

Stock Recommendations



FEBRUARY 18, 2019

Stock Recommendations

| Name of the Company | Latest Reco^ | Price as on 18-Feb (Rs) | Price as on latest Report (Rs) | Latest Price target^ (Rs) | Upside/ (Down-side) (%) | Latest Report Date | Mkt Cap (Rs mn) | EPS (Rs) | | EPS gth (%) | | PE (x) | | RoE (%) | | EV/EBITDA (x) | |
|--|--------------|-------------------------|--------------------------------|---------------------------|-------------------------|--------------------|-----------------|----------|-------|-------------|-------|--------|-------|---------|-------|---------------|-------|
| | | | | | | | | FY19E | FY20E | FY19E | FY20E | FY19E | FY20E | FY19E | FY20E | FY19E | FY20E |
| Auto & Auto Ancillary | | | | | | | | | | | | | | | | | |
| FIEM Industries Ltd | BUY | 436 | 441 | 800 | 83.6 | 13-Feb-19 | 5,752 | 40.2 | 50.0 | 7.8% | 24.4% | 10.8 | 8.7 | 11.3 | 12.8 | 4.9 | 4.1 |
| Gabriel India Ltd | ADD | 140 | 139 | 153 | 9.1 | 18-Feb-19 | 20,203 | 7.3 | 8.5 | 10.6% | 16.4% | 19.2 | 16.5 | 18.5 | 18.8 | 10.1 | 8.5 |
| Sterling Tools Ltd | ADD | 261 | 288 | 307 | 17.5 | 12-Feb-19 | 9,405 | 13.4 | 15.4 | -0.7% | 14.9% | 19.5 | 17.0 | 18.1 | 17.8 | 11.0 | 9.2 |
| Talbro's Automotive Comp | BUY | 194 | 190 | 335 | 73.1 | 18-Feb-19 | 2,323 | 21.7 | 27.9 | 29.2% | 28.6% | 8.9 | 6.9 | 14.0 | 15.7 | 5.6 | 4.4 |
| Building Material | | | | | | | | | | | | | | | | | |
| Asian Granito India Ltd (AGL) | SELL | 152 | 153 | 150 | (1.3) | 15-Feb-19 | 4,577 | 8.5 | 11.6 | -51.4% | 36.5% | 17.9 | 13.1 | 5.8 | 7.5 | 8.3 | 7.0 |
| Century Plyboards (India) Ltd | BUY | 161 | 163 | 232 | 44.4 | 07-Feb-19 | 35,756 | 8.1 | 10.2 | 15.7% | 25.9% | 19.8 | 15.8 | 19.6 | 20.8 | 12.3 | 9.5 |
| Greenply Industries Ltd | ACCUMULATE | 129 | 131 | 161 | 24.9 | 11-Feb-19 | 15,556 | 8.3 | 8.9 | -24.5% | 7.2% | 15.5 | 14.5 | 8.6 | 10.3 | 10.3 | 8.2 |
| Kajaria Ceramics Ltd | ACCUMULATE | 500 | 535 | 572 | 14.5 | 21-Jan-19 | 79,394 | 15.5 | 19.1 | 5.4% | 23.2% | 32.2 | 26.2 | 17.1 | 18.2 | 16.9 | 14.1 |
| Shankara Building Products Ltd | ADD | 447 | 368 | 411 | (8.0) | 13-Feb-19 | 10,210 | 16.7 | 24.1 | -48.3% | 44.3% | 26.8 | 18.5 | 8.1 | 10.8 | 9.3 | 8.2 |
| Supreme Industries Ltd | BUY | 1,016 | 998 | 1,165 | 14.7 | 28-Jan-18 | 128,969 | 33.8 | 41.6 | 8.0% | 23.1% | 30.0 | 24.4 | 21.3 | 22.6 | 15.3 | 12.6 |
| Capital Goods & Engineering | | | | | | | | | | | | | | | | | |
| AIA Engineering | REDUCE | 1,653 | 1,680 | 1,700 | 2.8 | 12-Feb-19 | 155,887 | 53.4 | 68.2 | 13.6% | 27.7% | 31.0 | 24.2 | 15.6 | 17.2 | 20.8 | 16.1 |
| Engineers India Ltd | BUY | 107 | 110 | 155 | 45.5 | 12-Feb-19 | 67,297 | 6.3 | 8.0 | 5.0% | 27.0% | 16.9 | 13.3 | 17.6 | 22.2 | 11.8 | 7.9 |
| Genus Power Infrastructures | BUY | 30 | 30 | 40 | 33.6 | 29-Jan-19 | 7,706 | 2.7 | 2.9 | 35.0% | 7.4% | 11.1 | 10.3 | 9.0 | 8.8 | 5.6 | 5.0 |
| Greaves Cotton | BUY | 117 | 120 | 146 | 24.7 | 08-Feb-19 | 28,578 | 8.3 | 9.7 | 31.7% | 16.9% | 14.1 | 12.1 | 20.7 | 22.8 | 7.8 | 6.7 |
| Praj Industries Ltd | ADD | 132 | 128 | 135 | 2.7 | 30-Jan-19 | 23,328 | 3.7 | 5.8 | 117.6% | 56.8% | 35.5 | 22.7 | 9.4 | 14.5 | 24.0 | 14.8 |
| Va Tech Wabag Ltd | BUY | 267 | 273 | 338 | 26.4 | 12-Feb-19 | 14,172 | 19.0 | 26.1 | -21.2% | 37.4% | 14.1 | 10.2 | 8.8 | 11.1 | 5.1 | 4.0 |
| Voltamp Ltd | BUY | 1,040 | 1,005 | 1,320 | 26.9 | 05-Feb-19 | 10,504 | 78.3 | 92.8 | 7.6% | 18.5% | 13.3 | 11.2 | 12.1 | 13.0 | 8.4 | 7.1 |
| Chemicals | | | | | | | | | | | | | | | | | |
| Aksharchem India Ltd | REDUCE | 315 | 460 | 485 | 54.1 | 05-Nov-18 | 2,300 | 42.5 | 45.8 | 13.9% | 7.8% | 7.4 | 6.9 | 13.0 | 12.5 | 3.2 | 2.9 |
| Bodal Chemicals Ltd | BUY | 91 | 99 | 117 | 29.1 | 07-Feb-19 | 11,053 | 11.4 | 13.0 | 11.8% | 14.0% | 7.9 | 7.0 | 16.9 | 16.8 | 4.9 | 4.3 |
| GHCL Ltd | ACCUMULATE | 212 | 257 | 270 | 27.2 | 23-Jan-19 | 20,546 | 36.3 | 41.6 | -0.8% | 14.6% | 5.8 | 5.1 | 18.5 | 17.9 | 4.8 | 4.2 |
| Construction | | | | | | | | | | | | | | | | | |
| KNR Construction | BUY | 205 | 200 | 239 | 16.4 | 13-Feb-19 | 28,838 | 14.3 | 13.7 | -21.0% | -4.2% | 14.4 | 15.0 | 16.1 | 13.4 | 7.0 | 6.2 |
| Nagarjuna Construction | BUY | 82 | 84 | 135 | 64.5 | 13-Feb-19 | 49,287 | 8.0 | 9.3 | 66.7% | 16.3% | 10.3 | 8.8 | 10.8 | 11.3 | 4.6 | 3.8 |
| NBCC (India) Ltd | ADD | 50 | 49 | 53 | 5.4 | 15-Feb-19 | 90,540 | 2.1 | 2.4 | 10.5% | 14.3% | 24.0 | 21.0 | 20.1 | 20.6 | 17.2 | 13.1 |

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|-------------------------------|--------------------------|-------------------------|--------------------------------|---------------------------------------|-------------------------|--------------------|-----------------|----------|-------|-------------|----------|--------|-------|---------|-------|---------------|-------|--|
| | | | | | | | | FY19E | FY20E | FY19E | FY20E | FY19E | FY20E | FY19E | FY20E | FY19E | FY20E | |
| PNC Infratech Ltd | BUY | 134 | 137 | 192 | 43.3 | 18-Feb-19 | 34,371 | 9.0 | 10.8 | 25.0% | 20.0% | 14.9 | 12.4 | 12.1 | 12.9 | 7.0 | 4.8 | |
| Simplex Infrastructures | BUY | 151 | 215 | 333 | 119.9 | 21-Nov-18 | 8,584 | 26.3 | 33.3 | 21.8% | 26.6% | 5.8 | 4.5 | 7.8 | 8.3 | 4.9 | 4.7 | |
| Vascon Engineers Ltd | BUY | 14 | 19 | 30 | 112.8 | 06-Nov-18 | 2,453 | 0.7 | 2.1 | 133.3% | 200.0% | 20.1 | 6.7 | 1.8 | 4.9 | 13.8 | 6.5 | |
| Consumer Durables | | | | | | | | | | | | | | | | | | |
| Amber Enterprises Ltd | BUY | 634 | 700 | 946 | 49.2 | 11-Feb-19 | 19,908 | 28.3 | 41.1 | 42.9% | 45.2% | 22.4 | 15.4 | 9.5 | 12.3 | 10.7 | 8.2 | |
| Bajaj Electricals Ltd | BUY | 430 | 478 | 550 | 27.8 | 12-Feb-19 | 43,837 | 20.5 | 23.6 | 20.6% | 15.1% | 21.0 | 18.2 | 20.6 | 20.4 | 13.1 | 11.4 | |
| Blue Star Ltd | ADD | 572 | 590 | 620 | 8.4 | 07-Feb-19 | 54,512 | 16.4 | 23.2 | 26.2% | 41.5% | 34.9 | 24.7 | 15.5 | 20.1 | 18.6 | 13.9 | |
| Eveready Industries India Ltd | BUY | 203 | 190 | 310 | 52.7 | 13-Dec-18 | 14,754 | 10.8 | 15.7 | 44.0% | 45.4% | 18.8 | 12.9 | 20.9 | 24.8 | 11.6 | 9.0 | |
| MIRC Electronics Ltd | BUY | 20 | 28 | 32 | 58.0 | 18-Sep-18 | 4,676 | 0.9 | 1.8 | 0.0% | 100.0% | 22.5 | 11.3 | 8.6 | 14.5 | 12.1 | 8.6 | |
| Surya Roshni Ltd | BUY | 202 | 242 | 328 | 62.3 | 14-Jan-19 | 10,911 | 28.0 | 35.5 | 22.8% | 26.8% | 7.2 | 5.7 | 12.4 | 13.9 | 5.3 | 4.6 | |
| Information Technology | | | | | | | | | | | | | | | | | | |
| Cyient Ltd (Infotech) | BUY | 611 | 613 | 719 | 17.6 | 21-Jan-19 | 69,083 | 38.3 | 47.9 | 0.8% | 25.1% | 16.0 | 12.8 | 17.4 | 19.1 | 8.5 | 7.2 | |
| KPIT Technologies | NOT RATED | 101 | 213 | NR | NIL | 18-Jan-19 | 20,017 | 16.1 | 21.5 | 22.0% | 33.5% | 6.3 | 4.7 | 15.8 | 18.2 | 2.6 | 1.9 | |
| NIIT LTD | BUY | 82 | 85 | 115 | 41.0 | 28-Jan-19 | 13,619 | 5.8 | 8.0 | 52.6% | 37.9% | 14.1 | 10.2 | (2.2) | 7.5 | 8.7 | 6.2 | |
| NIIT Technologies | ACCUMULATE | 1,283 | 1,267 | 1,356 | 5.7 | 22-Jan-19 | 75,266 | 69.5 | 79.8 | 52.7% | 14.8% | 18.5 | 16.1 | 20.8 | 20.8 | 10.1 | 8.5 | |
| Persistent Systems | BUY | 642 | 565 | 764 | 19.0 | 29-Jan-19 | 51,348 | 45.8 | 51.8 | 13.4% | 13.1% | 14.0 | 12.4 | 16.2 | 16.4 | 6.3 | 5.5 | |
| Qess Corp Ltd | BUY | 632 | 688 | 1,072 | 69.6 | 29-Oct-18 | 91,640 | 23.1 | 30.6 | 9.0% | 32.5% | 27.4 | 20.7 | 12.7 | 14.6 | 16.8 | 13.0 | |
| Zensar Technologies | ACCUMULATE | 207 | 225 | 239 | 15.6 | 24-Jan-18 | 46,530 | 13.7 | 16.5 | 27.6% | 20.4% | 15.1 | 12.5 | 25.3 | 27.7 | 8.2 | 6.5 | |
| Metals & Mining | | | | | | | | | | | | | | | | | | |
| Jindal Stainless (Hisar) Ltd | BUY | 77 | 82 | 110 | 42.1 | 08-Feb-19 | 18,266 | 13.8 | 14.7 | -45.0% | 6.5% | 5.6 | 5.3 | 18.1 | 16.2 | 2.8 | 2.2 | |
| MOIL Ltd | BUY | 144 | 157 | 200 | 38.6 | 12-Feb-19 | 38,455 | 15.4 | 18.0 | -6.1% | 16.9% | 9.4 | 8.0 | 13.1 | 13.9 | 3.3 | 2.3 | |
| Tata Sponge Iron Ltd | BUY | 682 | 778 | 880 | 29.1 | 15-Jan-19 | 10,498 | 73.9 | 71.5 | -19.2% | -3.2% | 9.2 | 9.5 | 13.6 | 11.5 | 2.2 | 1.8 | |
| Oil & Gas | | | | | | | | | | | | | | | | | | |
| Chennai Petroleum Corp | BUY | 205 | 243 | 301 | 47.0 | 30-Jan-19 | 30,500 | (2.2) | 60.1 | -103.5% | -2831.8% | (93.0) | 3.4 | 13.4 | 20.0 | 8.0 | 3.3 | |
| MRPL | BUY | 63 | 65 | 81 | 28.1 | 11-Feb-19 | 110,814 | (0.7) | 10.0 | -106.1% | -1528.6% | (90.4) | 6.3 | (1.1) | 14.6 | 15.2 | 4.7 | |

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|-----------------------------|--------------------------|-------------|--------------------|--------------------------|---------------------|---------------|-----------------|----------|-------|-------------|-------|--------|-------|---------|-------|---------------|-------|
| | | 18-Feb (Rs) | Report (Rs) | target [^] (Rs) | (%) | Date | | FY19E | FY20E | FY19E | FY20E | FY19E | FY20E | FY19E | FY20E | FY19E | FY20E |
| Paints | | | | | | | | | | | | | | | | | |
| Akzo Nobel India Ltd | ADD | 1,655 | 1,714 | 1,920 | 16.0 | 05-Feb-19 | 77,289 | 52.9 | 59.9 | 18.3% | 13.2% | 31.3 | 27.6 | 19.9 | 20.0 | 19.2 | 16.6 |
| Berger Paints | SELL | 289 | 313 | 280 | (3.0) | 08-Feb-19 | 280,194 | 5.9 | 6.8 | 22.9% | 15.3% | 48.9 | 42.5 | 24.2 | 23.3 | 30.1 | 26.2 |
| Kansai Nerolac Paints Ltd | ADD | 438 | 434 | 460 | 4.9 | 31-Jan-19 | 236,325 | 10.0 | 11.4 | 5.3% | 14.0% | 43.8 | 38.5 | 17.5 | 17.3 | 27.1 | 23.7 |
| Pharmaceuticals | | | | | | | | | | | | | | | | | |
| Divis Laboratories Ltd | BUY | 1,575 | 1,473 | 1,750 | 11.1 | 29-Jan-19 | 417,309 | 50.0 | 62.0 | 51.5% | 24.0% | 31.5 | 25.4 | 22.5 | 26.1 | 24.2 | 19.1 |
| Dishman Carbogen Amics Ltd | BUY | 187 | 211 | 450 | 140.8 | 29-Jan-19 | 30,083 | 14.8 | 19.6 | 54.2% | 32.4% | 12.6 | 9.5 | 4.7 | 5.9 | 7.1 | 5.7 |
| Suven Life Sciences | BUY | 225 | 187 | 425 | 88.9 | 29-Jan-19 | 28,569 | 9.8 | 12.9 | 1.0% | 31.6% | 23.0 | 17.4 | 15.7 | 18.3 | 14.6 | 11.1 |
| Real Estate | | | | | | | | | | | | | | | | | |
| The Phoenix Mills Ltd | BUY | 582 | 587 | 707 | 21.4 | 11-Feb-19 | 89,173 | 17.9 | 20.6 | 13.3% | 15.1% | 32.5 | 28.3 | 9.3 | 9.8 | 14.1 | 13.1 |
| Transportation | | | | | | | | | | | | | | | | | |
| Aegis Logistics Ltd | BUY | 180 | 198 | 250 | 38.9 | 08-Feb-19 | 60,120 | 7.8 | 9.6 | 21.9% | 23.1% | 23.1 | 18.8 | 19.7 | 19.8 | 15.3 | 12.0 |
| Allcargo Global Logistics | BUY | 101 | 105 | 145 | 44.3 | 07-Dec-18 | 24,723 | 9.1 | 9.7 | 33.8% | 6.6% | 11.0 | 10.4 | 8.9 | 8.9 | 5.5 | 5.0 |
| Blue Dart Express | ADD | 3,020 | 3,190 | 3,400 | 12.6 | 01-Feb-19 | 71,582 | 64.9 | 75.7 | 8.7% | 16.6% | 46.5 | 39.9 | 18.2 | 18.3 | 27.5 | 24.5 |
| VRL Logistics Ltd | BUY | 241 | 249 | 355 | 47.2 | 12-Feb-19 | 21,988 | 12.0 | 14.8 | 42.9% | 23.3% | 20.1 | 16.3 | 16.9 | 18.8 | 8.7 | 7.1 |
| Others | | | | | | | | | | | | | | | | | |
| Arvind Ltd * | BUY | 76 | 80 | 110 | 44.1 | 12-Feb-19 | 19,775 | 13.3 | 16.5 | 22.0% | 24.1% | 5.7 | 4.6 | 12.5 | 14.7 | 6.8 | 5.7 |
| Central Depository Services | BUY | 210 | 226 | 285 | 36.0 | 29-Jan-19 | 22,008 | 9.8 | 10.6 | -1.0% | 8.2% | 21.4 | 19.8 | 15.4 | 15.3 | 14.3 | 12.7 |
| Dollar Industries Ltd | BUY | 278 | 285 | 344 | 23.9 | 14-Feb-19 | 15,820 | 12.6 | 14.9 | 11.5% | 18.3% | 22.0 | 18.6 | 18.5 | 18.3 | 12.3 | 10.9 |
| Essel Propack Ltd | BUY | 110 | 116 | 130 | 18.5 | 25-Jan-19 | 34,462 | 6.1 | 8.0 | 10.9% | 31.1% | 18.0 | 13.7 | 13.8 | 15.5 | 7.9 | 6.9 |
| Finolex Industries | BUY | 455 | 501 | 635 | 39.5 | 12-Feb-19 | 56,432 | 30.0 | 31.8 | 24.5% | 6.0% | 15.2 | 14.3 | 12.9 | 12.6 | 6.9 | 6.2 |
| Indo Count Industries Ltd | BUY | 31 | 38 | 39 | 26.6 | 13-Feb-19 | 6,080 | 2.9 | 4.9 | -54.0% | 69.0% | 10.6 | 6.3 | 5.9 | 9.1 | 6.4 | 4.8 |
| Insecticides (India) Ltd | BUY | 588 | 588 | 692 | 17.7 | 06-Feb-19 | 12,147 | 48.3 | 53.5 | 19.0% | 10.8% | 12.2 | 11.0 | 16.8 | 16.0 | 7.3 | 6.5 |
| JK Paper Ltd | BUY | 120 | 132 | 200 | 66.8 | 15-Feb-19 | 21,342 | 24.3 | 22.9 | 54.3% | -5.8% | 4.9 | 5.2 | 21.6 | 17.4 | 2.9 | 3.1 |
| Maharashtra Seamless Ltd | BUY | 449 | 468 | 805 | 79.4 | 14-Feb-19 | 30,060 | 55.6 | 72.2 | 86.0% | 29.9% | 8.1 | 6.2 | 12.0 | 13.8 | 6.0 | 4.4 |
| Mahindra Holidays & Resorts | BUY | 187 | 207 | 315 | 68.6 | 31-Jan-19 | 24,844 | 10.4 | 11.8 | 3.0% | 13.5% | 18.0 | 15.8 | 11.8 | 9.7 | 10.3 | 8.3 |
| Mirza International Ltd | BUY | 52 | 54 | 50 | (4.4) | 18-Feb-19 | 6,276 | 3.4 | 4.2 | -47.7% | 23.5% | 15.4 | 12.5 | 6.9 | 8.0 | 7.8 | 6.5 |
| Mold-Tek Packaging Ltd | BUY | 206 | 218 | 260 | 26.2 | 01-Feb-19 | 5,706 | 11.5 | 12.6 | 13.9% | 9.6% | 17.9 | 16.3 | 16.5 | 16.0 | 9.6 | 8.6 |
| Radico Khaitan Ltd | ACCUMULATE | 373 | 428 | 460 | 23.5 | 25-Jan-19 | 49,543 | 14.7 | 18.4 | 58.1% | 25.2% | 25.3 | 20.2 | 15.9 | 17.2 | 13.9 | 11.6 |

Stock Recommendations

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|-----------------------|--------------------------|-------------------|-----------------------|--------------------------------|-----------------|-------------|-----------------|----------|-------|-------------|-------|--------|-------|---------|-------|---------------|-------|
| | | as on 18-Feb (Rs) | on latest Report (Rs) | Price target [^] (Rs) | (Down-side) (%) | Report Date | | FY19E | FY20E | FY19E | FY20E | FY19E | FY20E | FY19E | FY20E | FY19E | FY20E |
| Time Technoplast Ltd | BUY | 83 | 87 | 108 | 29.4 | 18-Feb-19 | 18,868 | 8.8 | 10.8 | 10.0% | 22.7% | 9.5 | 7.7 | 12.7 | 13.7 | 5.3 | 4.4 |
| VIP Industries Ltd | ADD | 407 | 489 | 515 | 26.5 | 11-Feb-19 | 57,822 | 11.8 | 13.2 | 31.1% | 11.9% | 34.5 | 30.8 | 28.4 | 26.4 | 23.0 | 20.3 |
| Wonderla Holidays Ltd | BUY | 269 | 288 | 341 | 26.6 | 29-Jan-19 | 15,240 | 9.7 | 12.0 | 42.6% | 23.7% | 27.8 | 22.4 | 6.9 | 8.1 | 12.7 | 10.8 |

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.

* Financials are on pre-demerger basis

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 15% returns over the next 12 months
- ADD** – We expect the stock to deliver 5% - 15% returns over the next 12 months
- REDUCE** – We expect the stock to deliver -5% - +5% returns over the next 12 months
- SELL** – We expect the stock to deliver < -5% 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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FEBRUARY 18, 2019

Disclosure/Disclaimer

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