

Stock Recommendations



OCTOBER 8, 2018

Stock Recommendations

Name of the company	Latest Reco ^	Price as on 8-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	205	286	301	46.7	03-Aug-18	117,403	17.6	25.1	11.7	8.2	9.9	12.8	7.4	6.0
Ashok Leyland	BUY	109	111	128	17.3	19-Jul-18	310,641	6.4	7.1	17.1	15.4	24.3	23.7	9.0	7.8
Bajaj Auto Ltd	REDUCE	2,584	2,684	2,808	8.7	24-Jul-18	747,839	147.3	165.2	17.5	15.6	21.1	21.2	12.4	11.1
Escorts Ltd	ACCUMULATE	556	908	958	72.2	31-Jul-18	68,437	52.3	53.2	10.6	10.5	19.1	16.4	9.2	8.6
FIEM Industries Ltd	BUY	515	720	1,030	100.0	11-Sep-18	6,798	43.2	54.2	11.9	9.5	12.1	13.7	5.4	4.3
Gabriel India Ltd	BUY	117	119	157	34.1	05-Oct-18	16,855	7.4	8.7	15.8	13.5	18.9	19.1	8.3	6.8
Hero MotoCorp Ltd	ACCUMULATE	2,873	3,251	3,473	20.9	06-Aug-18	574,610	183.4	204.3	15.7	14.1	29.4	29.4	10.2	9.1
Mahindra & Mahindra	ACCUMULATE	774	927	984	27.1	08-Aug-18	962,641	38.0	40.8	20.4	19.0	14.1	13.7	10.9	9.6
Maruti Suzuki India Ltd	ACCUMULATE	6,890	9,397	10,360	50.4	27-Jul-18	2,080,705	320.9	414.4	21.5	16.6	21.5	23.5	11.9	9.0
Sterling Tools Ltd	ACCUMULATE	321	385	418	30.2	13-Aug-18	11,561	16.1	19.0	19.9	16.9	21.3	20.9	11.0	9.5
Talbro Automotive Components Ltd	BUY	215	287	396	84.3	30-Aug-18	2,578	21.5	28.3	10.0	7.6	14.0	16.1	6.4	5.0
Tata Motors	REDUCE	212	264	277	30.4	01-Aug-18	721,141	14.0	20.8	15.2	10.2	4.9	6.8	3.8	3.2
Building Material															
Asian Granito India Ltd (AGL)	ACCUMULATE	164	230	255	55.4	16-Aug-18	4,939	12.5	15.9	13.1	10.3	8.4	9.9	6.8	5.8
Century Plyboards (India) Ltd	BUY	160	250	323	102.3	26-Jul-18	35,522	10.0	11.9	16.0	13.4	23.7	23.0	10.2	8.6
Greenply Industries Ltd	BUY	138	202	286	106.7	09-Aug-18	16,696	10.5	12.4	13.2	11.2	13.2	13.8	8.3	6.9
Kajaria Ceramics Ltd	BUY	335	433	551	64.6	25-Jul-18	53,208	16.6	19.7	20.2	17.0	18.2	18.6	10.9	9.3
Shankara Building Products Ltd	BUY	1,052	1,653	2,017	91.7	17-Aug-18	24,045	44.6	53.1	23.6	19.8	20.3	20.1	12.2	10.9
Supreme Industries Ltd	ACCUMULATE	960	1,204	1,324	37.9	01-Aug-18	121,914	35.9	45.6	26.7	21.1	22.4	24.4	13.5	10.8
Capital Goods & Engineering															
AIA Engineering	SELL	1,576	1,705	1,700	7.9	14-Aug-18	148,617	53.3	68.1	29.6	23.1	15.6	17.2	19.4	15.1
Bharat Electronics	BUY	77	80	96	24.4	08-Oct-18	188,015	6.1	6.4	12.6	12.1	18.1	17.3	7.0	5.9
Cummins India	ACCUMULATE	650	740	785	20.8	03-Sep-18	180,166	27.8	32.8	23.4	19.8	19.1	21.6	19.0	15.9
Engineers India Ltd	BUY	106	126	187	76.4	13-Aug-18	71,444	7.2	8.4	14.7	12.6	20.5	22.0	8.0	6.3
Genus Power Infrastructures Ltd	BUY	27	44	58	118.5	02-Aug-18	6,831	2.6	3.2	10.2	8.3	8.6	10.0	5.0	4.0
Greaves Cotton	ACCUMULATE	123	152	165	34.4	14-Sep-18	29,982	9.3	10.1	13.2	12.2	22.3	22.6	8.3	7.4
Larsen & Toubro	BUY	1,215	1,352	1,520	25.1	24-Aug-18	1,703,921	61.0	69.9	19.9	17.4	14.6	15.1	16.0	14.0
Praj Industries Ltd	ACCUMULATE	101	83	89	(12.0)	09-Aug-18	17,944	3.4	4.5	29.8	22.5	8.6	11.2	17.9	13.9

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								FY19E	FY20E	FY19E	FY20E	FY19E	FY20E	FY19E	FY20E
Va Tech Wabag Ltd	BUY	251	372	476	89.6	13-Aug-18	13,306	31.1	36.6	8.1	6.9	14.0	14.6	3.5	3.0
Voltamp Ltd	BUY	793	952	1,320	66.6	20-Aug-18	8,004	93.5	101.4	8.5	7.8	14.3	13.9	5.2	2.9
Cement															
India Cements Ltd	REDUCE	92	108	112	22.0	14-Aug-18	28,293	4.6	7.1	20.0	12.9	2.7	4.0	6.6	5.5
Shree Cement	ACCUMULATE	16,000	17,175	18,487	15.5	31-Jul-18	557,440	369.9	433.4	43.3	36.9	13.6	14.1	17.9	16.2
UltraTech Cement	BUY	3,759	3,857	4,726	25.7	20-Jul-18	1,031,442	110.7	139.5	34.0	26.9	11.1	12.6	15.7	13.3
Chemicals															
Aksharchem India Ltd	REDUCE	462	525	533	15.4	14-Aug-18	3,376	41.9	44.4	11.0	10.4	12.8	12.2	5.5	5.2
Bodal Chemicals Ltd	REDUCE	116	124	130	12.0	17-Aug-18	14,158	10.9	13.0	10.6	8.9	16.3	16.9	6.6	5.7
GHCL Ltd	BUY	207	253	330	59.8	17-Sep-18	19,989	36.8	41.6	5.6	5.0	18.7	17.9	4.8	4.3
Construction															
Dilip Buildcon Ltd	BUY	560	852	1,276	127.7	17-Aug-18	76,649	60.1	67.1	9.3	8.4	28.7	24.7	5.6	4.4
IRB Infrastructure Developers	BUY	125	194	271	117.5	26-Jul-18	43,797	28.9	33.9	4.3	3.7	16.5	16.6	11.6	11.6
KNR Construction	BUY	177	229	283	60.3	14-Aug-18	24,798	10.1	15.6	17.5	11.3	11.6	15.7	7.2	4.6
Nagarjuna Construction	BUY	70	97	151	115.9	14-Aug-18	38,888	7.3	8.2	9.6	8.5	9.9	10.2	4.3	3.5
NBCC (India) Ltd	BUY	54	62	95	75.0	28-Sep-18	97,740	2.3	2.9	23.6	18.7	21.7	24.5	15.1	10.8
PNC Infratech Ltd	BUY	131	165	219	67.2	10-Aug-18	33,602	9.0	11.8	14.6	11.1	12.1	14.0	6.8	4.7
Simplex Infrastructures	BUY	227	413	600	164.6	21-Aug-18	12,857	26.3	39.9	8.6	5.7	7.8	9.9	5.4	5.1
Vascon Engineers Ltd	BUY	22	27	48	122.7	20-Aug-18	3,750	2.4	3.6	9.0	6.0	5.6	7.9	8.0	5.4
Consumer Durables															
Amber Enterprises Ltd	BUY	886	921	1,145	29.2	13-Aug-18	27,819	33.5	46.5	26.4	19.1	11.1	13.6	12.7	9.6
Bajaj Electricals Ltd	ACCUMULATE	478	508	545	14.1	03-Oct-18	47,182	19.5	25.4	24.5	18.8	19.7	21.9	14.3	11.6
Blue Star Ltd	ACCUMULATE	552	703	743	34.6	10-Aug-18	52,596	17.8	24.2	31.0	22.8	16.5	20.3	16.7	13.6
Eveready Industries India Ltd	BUY	194	230	322	66.3	27-Jul-18	14,075	9.5	14.4	20.4	13.4	18.5	23.5	12.2	8.9
Havells India Ltd	SELL	570	560	500	(12.3)	23-Jul-18	355,677	14.1	16.6	40.4	34.3	21.1	22.3	24.2	20.1
MIRC Electronics Ltd	BUY	24	28	32	33.9	18-Sep-18	5,519	0.9	1.8	26.6	13.3	8.6	14.5	14.2	10.2
Voltas Ltd	ACCUMULATE	479	620	658	37.3	13-Aug-18	158,359	18.3	23.9	26.2	20.0	14.7	17.1	17.9	13.7

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								FY19E	FY20E	FY19E	FY20E	FY19E	FY20E	FY19E	FY20E
FMCG															
Hindustan Unilever	SELL	1,559	1,753	1,605	2.9	17-Jul-18	3,368,196	29.1	35.7	53.6	43.7	89.3	89.8	37.3	30.4
ITC Ltd	BUY	273	287	330	20.8	27-Jul-18	3,334,133	10.3	11.4	26.5	24.0	23.5	24.7	17.3	15.4
Marico Ltd	ACCUMULATE	310	352	375	21.1	06-Aug-18	399,578	7.2	8.9	43.0	34.8	34.4	37.6	29.6	23.8
Information Technology															
Cyient Ltd (Infotech)	BUY	716	717	810	13.1	30-Aug-18	80,897	42.9	52.3	16.7	13.7	18.9	19.5	10.7	8.8
KPIT Technologies	NOT RATED	192	287	NIL	NIL	12-Jun-18	38,009	21.6	25.1	8.9	7.7	15.9	17.0	6.6	5.2
NIIT LTD	BUY	62	95	125	102.6	30-Jul-18	10,304	6.3	8.6	9.8	7.2	7.5	14.4	4.3	2.7
NIIT Technologies	ACCUMULATE	1,106	1,121	1,185	7.1	19-Jul-18	64,893	62.0	69.7	17.8	15.9	18.5	18.0	9.3	8.1
Persistent Systems	BUY	717	827	1,025	43.0	31-Jul-18	57,352	52.2	65.1	13.7	11.0	18.4	20.0	7.2	5.4
Qess Corp Ltd	BUY	747	1,128	1,302	74.4	27-Jul-18	108,243	28.7	32.6	26.0	22.9	15.6	15.2	21.1	17.7
Zensar Technologies	ACCUMULATE	283	250	275	(3.0)	14-Aug-18	63,664	14.5	17.7	19.5	16.0	25.8	26.8	11.7	9.3
Metals & Mining															
Hindustan Zinc	ACCUMULATE	271	284	300	10.8	23-Aug-18	1,143,583	23.1	24.4	11.7	11.1	24.5	22.8	6.1	5.4
Jindal Stainless (Hisar) Ltd	BUY	99	127	227	130.1	01-Aug-18	23,281	19.1	24.5	5.2	4.0	23.4	23.1	2.9	2.0
JSW Steel	ACCUMULATE	376	317	340	(9.6)	26-Jul-18	909,396	28.5	29.6	13.2	12.7	20.6	17.3	7.7	7.4
MOIL Ltd	BUY	162	174	260	60.0	13-Aug-18	43,277	17.2	19.4	9.4	8.4	14.4	14.7	3.8	2.8
National Aluminium Co	BUY	61	72	100	63.7	10-Aug-18	118,106	9.6	7.8	6.4	7.8	17.0	13.1	2.9	3.4
NMDC Ltd	BUY	108	108	125	15.4	29-Aug-18	342,737	12.2	11.3	8.9	9.6	14.3	12.2	5.2	5.5
Tata Sponge Iron Ltd	REDUCE	793	955	1,055	33.1	19-Jul-18	12,209	98.5	98.7	8.0	8.0	13.8	12.5	2.4	1.8
Oil & Gas															
Castrol India Ltd **	BUY	138	167	195	41.4	02-Aug-18	136,400	7.3	7.8	18.9	17.7	52.1	51.6	11.6	10.7
Chennai Petroleum Corporation	BUY	232	317	373	60.6	31-Jul-18	34,598	64.2	67.7	3.6	3.4	22.2	20.4	3.0	2.8
Gujarat State Petronet Ltd (GSPL)	SELL	173	198	182	5.1	01-Aug-18	97,657	11.2	11.0	15.5	15.7	11.7	10.5	5.8	5.9
Indraprastha Gas (IGL)	SELL	221	276	257	16.3	07-Sep-18	154,665	12.1	14.1	18.3	15.7	20.8	20.6	10.1	8.1
Mahanagar Gas Ltd	ACCUMULATE	785	948	1,030	31.1	02-Aug-18	77,598	56.7	59.9	13.9	13.1	24.9	23.1	7.5	6.9
MRPL	BUY	64	83	106	64.6	13-Aug-18	112,829	11.3	12.3	5.7	5.2	17.8	16.9	4.4	4.0
Oil India Ltd	BUY	194	207	245	26.3	16-Aug-18	220,171	27.1	28.0	7.2	6.9	9.7	9.7	5.7	5.8
Petronet LNG	BUY	212	231	267	25.8	30-Jul-18	318,450	16.1	18.6	13.2	11.4	22.0	22.0	6.8	5.8

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								FY19E	FY20E	FY19E	FY20E	FY19E	FY20E	FY19E	FY20E
Paints															
Akzo Nobel India Ltd	BUY	1,600	1,720	2,200	37.5	03-Aug-18	74,720	55.8	64.7	28.7	24.7	20.9	21.3	17.6	14.8
Asian Paints Ltd	SELL	1,248	1,467	1,420	13.8	25-Jul-18	1,196,640	26.6	30.2	46.9	41.3	24.7	24.0	31.3	27.3
Berger Paints	SELL	275	338	305	10.8	31-Aug-18	267,145	5.9	6.8	46.7	40.5	24.2	23.3	28.6	25.0
Kansai Nerolac Paints Ltd	BUY	395	477	600	52.0	23-Jul-18	212,797	11.9	13.5	33.2	29.2	20.3	19.6	21.6	18.9
Real Estate															
The Phoenix Mills Ltd	BUY	520	597	707	36.0	28-Aug-18	79,612	17.9	20.6	29.1	25.2	9.3	9.8	12.9	12.1
Shipping															
GE Shipping Company	SELL	283	352	350	23.5	08-May-18	43,069	22.0	24.1	12.9	11.8	4.1	4.3	3.8	3.0
Shipping Corporation of India	BUY	40	85	110	171.9	16-Feb-18	17,131	4.7	6.2	8.6	6.5	3.0	3.8	2.1	2.0
Transportation															
Adani Port & Special Eco Zone	BUY	304	378	485	59.4	10-Sep-18	626,048	22.9	26.2	13.3	11.6	21.1	20.3	9.4	8.1
Allcargo Global Logistics	BUY	96	121	145	50.6	27-Aug-18	23,678	9.1	9.7	10.6	9.9	8.9	8.9	5.3	4.8
Blue Dart Express	SELL	2,902	3,690	3,215	10.8	01-Aug-18	68,777	73.7	84.6	39.4	34.3	23.9	22.5	22.9	20.5
Cochin Shipyard Ltd	BUY	370	440	610	65.0	16-Aug-18	50,266	30.5	33.9	12.1	10.9	12.0	12.3	4.2	3.8
Container Corporation of India	BUY	600	652	775	29.3	30-Jul-18	292,256	24.1	27.7	24.9	21.6	13.5	13.9	17.2	14.6
VRL Logistics Ltd	BUY	262	320	395	50.8	13-Aug-18	23,894	13.5	16.5	19.4	15.9	17.8	19.7	8.5	7.1
Others															
Arvind Ltd	BUY	301	420	500	66.3	07-Aug-18	77,894	16.3	25.2	18.5	11.9	9.9	13.8	9.4	7.3
Carborundum Universal Ltd	BUY	334	362	420	25.6	07-Aug-18	62,667	14.6	19.2	22.9	17.4	15.9	18.3	12.4	9.8
Central Depository Services (I) Ltd	BUY	230	268	320	39.4	06-Aug-18	24,098	10.6	12.0	21.7	19.1	16.6	16.9	14.7	12.5
Dollar Industries Ltd	BUY	266	313	427	60.5	14-Aug-18	15,162	13.0	15.6	20.5	17.1	19.1	19.5	12.0	10.2
Essel Propacl Ltd	BUY	99	105	140	41.7	07-Aug-18	31,023	6.7	8.2	14.7	12.0	14.9	15.8	7.2	6.3
Finolex Industries	ACCUMULATE	510	630	671	31.5	04-Sep-18	63,290	28.6	33.6	17.8	15.2	12.4	13.4	8.3	6.9
Indo Count Industries Ltd	BUY	57	83	103	80.1	07-Aug-18	11,291	7.3	9.4	7.8	6.1	14.2	16.0	6.0	4.8
Insecticides (India) Ltd	BUY	420	724	892	112.4	10-Aug-18	8,677	49.1	55.7	8.6	7.5	17.1	16.6	5.5	4.8
Maharashtra Seamless Ltd	BUY	415	472	805	93.8	24-Sep-18	27,825	61.7	72.1	6.7	5.8	13.2	13.6	4.9	4.0
Mahindra Holidays & Resorts India Ltd	BUY	208	279	390	87.6	13-Aug-18	27,651	12.8	14.7	16.2	14.1	20.8	21.0	9.3	7.8
Mirza International Ltd	BUY	70	100	120	70.7	10-Aug-18	8,436	6.3	8.0	11.2	8.8	12.6	14.2	6.4	5.3

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Mold-Tek Packaging Ltd	BUY	255	305	351	37.8	06-Aug-18	7,058	14.6	16.7	17.5	15.3	20.5	20.4	10.6	9.2
Radico Khaitan Ltd	ACCUMULATE	312	403	449	43.7	27-Jul-18	41,556	13.5	16.6	23.1	18.8	14.7	15.8	13.0	10.9
Time Technoplast Ltd	BUY	124	140	195	56.8	06-Aug-18	28,127	10.3	13.0	12.1	9.6	14.7	16.1	6.4	5.3
VIP Industries Ltd	BUY	395	414	515	30.3	04-Oct-18	56,126	11.8	13.2	33.5	29.9	28.4	26.4	22.3	19.7
Wonderla Holidays Ltd	BUY	273	335	406	48.7	09-Aug-18	15,452	9.3	12.0	29.4	22.8	6.6	8.3	13.2	10.7

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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