

# Stock Recommendations



AUGUST 31, 2018

## Stock Recommendations

Name of the company	Latest Reco ^	Price as on 31-Aug (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	251	286	301	20.1	03-Aug-18	143,315	17.6	25.1	14.2	10.0	9.9	12.8	8.6	6.9
Ashok Leyland	BUY	129	111	128	(2.2)	19-Jul-18	372,399	6.4	7.1	20.4	18.4	24.3	23.7	10.9	9.6
Bajaj Auto Ltd	REDUCE	2,745	2,684	2,808	3.9	24-Jul-18	781,858	147.3	165.2	18.3	16.4	21.1	21.2	13.1	11.7
Escorts Ltd	ACCUMULATE	870	908	958	9.0	31-Jul-18	108,135	52.3	53.2	16.8	16.5	19.1	16.4	15.0	14.3
FIEM Industries Ltd	BUY	735	745	1,030	39.4	16-Aug-18	9,750	43.1	54.2	17.1	13.6	11.9	13.4	7.4	6.1
Gabriel India Ltd	BUY	140	142	185	33.4	10-Aug-18	19,966	7.8	9.2	17.8	15.1	19.8	20.0	9.6	7.8
Hero MotoCorp Ltd	ACCUMULATE	3,259	3,251	3,473	7.7	06-Aug-18	644,740	183.4	204.3	17.6	15.8	29.4	29.4	11.5	10.2
Mahindra & Mahindra	ACCUMULATE	965	927	984	0.1	08-Aug-18	1,221,807	38.0	40.8	25.9	24.1	14.1	13.7	14.6	13.0
Maruti Suzuki India Ltd	ACCUMULATE	9,096	9,397	10,360	12.5	27-Jul-18	2,780,152	320.9	414.4	28.7	22.2	21.5	23.5	16.8	13.0
Sterling Tools Ltd	ACCUMULATE	355	385	418	18.8	13-Aug-18	12,672	16.1	19.0	21.9	18.5	21.3	20.9	12.1	10.4
Talbro Automotive Components Ltd	BUY	294	287	396	35.2	30-Aug-18	3,514	21.5	28.3	13.6	10.3	14.0	16.1	8.3	6.6
Tata Motors	REDUCE	268	264	277	6.8	01-Aug-18	880,753	14.0	20.8	18.5	12.5	4.9	6.8	4.3	3.6
<b>Building Material</b>															
Asian Granito India Ltd (AGL)	ACCUMULATE	235	230	255	6.4	16-Aug-18	7,210	12.5	15.9	19.2	15.1	8.4	9.9	8.8	7.5
Century Plyboards (India) Ltd	BUY	223	250	323	46.0	26-Jul-18	49,239	10.0	11.9	22.1	18.6	23.7	23.0	13.6	11.7
Greenply Industries Ltd	BUY	204	202	286	39.6	09-Aug-18	24,715	10.5	12.4	19.5	16.5	13.2	13.8	11.1	9.3
Kajaria Ceramics Ltd	BUY	469	433	551	16.2	25-Jul-18	75,358	16.6	19.7	28.6	24.1	18.2	18.6	15.4	13.2
Shankara Building Products Ltd	BUY	1,599	1,653	2,017	28.4	17-Aug-18	35,893	44.6	53.1	35.2	29.6	20.3	20.1	17.8	15.9
Supreme Industries Ltd	ACCUMULATE	1,200	1,204	1,324	11.5	01-Aug-18	150,813	35.9	45.6	33.1	26.0	22.4	24.4	16.7	13.4
<b>Capital Goods &amp; Engineering</b>															
AIA Engineering	SELL	1,764	1,705	1,700	(1.7)	14-Aug-18	163,087	53.3	68.1	32.4	25.4	15.6	17.2	21.4	16.7
Bharat Electronics	BUY	114	116	135	18.1	01-Aug-18	278,671	6.0	6.7	19.1	17.1	17.8	18.1	10.7	10.0
Cummins India	BUY	768	675	785	0.9	14-Aug-18	215,620	27.8	32.8	28.0	23.7	19.1	21.6	23.1	19.4
Engineers India Ltd	BUY	128	126	187	46.4	13-Aug-18	86,070	7.2	8.4	17.7	15.2	20.5	22.0	10.7	8.5
Genus Power Infrastructures Ltd	BUY	39	44	58	47.4	02-Aug-18	10,125	2.6	3.2	15.1	12.3	8.6	10.0	7.7	6.2
Greaves Cotton	ACCUMULATE	156	148	156	(1.3)	16-Aug-18	38,600	9.4	10.3	16.8	15.3	22.5	22.9	11.0	9.8
Larsen & Toubro	BUY	1,369	1,352	1,520	12.9	24-Aug-18	1,887,863	61.0	69.9	22.1	19.3	14.6	15.1	17.2	15.1
Praj Industries Ltd	ACCUMULATE	82	83	89	7.9	09-Aug-18	14,627	3.4	4.5	24.3	18.3	8.6	11.2	14.0	10.8

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								FY19E	FY20E	FY19E	FY20E	FY19E	FY20E	FY19E	FY20E
Va Tech Wabag Ltd	BUY	389	372	476	22.5	13-Aug-18	20,598	31.1	36.6	12.5	10.6	14.0	14.6	5.7	5.0
Voltamp Ltd	BUY	920	952	1,320	41.9	20-Aug-18	9,398	93.5	101.4	10.0	9.2	14.3	13.9	7.0	4.6
<b>Cement</b>															
India Cements Ltd	REDUCE	126	108	112	(11.0)	14-Aug-18	38,772	4.6	7.1	27.3	17.7	2.7	4.0	7.9	6.6
Shree Cement	ACCUMULATE	18,926	17,175	18,487	(2.0)	31-Jul-18	657,401	369.9	433.4	51.0	43.5	13.6	14.1	21.2	19.3
UltraTech Cement	BUY	4,476	3,857	4,726	6.8	20-Jul-18	1,214,604	110.7	139.5	40.0	31.7	11.1	12.6	18.2	15.6
<b>Chemicals</b>															
Aksharchem India Ltd	REDUCE	502	525	533	7.0	14-Aug-18	3,642	41.9	44.4	11.9	11.2	12.8	12.2	6.1	5.6
Bodal Chemicals Ltd	REDUCE	121	124	130	8.7	17-Aug-18	14,597	10.9	13.0	11.0	9.2	16.3	16.9	6.8	5.8
GHCL Ltd	BUY	257	253	330	27.0	19-Jul-18	25,144	36.8	41.6	7.1	6.2	18.7	17.9	5.5	5.0
<b>Construction</b>															
Dilip Buildcon Ltd	BUY	838	852	1,276	53.2	17-Aug-18	113,975	60.1	67.1	13.9	12.4	28.7	24.7	7.7	6.1
IRB Infrastructure Developers	BUY	191	194	271	42.5	26-Jul-18	66,855	28.9	33.9	6.6	5.6	16.5	16.6	12.4	12.3
KNR Construction	BUY	241	229	283	22.2	14-Aug-18	32,547	10.1	15.6	22.9	14.8	11.6	15.7	9.8	6.5
Nagarjuna Construction	BUY	99	97	151	53.7	14-Aug-18	54,621	7.3	8.2	13.5	12.0	9.9	10.2	5.8	4.8
NBCC (India) Ltd	BUY	72	72	95	31.5	16-Aug-18	130,050	2.3	2.9	31.4	24.9	21.7	24.5	21.5	15.7
PNC Infratech Ltd	BUY	167	165	219	34.9	10-Aug-18	41,656	9.0	11.8	18.0	13.8	12.1	14.0	8.8	6.1
Simplex Infrastructures	BUY	387	413	600	53.0	21-Aug-18	22,241	26.3	39.9	14.9	9.8	7.8	9.9	6.6	6.1
Vascon Engineers Ltd	BUY	32	27	48	51.9	20-Aug-18	5,498	2.4	3.6	13.2	8.8	5.6	7.9	10.9	7.5
<b>Consumer Durables</b>															
Amber Enterprises Ltd	BUY	980	921	1,145	19.2	13-Aug-18	30,163	33.5	46.5	28.7	20.7	11.1	13.6	13.8	10.5
Bajaj Electricals Ltd	SELL	564	625	545	0.0	10-Aug-18	53,841	19.5	25.4	27.9	21.5	19.7	21.9	15.9	12.8
Blue Star Ltd	ACCUMULATE	676	703	743	10.0	10-Aug-18	64,356	17.8	24.2	37.9	27.9	16.5	20.3	20.4	16.6
Eveready Industries India Ltd	BUY	253	230	322	28.3	27-Jul-18	18,244	9.5	14.4	26.4	17.4	18.5	23.5	15.3	11.2
Havells India Ltd	SELL	725	560	500	(30.5)	23-Jul-18	448,949	14.1	16.6	51.0	43.3	21.1	22.3	31.2	26.1
MIRC Electronics Ltd	ACCUMULATE	29	29	32	10.0	17-Aug-18	6,719	1.4	1.8	20.8	16.2	12.3	14.4	14.3	11.7
Voltas Ltd	ACCUMULATE	617	620	658	5.5	13-Aug-18	206,133	18.3	23.9	34.1	26.1	14.7	17.1	24.5	19.0

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								FY19E	FY20E	FY19E	FY20E	FY19E	FY20E	FY19E	FY20E
<b>FMCG</b>															
Hindustan Unilever	SELL	1,780	1,753	1,605	(9.5)	17-Jul-18	3,829,356	29.1	35.7	60.9	49.7	89.3	89.8	42.5	34.6
ITC Ltd	BUY	320	287	330	3.2	27-Jul-18	3,903,449	10.3	11.4	31.1	28.1	23.5	24.7	20.5	18.3
Marico Ltd	ACCUMULATE	369	352	375	1.3	06-Aug-18	477,558	7.2	8.9	51.4	41.6	34.4	37.6	35.4	28.5
<b>Information Technology</b>															
Cyient Ltd (Infotech)	BUY	729	717	810	12.8	30-Aug-18	81,134	42.9	52.3	16.7	13.7	18.9	19.5	10.8	8.8
KPIT Technologies	NOT RATED	303	287	NIL	NIL	12-Jun-18	58,539	21.6	25.1	13.7	11.8	15.9	17.0	10.8	8.8
NIIT LTD	BUY	96	95	125	33.9	30-Jul-18	15,589	6.3	8.6	14.8	10.9	7.5	14.4	10.1	7.4
NIIT Technologies	ACCUMULATE	1,407	1,121	1,185	(12.6)	19-Jul-18	79,503	62.0	69.7	21.9	19.4	18.5	18.0	11.6	10.2
Persistent Systems	BUY	828	827	1,025	21.7	31-Jul-18	67,360	52.2	65.1	16.1	12.9	18.4	20.0	8.8	6.8
Qess Corp Ltd	BUY	977	1,128	1,302	28.8	27-Jul-18	146,530	28.7	32.6	35.2	31.0	15.6	15.2	29.4	24.8
Zensar Technologies	ACCUMULATE	1,669	1,249	1,373	(16.1)	14-Aug-18	73,667	72.6	88.6	22.5	18.5	25.8	26.8	13.8	11.0
<b>Metals &amp; Mining</b>															
Hindustan Zinc	ACCUMULATE	300	284	300	1.0	23-Aug-18	1,254,498	23.1	24.4	12.9	12.2	24.5	22.8	6.9	6.2
Jindal Stainless (Hisar) Ltd	BUY	135	127	227	67.5	01-Aug-18	31,978	19.1	24.5	7.1	5.5	23.4	23.1	3.6	2.6
JSW Steel	ACCUMULATE	397	317	340	(14.6)	26-Jul-18	961,724	28.5	29.6	14.0	13.4	20.6	17.3	8.0	7.7
MOIL Ltd	BUY	184	174	260	42.3	13-Aug-18	48,658	17.2	19.4	10.6	9.4	14.4	14.7	4.7	3.7
National Aluminium Co	BUY	75	72	100	31.5	10-Aug-18	147,005	9.6	7.8	7.9	9.8	17.0	13.1	3.9	4.6
NMDC Ltd	BUY	112	108	125	14.1	29-Aug-18	346,851	12.2	11.3	9.0	9.7	14.3	12.2	5.3	5.6
Tata Sponge Iron Ltd	REDUCE	965	955	1,055	8.7	19-Jul-18	14,951	98.5	98.7	9.9	9.8	13.8	12.5	3.9	3.3
<b>Oil &amp; Gas</b>															
Castrol India Ltd **	BUY	159	167	195	23.5	02-Aug-18	156,232	7.3	7.8	21.6	20.3	52.1	51.6	13.5	12.4
Chennai Petroleum Corporation	BUY	315	317	373	19.7	31-Jul-18	46,428	64.2	67.7	4.9	4.6	22.2	20.4	3.6	3.3
Gujarat State Petronet Ltd (GSPL)	SELL	193	198	182	(5.6)	01-Aug-18	108,683	11.2	11.0	17.2	17.5	11.7	10.5	6.6	6.7
Indraprastha Gas (IGL)	SELL	290	299	257	(11.5)	13-Aug-18	203,350	12.1	14.1	24.0	20.6	20.8	20.6	13.9	11.4
Mahanagar Gas Ltd	ACCUMULATE	866	948	1,030	21.4	02-Aug-18	83,807	56.7	59.9	15.0	14.2	24.9	23.1	8.1	7.5
MRPL	BUY	81	83	106	30.2	13-Aug-18	142,613	11.3	12.3	7.2	6.6	17.8	16.9	5.0	4.6
Oil India Ltd	BUY	214	207	245	14.6	16-Aug-18	242,698	27.1	28.0	7.9	7.6	9.7	9.7	6.2	6.2
Petronet LNG	BUY	248	231	267	11.2	30-Jul-18	360,075	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	1,722	1,842	2,200	27.5	03-Aug-18	80,558	55.8	64.7	30.9	26.7	21.9	23.0	19.4	16.3
Asian Paints Ltd	SELL	1,371	1,467	1,420	3.0	25-Jul-18	1,322,173	26.6	30.2	51.8	45.7	24.7	24.0	34.7	30.3
Berger Paints	SELL	335	338	305	(9.5)	31-Aug-18	327,054	5.9	6.8	57.1	49.6	24.2	23.3	35.1	30.7
Kansai Nerolac Paints Ltd	BUY	516	477	600	15.5	23-Jul-18	279,930	11.9	13.5	43.6	38.5	20.3	19.6	28.7	25.2
<b>Real Estate</b>															
The Phoenix Mills Ltd	BUY	627	597	707	16.1	28-Aug-18	93,215	17.9	20.6	34.0	29.6	9.3	9.8	14.5	13.5
<b>Shipping</b>															
GE Shipping Company	SELL	305	352	350	15.9	08-May-18	45,889	22.0	24.1	13.7	12.5	4.1	4.3	4.0	3.2
Shipping Corporation of India	BUY	54	85	110	102.4	16-Feb-18	23,017	4.7	6.2	11.6	8.8	3.0	3.8	2.9	2.6
<b>Transportation</b>															
Adani Port & Special Eco Zone	BUY	383	396	485	26.4	07-Aug-18	789,374	22.9	26.2	16.8	14.6	21.1	20.3	11.4	9.9
Allcargo Global Logistics	BUY	118	121	145	23.7	27-Aug-18	28,844	9.1	9.7	12.9	12.1	8.9	8.9	6.5	5.9
Blue Dart Express	SELL	3,445	3,690	3,215	(7.8)	01-Aug-18	82,666	73.7	84.6	47.3	41.2	23.9	22.5	27.4	24.7
Cochin Shipyard Ltd	BUY	424	440	610	44.6	16-Aug-18	57,372	30.5	33.9	13.8	12.4	12.0	12.3	5.5	4.9
Container Corporation of India	BUY	650	652	775	22.5	30-Jul-18	308,441	24.1	27.7	26.3	22.8	13.5	13.9	18.4	15.7
VRL Logistics Ltd	BUY	317	320	395	26.4	13-Aug-18	28,500	13.5	16.5	23.1	18.9	17.8	19.7	10.1	8.5
<b>Others</b>															
Arvind Ltd	BUY	400	420	500	24.6	07-Aug-18	103,963	16.3	25.2	24.6	15.9	9.9	13.8	11.7	9.1
Carborundum Universal Ltd	BUY	373	362	420	13.6	07-Aug-18	69,263	14.6	19.2	25.3	19.3	15.9	18.3	13.8	10.9
Central Depository Services (I) Ltd	BUY	261	268	320	22.8	06-Aug-18	27,363	10.6	12.0	24.6	21.7	16.6	16.9	17.3	14.9
Dollar Industries Ltd	BUY	322	313	427	33.2	14-Aug-18	18,277	13.0	15.6	24.7	20.6	19.1	19.5	14.2	12.1
Essel Propacl Ltd	BUY	122	105	140	16.1	07-Aug-18	37,853	6.7	8.2	18.0	14.7	14.9	15.8	8.6	7.4
Finolex Industries	ACCUMULATE	630	612	671	7.5	14-Aug-18	77,419	28.6	33.6	21.8	18.6	12.4	13.4	10.8	9.1
Indo Count Industries Ltd	BUY	79	83	103	36.7	07-Aug-18	14,874	7.3	9.4	10.3	8.0	14.2	16.0	7.4	6.0
Insecticides (India) Ltd	BUY	645	724	892	37.5	10-Aug-18	13,402	49.1	55.7	13.2	11.6	17.1	16.6	8.3	7.3
Maharashtra Seamless Ltd	BUY	489	485	805	64.8	21-Aug-18	32,719	61.7	72.1	7.9	6.8	13.0	13.4	5.6	4.6
Mahindra Holidays & Resorts India Ltd	BUY	255	279	390	54.3	13-Aug-18	33,609	12.8	14.7	19.7	17.2	20.8	21.0	11.4	9.6
Mirza International Ltd	BUY	98	100	120	22.3	10-Aug-18	11,778	6.3	8.0	15.6	12.3	12.6	14.2	8.2	6.8

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								FY19E	FY20E	FY19E	FY20E	FY19E	FY20E	FY19E	FY20E
Mold-Tek Packaging Ltd	BUY	320	305	351	12.6	06-Aug-18	8,634	14.6	16.7	21.3	18.7	20.5	20.4	12.6	11.0
Radico Khaitan Ltd	ACCUMULATE	494	403	449	(7.4)	27-Jul-18	64,478	13.5	16.6	35.9	29.2	14.7	15.8	19.9	16.9
Time Technoplast Ltd	BUY	153	140	195	26.4	06-Aug-18	34,876	10.3	13.0	15.0	11.9	14.7	16.1	7.6	6.3
VIP Industries Ltd	ACCUMULATE	624	529	570	(6.0)	06-Aug-18	86,088	12.3	14.2	49.3	42.7	29.3	27.7	33.1	28.3
Wonderla Holidays Ltd	BUY	317	335	406	28.0	09-Aug-18	17,948	9.3	12.0	34.1	26.4	6.6	8.3	15.5	12.5

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.

## FUNDAMENTAL RESEARCH TEAM

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