

# Stock Recommendations



SEPTEMBER 11, 2018

## Stock Recommendations

Name of the company	Latest Reco ^	Price as on 11-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	231	286	301	30.4	03-Aug-18	131,989	17.6	25.1	13.1	9.2	9.9	12.8	8.1	6.5
Ashok Leyland	BUY	128	111	128	0.2	19-Jul-18	363,577	6.4	7.1	20.0	18.0	24.3	23.7	10.7	9.3
Bajaj Auto Ltd	REDUCE	2,831	2,684	2,808	(0.8)	24-Jul-18	819,306	147.3	165.2	19.2	17.1	21.1	21.2	13.8	12.4
Escorts Ltd	ACCUMULATE	768	908	958	24.7	31-Jul-18	94,507	52.3	53.2	14.7	14.4	19.1	16.4	13.0	12.3
FIEM Industries Ltd	BUY	716	720	1,030	43.9	11-Sep-18	9,451	43.2	54.2	16.6	13.2	12.1	13.7	7.1	5.7
Gabriel India Ltd	BUY	132	142	185	40.2	10-Aug-18	19,008	7.8	9.2	16.9	14.3	19.8	20.0	9.1	7.3
Hero MotoCorp Ltd	ACCUMULATE	3,184	3,251	3,473	9.1	06-Aug-18	636,840	183.4	204.3	17.4	15.6	29.4	29.4	11.3	10.1
Mahindra & Mahindra	ACCUMULATE	943	927	984	4.3	08-Aug-18	1,172,335	38.0	40.8	24.8	23.1	14.1	13.7	13.9	12.3
Maruti Suzuki India Ltd	ACCUMULATE	8,517	9,397	10,360	21.6	27-Jul-18	2,572,149	320.9	414.4	26.5	20.6	21.5	23.5	15.3	11.8
Sterling Tools Ltd	ACCUMULATE	345	385	418	21.2	13-Aug-18	12,418	16.1	19.0	21.4	18.2	21.3	20.9	11.8	10.2
Talbro Automotive Components Ltd	BUY	292	287	396	35.6	30-Aug-18	3,504	21.5	28.3	13.6	10.3	14.0	16.1	8.3	6.6
Tata Motors	REDUCE	267	264	277	3.6	01-Aug-18	907,751	14.0	20.8	19.1	12.9	4.9	6.8	4.4	3.6
<b>Building Material</b>															
Asian Granito India Ltd (AGL)	ACCUMULATE	221	230	255	15.6	16-Aug-18	6,642	12.5	15.9	17.7	13.9	8.4	9.9	8.3	7.1
Century Plyboards (India) Ltd	BUY	199	250	323	62.4	26-Jul-18	44,255	10.0	11.9	19.9	16.7	23.7	23.0	12.4	10.6
Greenply Industries Ltd	BUY	191	202	286	49.5	09-Aug-18	23,092	10.5	12.4	18.2	15.4	13.2	13.8	10.5	8.8
Kajaria Ceramics Ltd	BUY	422	433	551	30.6	25-Jul-18	67,064	16.6	19.7	25.4	21.4	18.2	18.6	13.7	11.7
Shankara Building Products Ltd	BUY	1,222	1,653	2,017	65.1	17-Aug-18	27,920	44.6	53.1	27.4	23.0	20.3	20.1	14.1	12.5
Supreme Industries Ltd	ACCUMULATE	1,151	1,204	1,324	15.1	01-Aug-18	146,114	35.9	45.6	32.0	25.2	22.4	24.4	16.2	13.0
<b>Capital Goods &amp; Engineering</b>															
AIA Engineering	SELL	1,743	1,705	1,700	(2.4)	14-Aug-18	164,322	53.3	68.1	32.7	25.6	15.6	17.2	21.6	16.8
Bharat Electronics	BUY	88	116	135	53.0	01-Aug-18	215,065	6.0	6.7	14.7	13.2	17.8	18.1	7.8	7.4
Cummins India	ACCUMULATE	754	740	785	4.1	03-Sep-18	208,940	27.8	32.8	27.1	23.0	19.1	21.6	22.3	18.7
Engineers India Ltd	BUY	123	126	187	51.5	13-Aug-18	83,172	7.2	8.4	17.1	14.7	20.5	22.0	10.1	8.1
Genus Power Infrastructures Ltd	BUY	38	44	58	52.0	02-Aug-18	9,816	2.6	3.2	14.7	11.9	8.6	10.0	7.5	6.0
Greaves Cotton	ACCUMULATE	152	148	156	2.3	16-Aug-18	37,221	9.4	10.3	16.2	14.8	22.5	22.9	10.5	9.3
Larsen & Toubro	BUY	1,330	1,352	1,520	14.3	24-Aug-18	1,864,169	61.0	69.9	21.8	19.0	14.6	15.1	17.1	14.9
Praj Industries Ltd	ACCUMULATE	96	83	89	(7.5)	09-Aug-18	17,075	3.4	4.5	28.3	21.4	8.6	11.2	16.9	13.0

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								FY19E	FY20E	FY19E	FY20E	FY19E	FY20E	FY19E	FY20E
Va Tech Wabag Ltd	BUY	383	372	476	24.1	13-Aug-18	20,323	31.1	36.6	12.3	10.5	14.0	14.6	5.7	4.9
Voltamp Ltd	BUY	897	952	1,320	47.2	20-Aug-18	9,057	93.5	101.4	9.6	8.8	14.3	13.9	6.6	4.2
<b>Cement</b>															
India Cements Ltd	REDUCE	115	108	112	(2.5)	14-Aug-18	35,412	4.6	7.1	25.0	16.2	2.7	4.0	7.5	6.2
Shree Cement	ACCUMULATE	17,005	17,175	18,487	8.7	31-Jul-18	592,437	369.9	433.4	46.0	39.2	13.6	14.1	19.0	17.2
UltraTech Cement	BUY	4,108	3,857	4,726	15.1	20-Jul-18	1,127,125	110.7	139.5	37.1	29.4	11.1	12.6	17.0	14.5
<b>Chemicals</b>															
Aksharchem India Ltd	REDUCE	520	525	533	2.5	14-Aug-18	3,801	41.9	44.4	12.4	11.7	12.8	12.2	6.4	5.9
Bodal Chemicals Ltd	REDUCE	111	124	130	16.8	17-Aug-18	13,579	10.9	13.0	10.2	8.6	16.3	16.9	6.4	5.4
GHCL Ltd	BUY	253	253	330	30.5	19-Jul-18	24,481	36.8	41.6	6.9	6.1	18.7	17.9	5.4	4.9
<b>Construction</b>															
Dilip Buildcon Ltd	BUY	775	852	1,276	64.7	17-Aug-18	105,999	60.1	67.1	12.9	11.5	28.7	24.7	7.3	5.7
IRB Infrastructure Developers	BUY	171	194	271	58.9	26-Jul-18	59,931	28.9	33.9	5.9	5.0	16.5	16.6	12.2	12.1
KNR Construction	BUY	206	229	283	37.3	14-Aug-18	28,950	10.1	15.6	20.4	13.2	11.6	15.7	8.6	5.6
Nagarjuna Construction	BUY	89	97	151	70.6	14-Aug-18	49,201	7.3	8.2	12.1	10.8	9.9	10.2	5.3	4.4
NBCC (India) Ltd	BUY	67	72	95	41.3	16-Aug-18	121,050	2.3	2.9	29.2	23.2	21.7	24.5	19.7	14.3
PNC Infratech Ltd	BUY	145	165	219	51.1	10-Aug-18	37,167	9.0	11.8	16.1	12.3	12.1	14.0	7.7	5.3
Simplex Infrastructures	BUY	403	413	600	49.0	21-Aug-18	22,836	26.3	39.9	15.3	10.1	7.8	9.9	6.7	6.1
Vascon Engineers Ltd	BUY	29	27	48	67.5	20-Aug-18	4,985	2.4	3.6	11.9	8.0	5.6	7.9	10.0	6.9
<b>Consumer Durables</b>															
Amber Enterprises Ltd	BUY	947	921	1,145	20.9	13-Aug-18	29,742	33.5	46.5	28.3	20.4	11.1	13.6	13.6	10.3
Bajaj Electricals Ltd	SELL	526	625	545	3.7	10-Aug-18	51,924	19.5	25.4	27.0	20.7	19.7	21.9	15.4	12.5
Blue Star Ltd	ACCUMULATE	653	703	743	13.8	10-Aug-18	62,212	17.8	24.2	36.7	27.0	16.5	20.3	19.8	16.1
Eveready Industries India Ltd	BUY	240	230	322	34.1	27-Jul-18	17,459	9.5	14.4	25.3	16.7	18.5	23.5	14.7	10.8
Havells India Ltd	SELL	633	560	500	(21.0)	23-Jul-18	394,808	14.1	16.6	44.9	38.1	21.1	22.3	27.2	22.6
MIRC Electronics Ltd	ACCUMULATE	28	29	32	13.1	17-Aug-18	6,534	1.4	1.8	20.2	15.7	12.3	14.4	13.9	11.4
Voltas Ltd	ACCUMULATE	576	620	658	14.3	13-Aug-18	190,236	18.3	23.9	31.5	24.1	14.7	17.1	22.3	17.2

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								FY19E	FY20E	FY19E	FY20E	FY19E	FY20E	FY19E	FY20E
<b>FMCG</b>															
Hindustan Unilever	SELL	1,591	1,753	1,605	0.9	17-Jul-18	3,435,804	29.1	35.7	54.7	44.6	89.3	89.8	38.0	31.0
ITC Ltd	BUY	297	287	330	11.0	27-Jul-18	3,627,029	10.3	11.4	28.9	26.1	23.5	24.7	18.9	16.9
Marico Ltd	ACCUMULATE	337	352	375	11.3	06-Aug-18	434,666	7.2	8.9	46.8	37.9	34.4	37.6	32.2	25.9
<b>Information Technology</b>															
Cyient Ltd (Infotech)	BUY	789	717	810	2.7	30-Aug-18	89,129	42.9	52.3	18.4	15.1	18.9	19.5	12.0	9.9
KPIT Technologies	NOT RATED	307	287	NIL	NIL	12-Jun-18	60,593	21.6	25.1	14.2	12.2	15.9	17.0	11.3	9.2
NIIT LTD	BUY	96	95	125	30.8	30-Jul-18	15,965	6.3	8.6	15.2	11.1	7.5	14.4	10.6	7.7
NIIT Technologies	ACCUMULATE	1,320	1,121	1,185	(10.2)	19-Jul-18	77,400	62.0	69.7	21.3	18.9	18.5	18.0	11.3	9.9
Persistent Systems	BUY	877	827	1,025	16.8	31-Jul-18	70,184	52.2	65.1	16.8	13.5	18.4	20.0	9.3	7.2
Qess Corp Ltd	BUY	926	1,128	1,302	40.6	27-Jul-18	134,285	28.7	32.6	32.3	28.4	15.6	15.2	26.7	22.5
Zensar Technologies	ACCUMULATE	324	1,249	1,373	323.4	14-Aug-18	14,591	72.6	88.6	4.5	3.7	25.8	26.8	1.7	0.9
<b>Metals &amp; Mining</b>															
Hindustan Zinc	ACCUMULATE	288	284	300	4.0	23-Aug-18	1,218,371	23.1	24.4	12.5	11.8	24.5	22.8	6.6	5.9
Jindal Stainless (Hisar) Ltd	BUY	139	127	227	63.2	01-Aug-18	32,828	19.1	24.5	7.3	5.7	23.4	23.1	3.6	2.7
JSW Steel	ACCUMULATE	394	317	340	(13.8)	26-Jul-18	953,386	28.5	29.6	13.8	13.3	20.6	17.3	7.9	7.6
MOIL Ltd	BUY	184	174	260	41.1	13-Aug-18	49,084	17.2	19.4	10.7	9.5	14.4	14.7	4.8	3.7
National Aluminium Co	BUY	70	72	100	43.4	10-Aug-18	134,827	9.6	7.8	7.3	8.9	17.0	13.1	3.4	4.1
NMDC Ltd	BUY	118	108	125	5.6	29-Aug-18	374,542	12.2	11.3	9.7	10.5	14.3	12.2	5.8	6.1
Tata Sponge Iron Ltd	REDUCE	930	955	1,055	13.4	19-Jul-18	14,327	98.5	98.7	9.4	9.4	13.8	12.5	3.5	3.0
<b>Oil &amp; Gas</b>															
Castrol India Ltd **	BUY	152	167	195	28.1	02-Aug-18	150,594	7.3	7.8	20.9	19.5	52.1	51.6	12.9	11.9
Chennai Petroleum Corporation	BUY	280	317	373	33.0	31-Jul-18	41,772	64.2	67.7	4.4	4.1	22.2	20.4	3.3	3.1
Gujarat State Petronet Ltd (GSPL)	SELL	183	198	182	(0.8)	01-Aug-18	103,466	11.2	11.0	16.4	16.7	11.7	10.5	6.3	6.3
Indraprastha Gas (IGL)	SELL	265	276	257	(3.0)	07-Sep-18	185,395	12.1	14.1	21.9	18.8	20.8	20.6	12.5	10.2
Mahanagar Gas Ltd	ACCUMULATE	833	948	1,030	23.7	02-Aug-18	82,261	56.7	59.9	14.7	13.9	24.9	23.1	8.0	7.4
MRPL	BUY	74	83	106	43.1	13-Aug-18	129,736	11.3	12.3	6.6	6.0	17.8	16.9	4.7	4.3
Oil India Ltd	BUY	203	207	245	20.8	16-Aug-18	230,101	27.1	28.0	7.5	7.2	9.7	9.7	5.9	6.0
Petronet LNG	BUY	239	231	267	11.5	30-Jul-18	359,100	16.1	18.6	14.9	12.9	22.0	22.0	7.9	6.8

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								FY19E	FY20E	FY19E	FY20E	FY19E	FY20E	FY19E	FY20E
<b>Paints</b>															
Akzo Nobel India Ltd	BUY	1,711	1,720	2,200	28.6	03-Aug-18	79,915	55.8	64.7	30.7	26.4	20.9	21.3	18.9	15.9
Asian Paints Ltd	SELL	1,296	1,467	1,420	9.6	25-Jul-18	1,242,720	26.6	30.2	48.7	42.9	24.7	24.0	32.5	28.4
Berger Paints	SELL	299	338	305	1.9	31-Aug-18	290,478	5.9	6.8	50.7	44.0	24.2	23.3	31.2	27.2
Kansai Nerolac Paints Ltd	BUY	482	477	600	24.5	23-Jul-18	259,771	11.9	13.5	40.5	35.7	20.3	19.6	26.5	23.3
<b>Real Estate</b>															
The Phoenix Mills Ltd	BUY	603	597	707	17.3	28-Aug-18	92,243	17.9	20.6	33.7	29.2	9.3	9.8	14.4	13.4
<b>Shipping</b>															
GE Shipping Company	SELL	296	352	350	18.3	08-May-18	44,977	22.0	24.1	13.5	12.3	4.1	4.3	3.9	3.1
Shipping Corporation of India	BUY	53	85	110	108.1	16-Feb-18	22,382	4.7	6.2	11.2	8.5	3.0	3.8	2.8	2.6
<b>Transportation</b>															
Adani Port & Special Eco Zone	BUY	365	378	485	33.0	10-Sep-18	750,085	22.9	26.2	15.9	13.9	21.1	20.3	10.9	9.5
Allcargo Global Logistics	BUY	115	121	145	25.9	27-Aug-18	28,327	9.1	9.7	12.7	11.9	8.9	8.9	6.4	5.8
Blue Dart Express	SELL	3,259	3,690	3,215	(1.4)	01-Aug-18	77,238	73.7	84.6	44.2	38.5	23.9	22.5	25.6	23.0
Cochin Shipyard Ltd	BUY	419	440	610	45.7	16-Aug-18	56,943	30.5	33.9	13.7	12.4	12.0	12.3	5.4	4.9
Container Corporation of India	BUY	634	652	775	22.3	30-Jul-18	308,831	24.1	27.7	26.3	22.9	13.5	13.9	18.5	15.7
VRL Logistics Ltd	BUY	305	320	395	29.6	13-Aug-18	27,789	13.5	16.5	22.6	18.5	17.8	19.7	9.9	8.2
<b>Others</b>															
Arvind Ltd	BUY	386	420	500	29.5	07-Aug-18	100,026	16.3	25.2	23.7	15.3	9.9	13.8	11.4	8.8
Carborundum Universal Ltd	BUY	385	362	420	9.1	07-Aug-18	72,149	14.6	19.2	26.4	20.1	15.9	18.3	14.4	11.4
Central Depository Services (I) Ltd	BUY	259	268	320	23.6	06-Aug-18	27,190	10.6	12.0	24.4	21.6	16.6	16.9	17.2	14.7
Dollar Industries Ltd	BUY	323	313	427	32.3	14-Aug-18	18,394	13.0	15.6	24.8	20.7	19.1	19.5	14.3	12.2
Essel Propacl Ltd	BUY	117	105	140	19.7	07-Aug-18	36,738	6.7	8.2	17.5	14.3	14.9	15.8	8.3	7.3
Finolex Industries	ACCUMULATE	587	630	671	14.3	04-Sep-18	72,763	28.6	33.6	20.5	17.5	12.4	13.4	10.0	8.4
Indo Count Industries Ltd	BUY	75	83	103	36.9	07-Aug-18	14,854	7.3	9.4	10.3	8.0	14.2	16.0	7.4	6.0
Insecticides (India) Ltd	BUY	579	724	892	54.2	10-Aug-18	11,952	49.1	55.7	11.8	10.4	17.1	16.6	7.5	6.5
Maharashtra Seamless Ltd	BUY	473	485	805	70.2	21-Aug-18	31,691	61.7	72.1	7.7	6.6	13.0	13.4	5.4	4.4
Mahindra Holidays & Resorts India Ltd	BUY	248	279	390	57.5	13-Aug-18	32,937	12.8	14.7	19.3	16.8	20.8	21.0	11.2	9.4
Mirza International Ltd	BUY	94	100	120	28.2	10-Aug-18	11,232	6.3	8.0	14.9	11.7	12.6	14.2	7.9	6.6

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		as on 11-Sep (Rs)	on latest Report (Rs)	price target <sup>^</sup> (Rs)	(Down-side) (%)	Report Date		FY19E	FY20E	FY19E	FY20E	FY19E	FY20E	FY19E	FY20E
Mold-Tek Packaging Ltd	BUY	316	305	351	11.0	06-Aug-18	8,763	14.6	16.7	21.7	18.9	20.5	20.4	12.8	11.1
Radico Khaitan Ltd	ACCUMULATE	441	403	449	1.8	27-Jul-18	58,633	13.5	16.6	32.7	26.6	14.7	15.8	18.1	15.4
Time Technoplast Ltd	BUY	153	140	195	27.8	06-Aug-18	34,492	10.3	13.0	14.8	11.7	14.7	16.1	7.6	6.2
VIP Industries Ltd	ACCUMULATE	541	529	570	5.5	06-Aug-18	76,751	12.3	14.2	43.9	38.1	29.3	27.7	29.5	25.1
Wonderla Holidays Ltd	BUY	297	335	406	36.6	09-Aug-18	16,822	9.3	12.0	32.0	24.8	6.6	8.3	14.4	11.7

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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