

# Stock Recommendations



SEPTEMBER 12, 2018

## Stock Recommendations

Name of the company	Latest Reco ^	Price as on 12-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	30.5	03-Aug-18	131,903	17.6	25.1	13.1	9.2	9.9	12.8	8.1	6.5
Ashok Leyland	BUY	128	111	128	0.1	19-Jul-18	364,003	6.4	7.1	20.0	18.0	24.3	23.7	10.7	9.3
Bajaj Auto Ltd	REDUCE	2,868	2,684	2,808	(2.1)	24-Jul-18	829,985	147.3	165.2	19.5	17.4	21.1	21.2	14.0	12.6
Escorts Ltd	ACCUMULATE	771	908	958	24.3	31-Jul-18	94,827	52.3	53.2	14.7	14.5	19.1	16.4	13.0	12.4
FIEM Industries Ltd	BUY	705	720	1,030	46.2	11-Sep-18	9,302	43.2	54.2	16.3	13.0	12.1	13.7	7.0	5.7
Gabriel India Ltd	BUY	131	142	185	40.8	10-Aug-18	18,922	7.8	9.2	16.8	14.3	19.8	20.0	9.0	7.3
Hero MotoCorp Ltd	ACCUMULATE	3,164	3,251	3,473	9.8	06-Aug-18	632,750	183.4	204.3	17.3	15.5	29.4	29.4	11.2	10.0
Mahindra & Mahindra	ACCUMULATE	938	927	984	4.9	08-Aug-18	1,166,120	38.0	40.8	24.7	23.0	14.1	13.7	13.8	12.3
Maruti Suzuki India Ltd	ACCUMULATE	8,502	9,397	10,360	21.9	27-Jul-18	2,567,634	320.9	414.4	26.5	20.5	21.5	23.5	15.3	11.8
Sterling Tools Ltd	ACCUMULATE	340	385	418	22.9	13-Aug-18	12,240	16.1	19.0	21.1	17.9	21.3	20.9	11.7	10.1
Talbro Automotive Components Ltd	BUY	286	287	396	38.5	30-Aug-18	3,432	21.5	28.3	13.3	10.1	14.0	16.1	8.2	6.5
Tata Motors	REDUCE	262	264	277	5.6	01-Aug-18	891,110	14.0	20.8	18.7	12.6	4.9	6.8	4.3	3.6
<b>Building Material</b>															
Asian Granito India Ltd (AGL)	ACCUMULATE	218	230	255	17.2	16-Aug-18	6,551	12.5	15.9	17.4	13.7	8.4	9.9	8.2	7.0
Century Plyboards (India) Ltd	BUY	204	250	323	58.2	26-Jul-18	45,423	10.0	11.9	20.4	17.2	23.7	23.0	12.7	10.8
Greenply Industries Ltd	BUY	187	202	286	53.1	09-Aug-18	22,543	10.5	12.4	17.8	15.1	13.2	13.8	10.4	8.6
Kajaria Ceramics Ltd	BUY	418	433	551	31.8	25-Jul-18	66,420	16.6	19.7	25.2	21.2	18.2	18.6	13.6	11.6
Shankara Building Products Ltd	BUY	1,187	1,653	2,017	69.9	17-Aug-18	27,127	44.6	53.1	26.6	22.4	20.3	20.1	13.7	12.2
Supreme Industries Ltd	ACCUMULATE	1,144	1,204	1,324	15.7	01-Aug-18	145,288	35.9	45.6	31.9	25.1	22.4	24.4	16.1	12.9
<b>Capital Goods &amp; Engineering</b>															
AIA Engineering	SELL	1,768	1,705	1,700	(3.8)	14-Aug-18	166,704	53.3	68.1	33.2	26.0	15.6	17.2	21.9	17.1
Bharat Electronics	BUY	88	116	135	54.0	01-Aug-18	213,603	6.0	6.7	14.6	13.1	17.8	18.1	7.7	7.4
Cummins India	ACCUMULATE	777	740	785	1.0	03-Sep-18	215,357	27.8	32.8	27.9	23.7	19.1	21.6	23.0	19.4
Engineers India Ltd	BUY	125	126	187	49.9	13-Aug-18	84,082	7.2	8.4	17.3	14.9	20.5	22.0	10.3	8.2
Genus Power Infrastructures Ltd	BUY	36	44	58	61.6	02-Aug-18	9,237	2.6	3.2	13.8	11.2	8.6	10.0	7.0	5.6
Greaves Cotton	ACCUMULATE	152	148	156	2.7	16-Aug-18	37,086	9.4	10.3	16.2	14.7	22.5	22.9	10.5	9.3
Larsen & Toubro	BUY	1,352	1,352	1,520	12.4	24-Aug-18	1,895,855	61.0	69.9	22.2	19.3	14.6	15.1	17.3	15.1
Praj Industries Ltd	ACCUMULATE	97	83	89	(8.6)	09-Aug-18	17,279	3.4	4.5	28.6	21.6	8.6	11.2	17.2	13.2

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								FY19E	FY20E	FY19E	FY20E	FY19E	FY20E	FY19E	FY20E
Va Tech Wabag Ltd	BUY	381	372	476	25.1	13-Aug-18	20,167	31.1	36.6	12.2	10.4	14.0	14.6	5.6	4.9
Voltamp Ltd	BUY	897	952	1,320	47.2	20-Aug-18	9,060	93.5	101.4	9.6	8.8	14.3	13.9	6.6	4.2
<b>Cement</b>															
India Cements Ltd	REDUCE	117	108	112	(4.4)	14-Aug-18	36,121	4.6	7.1	25.5	16.5	2.7	4.0	7.5	6.3
Shree Cement	ACCUMULATE	16,850	17,175	18,487	9.7	31-Jul-18	587,054	369.9	433.4	45.6	38.9	13.6	14.1	18.9	17.1
UltraTech Cement	BUY	4,097	3,857	4,726	15.4	20-Jul-18	1,124,107	110.7	139.5	37.0	29.4	11.1	12.6	17.0	14.5
<b>Chemicals</b>															
Aksharchem India Ltd	REDUCE	511	525	533	4.3	14-Aug-18	3,734	41.9	44.4	12.2	11.5	12.8	12.2	6.3	5.8
Bodal Chemicals Ltd	REDUCE	113	124	130	14.6	17-Aug-18	13,835	10.9	13.0	10.4	8.7	16.3	16.9	6.5	5.5
GHCL Ltd	BUY	254	253	330	29.8	19-Jul-18	24,616	36.8	41.6	6.9	6.1	18.7	17.9	5.5	4.9
<b>Construction</b>															
Dilip Buildcon Ltd	BUY	748	852	1,276	70.7	17-Aug-18	102,272	60.1	67.1	12.4	11.1	28.7	24.7	7.1	5.6
IRB Infrastructure Developers	BUY	174	194	271	56.0	26-Jul-18	61,056	28.9	33.9	6.0	5.1	16.5	16.6	12.2	12.1
KNR Construction	BUY	201	229	283	40.8	14-Aug-18	28,233	10.1	15.6	19.9	12.9	11.6	15.7	8.3	5.5
Nagarjuna Construction	BUY	88	97	151	72.5	14-Aug-18	48,673	7.3	8.2	12.0	10.7	9.9	10.2	5.2	4.3
NBCC (India) Ltd	BUY	67	72	95	42.1	16-Aug-18	120,330	2.3	2.9	29.1	23.1	21.7	24.5	19.5	14.2
PNC Infratech Ltd	BUY	142	165	219	54.2	10-Aug-18	36,423	9.0	11.8	15.8	12.0	12.1	14.0	7.5	5.2
Simplex Infrastructures	BUY	392	413	600	53.2	21-Aug-18	22,201	26.3	39.9	14.9	9.8	7.8	9.9	6.6	6.1
Vascon Engineers Ltd	BUY	28	27	48	69.0	20-Aug-18	4,942	2.4	3.6	11.8	7.9	5.6	7.9	10.0	6.9
<b>Consumer Durables</b>															
Amber Enterprises Ltd	BUY	939	921	1,145	21.9	13-Aug-18	29,489	33.5	46.5	28.0	20.2	11.1	13.6	13.5	10.2
Bajaj Electricals Ltd	SELL	530	625	545	2.8	10-Aug-18	52,369	19.5	25.4	27.2	20.9	19.7	21.9	15.5	12.6
Blue Star Ltd	ACCUMULATE	656	703	743	13.2	10-Aug-18	62,531	17.8	24.2	36.9	27.1	16.5	20.3	19.9	16.2
Eveready Industries India Ltd	BUY	235	230	322	37.3	27-Jul-18	17,055	9.5	14.4	24.7	16.3	18.5	23.5	14.4	10.5
Havells India Ltd	SELL	647	560	500	(22.7)	23-Jul-18	403,608	14.1	16.6	45.9	39.0	21.1	22.3	27.8	23.2
MIRC Electronics Ltd	ACCUMULATE	28	29	32	15.7	17-Aug-18	6,384	1.4	1.8	19.8	15.4	12.3	14.4	13.6	11.1
Voltas Ltd	ACCUMULATE	586	620	658	12.3	13-Aug-18	193,656	18.3	23.9	32.0	24.5	14.7	17.1	22.8	17.6

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								FY19E	FY20E	FY19E	FY20E	FY19E	FY20E	FY19E	FY20E
<b>FMCG</b>															
Hindustan Unilever	SELL	1,627	1,753	1,605	(1.3)	17-Jul-18	3,513,996	29.1	35.7	55.9	45.6	89.3	89.8	38.9	31.7
ITC Ltd	BUY	307	287	330	7.6	27-Jul-18	3,744,187	10.3	11.4	29.8	26.9	23.5	24.7	19.6	17.5
Marico Ltd	ACCUMULATE	344	352	375	8.9	06-Aug-18	444,212	7.2	8.9	47.8	38.7	34.4	37.6	32.9	26.5
<b>Information Technology</b>															
Cyient Ltd (Infotech)	BUY	765	717	810	5.9	30-Aug-18	86,451	42.9	52.3	17.8	14.6	18.9	19.5	11.6	9.5
KPIT Technologies	NOT RATED	306	287	NIL	NIL	12-Jun-18	60,346	21.6	25.1	14.1	12.2	15.9	17.0	11.2	9.1
NIIT LTD	BUY	93	95	125	34.2	30-Jul-18	15,556	6.3	8.6	14.8	10.8	7.5	14.4	10.1	7.3
NIIT Technologies	ACCUMULATE	1,321	1,121	1,185	(10.3)	19-Jul-18	77,497	62.0	69.7	21.3	19.0	18.5	18.0	11.3	9.9
Persistent Systems	BUY	841	827	1,025	21.8	31-Jul-18	67,308	52.2	65.1	16.1	12.9	18.4	20.0	8.8	6.8
Qess Corp Ltd	BUY	920	1,128	1,302	41.6	27-Jul-18	133,371	28.7	32.6	32.0	28.2	15.6	15.2	26.5	22.3
Zensar Technologies	ACCUMULATE	326	1,249	1,373	320.9	14-Aug-18	14,679	72.6	88.6	4.5	3.7	25.8	26.8	1.7	0.9
<b>Metals &amp; Mining</b>															
Hindustan Zinc	ACCUMULATE	286	284	300	4.8	23-Aug-18	1,209,498	23.1	24.4	12.4	11.7	24.5	22.8	6.5	5.9
Jindal Stainless (Hisar) Ltd	BUY	140	127	227	62.3	01-Aug-18	33,016	19.1	24.5	7.3	5.7	23.4	23.1	3.6	2.7
JSW Steel	ACCUMULATE	400	317	340	(14.9)	26-Jul-18	966,196	28.5	29.6	14.0	13.5	20.6	17.3	8.0	7.7
MOIL Ltd	BUY	191	174	260	36.3	13-Aug-18	50,802	17.2	19.4	11.1	9.8	14.4	14.7	5.1	4.0
National Aluminium Co	BUY	70	72	100	43.5	10-Aug-18	134,730	9.6	7.8	7.3	8.9	17.0	13.1	3.4	4.1
NMDC Ltd	BUY	122	108	125	2.5	29-Aug-18	385,935	12.2	11.3	10.0	10.8	14.3	12.2	6.0	6.3
Tata Sponge Iron Ltd	REDUCE	931	955	1,055	13.3	19-Jul-18	14,343	98.5	98.7	9.5	9.4	13.8	12.5	3.6	3.0
<b>Oil &amp; Gas</b>															
Castrol India Ltd **	BUY	155	167	195	25.6	02-Aug-18	153,561	7.3	7.8	21.3	19.9	52.1	51.6	13.2	12.2
Chennai Petroleum Corporation	BUY	284	317	373	31.4	31-Jul-18	42,301	64.2	67.7	4.4	4.2	22.2	20.4	3.4	3.1
Gujarat State Petronet Ltd (GSPL)	SELL	179	198	182	1.5	01-Aug-18	101,125	11.2	11.0	16.0	16.3	11.7	10.5	6.1	6.1
Indraprastha Gas (IGL)	SELL	269	276	257	(4.5)	07-Sep-18	188,440	12.1	14.1	22.2	19.1	20.8	20.6	12.7	10.4
Mahanagar Gas Ltd	ACCUMULATE	843	948	1,030	22.2	02-Aug-18	83,249	56.7	59.9	14.9	14.1	24.9	23.1	8.1	7.5
MRPL	BUY	73	83	106	45.5	13-Aug-18	127,633	11.3	12.3	6.4	5.9	17.8	16.9	4.7	4.3
Oil India Ltd	BUY	203	207	245	20.8	16-Aug-18	230,158	27.1	28.0	7.5	7.2	9.7	9.7	5.9	6.0
Petronet LNG	BUY	238	231	267	12.3	30-Jul-18	356,700	16.1	18.6	14.8	12.8	22.0	22.0	7.8	6.8

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								FY19E	FY20E	FY19E	FY20E	FY19E	FY20E	FY19E	FY20E
<b>Paints</b>															
Akzo Nobel India Ltd	BUY	1,720	1,720	2,200	27.9	03-Aug-18	80,324	55.8	64.7	30.8	26.6	20.9	21.3	19.0	16.0
Asian Paints Ltd	SELL	1,291	1,467	1,420	10.0	25-Jul-18	1,238,069	26.6	30.2	48.5	42.7	24.7	24.0	32.4	28.3
Berger Paints	SELL	303	338	305	0.8	31-Aug-18	293,631	5.9	6.8	51.3	44.5	24.2	23.3	31.5	27.5
Kansai Nerolac Paints Ltd	BUY	480	477	600	24.9	23-Jul-18	258,882	11.9	13.5	40.4	35.6	20.3	19.6	26.4	23.2
<b>Real Estate</b>															
The Phoenix Mills Ltd	BUY	582	597	707	21.4	28-Aug-18	89,150	17.9	20.6	32.5	28.3	9.3	9.8	14.1	13.1
<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	51	85	110	116.5	16-Feb-18	21,514	4.7	6.2	10.8	8.2	3.0	3.8	2.7	2.5
<b>Transportation</b>															
Adani Port & Special Eco Zone	BUY	376	378	485	29.0	10-Sep-18	773,535	22.9	26.2	16.4	14.4	21.1	20.3	11.2	9.7
Allcargo Global Logistics	BUY	113	121	145	28.5	27-Aug-18	27,761	9.1	9.7	12.4	11.6	8.9	8.9	6.2	5.7
Blue Dart Express	SELL	3,195	3,690	3,215	0.6	01-Aug-18	75,731	73.7	84.6	43.4	37.8	23.9	22.5	25.1	22.6
Cochin Shipyard Ltd	BUY	417	440	610	46.3	16-Aug-18	56,719	30.5	33.9	13.7	12.3	12.0	12.3	5.3	4.8
Container Corporation of India	BUY	631	652	775	22.8	30-Jul-18	307,588	24.1	27.7	26.2	22.8	13.5	13.9	18.4	15.6
VRL Logistics Ltd	BUY	295	320	395	33.9	13-Aug-18	26,895	13.5	16.5	21.8	17.9	17.8	19.7	9.6	8.0
<b>Others</b>															
Arvind Ltd	BUY	386	420	500	29.4	07-Aug-18	100,078	16.3	25.2	23.7	15.3	9.9	13.8	11.4	8.8
Carborundum Universal Ltd	BUY	388	362	420	8.3	07-Aug-18	72,664	14.6	19.2	26.6	20.2	15.9	18.3	14.5	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	316	313	427	35.1	14-Aug-18	18,012	13.0	15.6	24.3	20.3	19.1	19.5	14.0	12.0
Essel Propacl Ltd	BUY	113	105	140	24.0	07-Aug-18	35,451	6.7	8.2	16.9	13.8	14.9	15.8	8.1	7.0
Finolex Industries	ACCUMULATE	582	630	671	15.3	04-Sep-18	72,168	28.6	33.6	20.3	17.3	12.4	13.4	9.9	8.3
Indo Count Industries Ltd	BUY	75	83	103	37.9	07-Aug-18	14,746	7.3	9.4	10.2	7.9	14.2	16.0	7.4	5.9
Insecticides (India) Ltd	BUY	570	724	892	56.4	10-Aug-18	11,782	49.1	55.7	11.6	10.2	17.1	16.6	7.4	6.4
Maharashtra Seamless Ltd	BUY	469	485	805	71.7	21-Aug-18	31,416	61.7	72.1	7.6	6.5	13.0	13.4	5.4	4.4
Mahindra Holidays & Resorts India Ltd	BUY	245	279	390	59.3	13-Aug-18	32,552	12.8	14.7	19.1	16.6	20.8	21.0	11.0	9.3
Mirza International Ltd	BUY	94	100	120	27.9	10-Aug-18	11,256	6.3	8.0	14.9	11.7	12.6	14.2	7.9	6.6

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Mold-Tek Packaging Ltd	BUY	311	305	351	12.8	06-Aug-18	8,620	14.6	16.7	21.3	18.6	20.5	20.4	12.6	11.0
Radico Khaitan Ltd	ACCUMULATE	419	403	449	7.1	27-Jul-18	55,747	13.5	16.6	31.0	25.3	14.7	15.8	17.2	14.6
Time Technoplast Ltd	BUY	151	140	195	28.9	06-Aug-18	34,209	10.3	13.0	14.7	11.6	14.7	16.1	7.5	6.2
VIP Industries Ltd	ACCUMULATE	521	529	570	9.3	06-Aug-18	74,046	12.3	14.2	42.4	36.7	29.3	27.7	28.4	24.2
Wonderla Holidays Ltd	BUY	299	335	406	35.6	09-Aug-18	16,940	9.3	12.0	32.2	24.9	6.6	8.3	14.5	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

<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> M&amp;A, Corporate actions 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 Executive 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>
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## 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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