BUY	321	313	427	32.9	14-Aug-18	18,308	13.0	15.6	24.7	20.6	19.1	19.5	14.2	12.2
Essel Propacl Ltd	BUY	118	105	140	18.7	07-Aug-18	37,036	6.7	8.2	17.6	14.4	14.9	15.8	8.4	7.3
Finolex Industries	ACCUMULATE	596	630	671	12.6	04-Sep-18	73,904	28.6	33.6	20.8	17.7	12.4	13.4	10.2	8.5
Indo Count Industries Ltd	BUY	77	83	103	33.9	07-Aug-18	15,190	7.3	9.4	10.5	8.2	14.2	16.0	7.5	6.1
Insecticides (India) Ltd	BUY	594	724	892	50.2	10-Aug-18	12,272	49.1	55.7	12.1	10.7	17.1	16.6	7.7	6.7
Maharashtra Seamless Ltd	BUY	492	485	805	63.5	21-Aug-18	32,994	61.7	72.1	8.0	6.8	13.0	13.4	5.6	4.6
Mahindra Holidays & Resorts India Ltd	BUY	253	279	390	54.1	13-Aug-18	33,656	12.8	14.7	19.8	17.2	20.8	21.0	11.4	9.6
Mirza International Ltd	BUY	95	100	120	26.8	10-Aug-18	11,352	6.3	8.0	15.0	11.8	12.6	14.2	7.9	6.6

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Mold-Tek Packaging Ltd	BUY	320	305	351	9.7	06-Aug-18	8,864	14.6	16.7	21.9	19.2	20.5	20.4	12.9	11.3
Radico Khaitan Ltd	ACCUMULATE	472	403	449	(5.0)	27-Jul-18	62,829	13.5	16.6	35.0	28.5	14.7	15.8	19.4	16.5
Time Technoplast Ltd	BUY	161	140	195	20.9	06-Aug-18	36,470	10.3	13.0	15.7	12.4	14.7	16.1	7.9	6.5
VIP Industries Ltd	ACCUMULATE	579	529	570	(1.6)	06-Aug-18	82,268	12.3	14.2	47.1	40.8	29.3	27.7	31.6	27.0
Wonderla Holidays Ltd	BUY	302	335	406	34.5	09-Aug-18	17,082	9.3	12.0	32.5	25.2	6.6	8.3	14.7	11.8

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

<p><b>Rusmik Oza</b> Head of Research rusmik.oza@kotak.com +91 22 6218 6441</p>	<p><b>Arun Agarwal</b> Auto &amp; Auto Ancillary arun.agarwal@kotak.com +91 22 6218 6443</p>	<p><b>Amit Agarwal</b> Transportation, Paints, FMCG agarwal.amit@kotak.com +91 22 6218 6439</p>	<p><b>Nipun Gupta</b> Information Tech, Midcap nipun.gupta@kotak.com +91 22 6218 6433</p>	<p><b>Krishna Nain</b> Special Situations krishna.nain@kotak.com +91 22 6218 7907</p>
<p><b>Sanjeev Zarbade</b> Cap. Goods &amp; Cons. Durables sanjeev.zarbade@kotak.com +91 22 6218 6424</p>	<p><b>Ruchir Khare</b> Cap. Goods &amp; Cons. Durables ruchir.khare@kotak.com +91 22 6218 6431</p>	<p><b>Jatin Damania</b> Metals &amp; Mining, Midcap jatin.damania@kotak.com +91 22 6218 6440</p>	<p><b>Cyndrella Carvalho</b> Pharmaceuticals cyndrella.carvalho@kotak.com +91 22 6218 6426</p>	<p><b>K. Kathirvelu</b> Support Service k.kathirvelu@kotak.com +91 22 6218 6427</p>
<p><b>Teena Virmani</b> Construction, Cement, Building Mat teena.virmani@kotak.com +91 22 6218 6432</p>	<p><b>Sumit Pokharna</b> Oil and Gas, Information Tech sumit.pokharna@kotak.com +91 22 6218 6438</p>	<p><b>Pankaj Kumar</b> Midcap pankajr.kumar@kotak.com +91 22 6218 6434</p>	<p><b>Jayesh Kumar</b> Economist kumar.jayesh@kotak.com +91 22 6218 5373</p>	

## TECHNICAL RESEARCH TEAM

<p><b>Shrikant Chouhan</b> shrikant.chouhan@kotak.com +91 22 6218 5408</p>	<p><b>Amol Athawale</b> amol.athawale@kotak.com +91 20 6620 3350</p>
--	--

## DERIVATIVES RESEARCH TEAM

<p><b>Sahaj Agrawal</b> sahaj.agrawal@kotak.com +91 79 6607 2231</p>	<p><b>Malay Gandhi</b> malay.gandhi@kotak.com +91 22 6218 6420</p>	<p><b>Prashanth Lalu</b> prashanth.lalu@kotak.com +91 22 6218 5497</p>	<p><b>Prasenjit Biswas, CMT, CFTe</b> prasenjit.biswas@kotak.com +91 33 6625 9810</p>
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