

Stock Recommendations



OCTOBER 9, 2018

Stock Recommendations

Name of the company	Latest Reco ^	Price as on 9-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	201	286	301	49.5	03-Aug-18	115,201	17.6	25.1	11.4	8.0	9.9	12.8	7.3	5.9
Ashok Leyland	BUY	111	111	128	15.8	19-Jul-18	314,625	6.4	7.1	17.3	15.6	24.3	23.7	9.1	7.9
Bajaj Auto Ltd	REDUCE	2,543	2,684	2,808	10.4	24-Jul-18	736,074	147.3	165.2	17.3	15.4	21.1	21.2	12.2	10.9
Escorts Ltd	ACCUMULATE	568	908	958	68.7	31-Jul-18	69,839	52.3	53.2	10.9	10.7	19.1	16.4	9.4	8.8
FIEM Industries Ltd	BUY	520	720	1,030	98.1	11-Sep-18	6,863	43.2	54.2	12.0	9.6	12.1	13.7	5.4	4.3
Gabriel India Ltd	BUY	116	119	157	35.2	05-Oct-18	16,718	7.4	8.7	15.7	13.3	18.9	19.1	8.3	6.7
Hero MotoCorp Ltd	ACCUMULATE	2,892	3,251	3,473	20.1	06-Aug-18	578,350	183.4	204.3	15.8	14.2	29.4	29.4	10.2	9.1
Mahindra & Mahindra	ACCUMULATE	765	927	984	28.7	08-Aug-18	950,646	38.0	40.8	20.1	18.7	14.1	13.7	10.8	9.5
Maruti Suzuki India Ltd	ACCUMULATE	6,699	9,397	10,360	54.6	27-Jul-18	2,023,234	320.9	414.4	20.9	16.2	21.5	23.5	11.5	8.7
Sterling Tools Ltd	ACCUMULATE	320	385	418	30.6	13-Aug-18	11,520	16.1	19.0	19.9	16.8	21.3	20.9	11.0	9.5
Talbro Automotive Components Ltd	BUY	212	287	396	86.8	30-Aug-18	2,544	21.5	28.3	9.9	7.5	14.0	16.1	6.4	5.0
Tata Motors	REDUCE	184	264	277	50.3	01-Aug-18	626,053	14.0	20.8	13.2	8.9	4.9	6.8	3.5	2.9
Building Material															
Asian Granito India Ltd (AGL)	ACCUMULATE	160	230	255	59.3	16-Aug-18	4,819	12.5	15.9	12.8	10.1	8.4	9.9	6.7	5.8
Century Plyboards (India) Ltd	BUY	159	250	323	102.7	26-Jul-18	35,455	10.0	11.9	15.9	13.4	23.7	23.0	10.2	8.6
Greenply Industries Ltd	BUY	142	202	286	101.3	09-Aug-18	17,149	10.5	12.4	13.5	11.5	13.2	13.8	8.4	7.0
Kajaria Ceramics Ltd	BUY	340	338	500	47.1	09-Oct-18	53,994	15.1	17.8	22.5	19.1	16.6	17.2	12.0	10.3
Shankara Building Products Ltd	BUY	1,055	1,653	2,017	91.2	17-Aug-18	24,106	44.6	53.1	23.7	19.9	20.3	20.1	12.3	10.9
Supreme Industries Ltd	ACCUMULATE	957	1,204	1,324	38.4	01-Aug-18	121,514	35.9	45.6	26.7	21.0	22.4	24.4	13.5	10.8
Capital Goods & Engineering															
AIA Engineering	SELL	1,528	1,705	1,700	11.3	14-Aug-18	144,081	53.3	68.1	28.7	22.4	15.6	17.2	18.7	14.5
Bharat Electronics	BUY	76	80	96	26.5	08-Oct-18	184,968	6.1	6.4	12.4	11.9	18.1	17.3	6.9	5.8
Cummins India	ACCUMULATE	666	740	785	17.9	03-Sep-18	184,574	27.8	32.8	24.0	20.3	19.1	21.6	19.5	16.4
Engineers India Ltd	BUY	102	126	187	83.2	13-Aug-18	68,815	7.2	8.4	14.2	12.2	20.5	22.0	7.6	6.0
Genus Power Infrastructures Ltd	BUY	25	44	58	130.6	02-Aug-18	6,471	2.6	3.2	9.7	7.9	8.6	10.0	4.7	3.8
Greaves Cotton	ACCUMULATE	126	152	165	31.0	14-Sep-18	30,751	9.3	10.1	13.5	12.5	22.3	22.6	8.6	7.6
Larsen & Toubro	BUY	1,221	1,352	1,520	24.5	24-Aug-18	1,711,912	61.0	69.9	20.0	17.5	14.6	15.1	16.1	14.0
Praj Industries Ltd	ACCUMULATE	102	83	89	(12.7)	09-Aug-18	18,077	3.4	4.5	30.0	22.6	8.6	11.2	18.1	14.0

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								FY19E	FY20E	FY19E	FY20E	FY19E	FY20E	FY19E	FY20E
Va Tech Wabag Ltd	BUY	249	372	476	91.4	13-Aug-18	13,184	31.1	36.6	8.0	6.8	14.0	14.6	3.5	3.0
Voltamp Ltd	BUY	758	952	1,320	74.1	20-Aug-18	7,660	93.5	101.4	8.1	7.5	14.3	13.9	4.7	2.5
Cement															
India Cements Ltd	REDUCE	93	108	112	21.0	14-Aug-18	28,524	4.6	7.1	20.1	13.0	2.7	4.0	6.6	5.5
Shree Cement	ACCUMULATE	15,711	17,175	18,487	17.7	31-Jul-18	547,383	369.9	433.4	42.5	36.3	13.6	14.1	17.5	15.8
UltraTech Cement	BUY	3,782	3,857	4,726	25.0	20-Jul-18	1,037,781	110.7	139.5	34.2	27.1	11.1	12.6	15.8	13.4
Chemicals															
Aksharchem India Ltd	REDUCE	442	525	533	20.7	14-Aug-18	3,227	41.9	44.4	10.5	9.9	12.8	12.2	5.3	4.9
Bodal Chemicals Ltd	REDUCE	117	124	130	11.3	17-Aug-18	14,244	10.9	13.0	10.7	9.0	16.3	16.9	6.7	5.7
GHCL Ltd	BUY	206	253	330	60.5	17-Sep-18	19,907	36.8	41.6	5.6	4.9	18.7	17.9	4.8	4.3
Construction															
Dilip Buildcon Ltd	BUY	513	852	1,276	148.9	17-Aug-18	70,131	60.1	67.1	8.5	7.6	28.7	24.7	5.3	4.1
IRB Infrastructure Developers	BUY	125	194	271	116.6	26-Jul-18	43,973	28.9	33.9	4.3	3.7	16.5	16.6	11.6	11.6
KNR Construction	BUY	171	229	283	65.5	14-Aug-18	24,026	10.1	15.6	16.9	11.0	11.6	15.7	6.9	4.4
Nagarjuna Construction	BUY	70	97	151	116.5	14-Aug-18	38,777	7.3	8.2	9.6	8.5	9.9	10.2	4.2	3.5
NBCC (India) Ltd	BUY	53	62	95	80.3	28-Sep-18	94,860	2.3	2.9	22.9	18.2	21.7	24.5	14.5	10.3
PNC Infratech Ltd	BUY	128	165	219	71.5	10-Aug-18	32,755	9.0	11.8	14.2	10.8	12.1	14.0	6.6	4.6
Simplex Infrastructures	BUY	206	413	600	190.8	21-Aug-18	11,697	26.3	39.9	7.8	5.2	7.8	9.9	5.3	5.0
Vascon Engineers Ltd	BUY	22	27	48	120.2	20-Aug-18	3,793	2.4	3.6	9.1	6.1	5.6	7.9	8.0	5.5
Consumer Durables															
Amber Enterprises Ltd	BUY	875	921	1,145	30.8	13-Aug-18	27,478	33.5	46.5	26.1	18.8	11.1	13.6	12.5	9.5
Bajaj Electricals Ltd	ACCUMULATE	494	508	545	10.2	03-Oct-18	48,842	19.5	25.4	25.4	19.5	19.7	21.9	14.7	11.9
Blue Star Ltd	ACCUMULATE	549	703	743	35.3	10-Aug-18	52,339	17.8	24.2	30.9	22.7	16.5	20.3	16.7	13.5
Eveready Industries India Ltd	BUY	192	230	322	67.6	27-Jul-18	13,969	9.5	14.4	20.2	13.3	18.5	23.5	12.1	8.9
Havells India Ltd	SELL	564	560	500	(11.3)	23-Jul-18	351,901	14.1	16.6	40.0	34.0	21.1	22.3	24.0	19.9
MIRC Electronics Ltd	BUY	24	28	32	34.7	18-Sep-18	5,484	0.9	1.8	26.4	13.2	8.6	14.5	14.1	10.1
Voltas Ltd	ACCUMULATE	485	620	658	35.8	13-Aug-18	160,177	18.3	23.9	26.5	20.3	14.7	17.1	18.1	13.9

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								FY19E	FY20E	FY19E	FY20E	FY19E	FY20E	FY19E	FY20E
FMCG															
Hindustan Unilever	SELL	1,512	1,753	1,605	6.1	17-Jul-18	3,266,892	29.1	35.7	52.0	42.4	89.3	89.8	36.1	29.4
ITC Ltd	BUY	269	287	330	22.9	27-Jul-18	3,276,774	10.3	11.4	26.1	23.6	23.5	24.7	17.0	15.1
Marico Ltd	ACCUMULATE	295	352	375	27.1	06-Aug-18	380,615	7.2	8.9	41.0	33.2	34.4	37.6	28.2	22.6
Information Technology															
Cyient Ltd (Infotech)	BUY	677	717	810	19.6	30-Aug-18	76,501	42.9	52.3	15.8	12.9	18.9	19.5	10.0	8.2
KPIT Technologies	NOT RATED	199	287	NIL	NIL	12-Jun-18	39,352	21.6	25.1	9.2	7.9	15.9	17.0	6.9	5.4
NIIT LTD	BUY	62	95	125	101.8	30-Jul-18	10,346	6.3	8.6	9.8	7.2	7.5	14.4	4.3	2.8
NIIT Technologies	ACCUMULATE	1,117	1,121	1,185	6.1	19-Jul-18	65,515	62.0	69.7	18.0	16.0	18.5	18.0	9.4	8.1
Persistent Systems	BUY	714	827	1,025	43.6	31-Jul-18	57,100	52.2	65.1	13.7	11.0	18.4	20.0	7.1	5.4
Qess Corp Ltd	BUY	720	1,128	1,302	80.8	27-Jul-18	104,429	28.7	32.6	25.1	22.1	15.6	15.2	20.3	17.0
Zensar Technologies	ACCUMULATE	280	250	275	(1.9)	14-Aug-18	62,966	14.5	17.7	19.3	15.8	25.8	26.8	11.6	9.1
Metals & Mining															
Hindustan Zinc	ACCUMULATE	273	284	300	9.7	23-Aug-18	1,155,414	23.1	24.4	11.8	11.2	24.5	22.8	6.2	5.5
Jindal Stainless (Hisar) Ltd	BUY	95	127	227	139.3	01-Aug-18	22,385	19.1	24.5	5.0	3.9	23.4	23.1	2.8	1.9
JSW Steel	ACCUMULATE	370	317	340	(8.2)	26-Jul-18	895,257	28.5	29.6	13.0	12.5	20.6	17.3	7.6	7.3
MOIL Ltd	BUY	161	174	260	61.8	13-Aug-18	42,810	17.2	19.4	9.3	8.3	14.4	14.7	3.7	2.8
National Aluminium Co	BUY	61	72	100	63.9	10-Aug-18	117,913	9.6	7.8	6.4	7.8	17.0	13.1	2.9	3.4
NMDC Ltd	BUY	107	108	125	16.6	29-Aug-18	339,256	12.2	11.3	8.8	9.5	14.3	12.2	5.2	5.5
Tata Sponge Iron Ltd	REDUCE	783	955	1,055	34.8	19-Jul-18	12,054	98.5	98.7	7.9	7.9	13.8	12.5	2.3	1.7
Oil & Gas															
Castrol India Ltd **	BUY	138	167	195	41.8	02-Aug-18	136,004	7.3	7.8	18.8	17.6	52.1	51.6	11.6	10.7
Chennai Petroleum Corporation	BUY	226	317	373	65.1	31-Jul-18	33,667	64.2	67.7	3.5	3.3	22.2	20.4	3.0	2.7
Gujarat State Petronet Ltd (GSPL)	SELL	173	198	182	5.2	01-Aug-18	97,572	11.2	11.0	15.4	15.7	11.7	10.5	5.8	5.9
Indraprastha Gas (IGL)	SELL	224	276	257	14.7	07-Sep-18	156,870	12.1	14.1	18.5	15.9	20.8	20.6	10.2	8.3
Mahanagar Gas Ltd	ACCUMULATE	792	948	1,030	30.0	02-Aug-18	78,264	56.7	59.9	14.0	13.2	24.9	23.1	7.5	7.0
MRPL	BUY	63	83	106	67.1	13-Aug-18	111,164	11.3	12.3	5.6	5.2	17.8	16.9	4.3	3.9
Oil India Ltd	BUY	195	207	245	25.9	16-Aug-18	220,795	27.1	28.0	7.2	6.9	9.7	9.7	5.7	5.8
Petronet LNG	BUY	212	231	267	26.0	30-Jul-18	317,775	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	1,563	1,720	2,200	40.8	03-Aug-18	72,978	55.8	64.7	28.0	24.2	20.9	21.3	17.1	14.4
Asian Paints Ltd	SELL	1,201	1,467	1,420	18.2	25-Jul-18	1,152,143	26.6	30.2	45.2	39.8	24.7	24.0	30.0	26.2
Berger Paints	SELL	273	338	305	11.8	31-Aug-18	264,574	5.9	6.8	46.2	40.1	24.2	23.3	28.4	24.7
Kansai Nerolac Paints Ltd	BUY	396	477	600	51.5	23-Jul-18	213,471	11.9	13.5	33.3	29.3	20.3	19.6	21.7	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	299	352	350	17.2	08-May-18	45,380	22.0	24.1	13.6	12.4	4.1	4.3	4.0	3.2
Shipping Corporation of India	BUY	40	85	110	173.0	16-Feb-18	17,067	4.7	6.2	8.6	6.5	3.0	3.8	2.1	2.0
Transportation															
Adani Port & Special Eco Zone	BUY	319	378	485	52.2	10-Sep-18	655,669	22.9	26.2	13.9	12.2	21.1	20.3	9.8	8.4
Allcargo Global Logistics	BUY	98	121	145	48.7	27-Aug-18	23,985	9.1	9.7	10.7	10.1	8.9	8.9	5.4	4.8
Blue Dart Express	SELL	2,800	3,690	3,215	14.8	01-Aug-18	66,360	73.7	84.6	38.0	33.1	23.9	22.5	22.1	19.8
Cochin Shipyard Ltd	BUY	358	440	610	70.2	16-Aug-18	48,749	30.5	33.9	11.8	10.6	12.0	12.3	3.9	3.6
Container Corporation of India	BUY	598	652	775	29.5	30-Jul-18	291,744	24.1	27.7	24.8	21.6	13.5	13.9	17.2	14.6
VRL Logistics Ltd	BUY	259	320	395	52.8	13-Aug-18	23,575	13.5	16.5	19.1	15.7	17.8	19.7	8.4	7.0
Others															
Arvind Ltd	BUY	300	420	500	66.6	07-Aug-18	77,726	16.3	25.2	18.4	11.9	9.9	13.8	9.4	7.3
Carborundum Universal Ltd	BUY	334	362	420	25.7	07-Aug-18	62,620	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	39.1	06-Aug-18	24,155	10.6	12.0	21.7	19.2	16.6	16.9	14.7	12.6
Dollar Industries Ltd	BUY	260	313	427	64.0	14-Aug-18	14,840	13.0	15.6	20.0	16.7	19.1	19.5	11.7	10.0
Essel Propacl Ltd	BUY	97	105	140	45.1	07-Aug-18	30,301	6.7	8.2	14.4	11.8	14.9	15.8	7.1	6.1
Finolex Industries	ACCUMULATE	502	630	671	33.7	04-Sep-18	62,223	28.6	33.6	17.5	14.9	12.4	13.4	8.2	6.8
Indo Count Industries Ltd	BUY	55	83	103	88.6	07-Aug-18	10,778	7.3	9.4	7.5	5.8	14.2	16.0	5.8	4.7
Insecticides (India) Ltd	BUY	402	724	892	121.9	10-Aug-18	8,305	49.1	55.7	8.2	7.2	17.1	16.6	5.3	4.6
Maharashtra Seamless Ltd	BUY	439	472	805	83.4	24-Sep-18	29,413	61.7	72.1	7.1	6.1	13.2	13.6	5.2	4.2
Mahindra Holidays & Resorts India Ltd	BUY	203	279	390	92.4	13-Aug-18	26,959	12.8	14.7	15.8	13.8	20.8	21.0	9.1	7.6
Mirza International Ltd	BUY	73	100	120	64.6	10-Aug-18	8,748	6.3	8.0	11.6	9.1	12.6	14.2	6.5	5.5

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								FY19E	FY20E	FY19E	FY20E	FY19E	FY20E	FY19E	FY20E
Mold-Tek Packaging Ltd	BUY	254	305	351	38.1	06-Aug-18	7,043	14.6	16.7	17.4	15.2	20.5	20.4	10.5	9.2
Radico Khaitan Ltd	ACCUMULATE	300	403	449	49.9	27-Jul-18	39,834	13.5	16.6	22.2	18.0	14.7	15.8	12.4	10.5
Time Technoplast Ltd	BUY	124	140	195	57.3	06-Aug-18	28,036	10.3	13.0	12.0	9.5	14.7	16.1	6.4	5.3
VIP Industries Ltd	BUY	379	414	515	36.0	04-Oct-18	53,754	11.8	13.2	32.1	28.7	28.4	26.4	21.4	18.8
Wonderla Holidays Ltd	BUY	263	335	406	54.4	09-Aug-18	14,886	9.3	12.0	28.3	21.9	6.6	8.3	12.7	10.3

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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