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Technical View: Cash Market

Bulls and bears have been indecisive in the week. On one side, bulls showed strength from 5050 levels and on the other hand, bears showed selling pressure from 5180 levels. On short term basis, Nifty is trading in 5050-5180 range, until range breakout or breakdown take place volatility and range bound scenario may be continuing. Decisive breakout above 5180 or breakdown below 5050 may take some directional movements.

For trading during the coming trading sessions, trend deciding level is 5090-5050. If Nifty shows strength above 5090 levels then we may see rally to 5140/5180/5235/5300. If Nifty doesn't sustain above 5050 then decline to 4990/4950/4850/4790 may be seen.

.Recommendation for Monday- Intra Day Trading

Script (LTP)	Action	At Price	For Target of	Stop Loss	Duration
REC LTD (251.65)	BUY	ABOVE 252	260	247	1 day
SIEMENS (545.50)	SELL	BELOW 544	551	533	1 day

Technical View: NIFTY Future

Nifty December Future opened at 5135, touched the high of 5188 and then tested the low of 5051.05 & closed at 5111.60. The main point to be noted is that Nifty future failed to cross the level of 5200, even nifty future failed to cross the high of previous week. Nifty future is broadly range bound in 5200-5050 levels. If Nifty future decline below 5050 levels then selling pressure till 4990 -4950-4880 levels may also be seen.

Trading strategy for Medium term Traders: On Medium term basis, Nifty has resistance zone of 5150-5200. Medium term support zone is 4800-4880. Selling on rallies may be considered around 5150-5200 level with the short term SL of 5250 for the target of 5050-4990-4920.

Trading strategy for Short term Traders: Short term trend of Nifty is range bound & selling on rallies may be considered around 5150-5180 level with the SL of 5220 for the target of 5080-5050. If Nifty trades below 5050 in coming few sessions, then it may test the levels of 5020-4990-4950.

For day-trading purposes on Monday: Sell positions may be taken in Nifty Futures on intraday rally in the zone of 5150-5170 with the SL of 5190, for likely target of 5090-5080.

Fundamental Call

Company	Recommendation	Buy Range	Target
GmrlInfra	Buy	71	85
ICSA	Buy	165	195

News Roundup

- India's benchmark index, Nifty was flat for the week ended 11th Dec 09. The NIFTY closed marginally up at 5117. However, Global markets showed good strength during the week.
- India's industrial production, at 10.3%, grew less than forecast, suggesting the central bank may wait for more signs of economic recovery before raising interest rates.
- Food inflation surged to 19.05% from 17.47% in the last week of November prompting experts to ask the RBI to tighten its monetary stance.
- India's steel demand during April to November expanded by 8.1% while production growth lagged at 3%.
- RBI has announced its new ECB policy. The policy indicates that the capital inflow would be monitored by the government. According to the new policy (i) All in Cost ceiling is now back. (ii) Buy back of FCCB at discounted price gets discontinued by 31st Dec 2009. (iii) ECB for integrated township and NBFC companies involved in Infrastructure projects has been extended till 31st Dec 2010.
- Auction for long-awaited auction for third generation (3G) mobile telecom services is getting further delayed. In a surprise move that could deprive the government of over Rs5,000 crore in revenue, the government has said the 3G telephony spectrum available with it for sale currently could accommodate only three operators.
- The World Bank's lending to India is set to triple this year, a government statement said on Wednesday. India, which already has \$19.57 billion in World Bank loans that are supporting 68 development, infrastructure and other projects, is the financial institution's biggest borrower
- China's industrial production grew more than economists estimated in November, exports fell the least in 13 months and imports surged, confirming the nation's role as leader of the world recovery. Factory output climbed 19.2 percent from a year earlier, the statistics bureau said.
- European Union leaders said government measures to stimulate the economy should stay in place until the "recovery is fully secured." "Forecasts suggest a weak recovery in 2010, followed by a return to stronger growth in 2011," heads of the 27-nation EU said in a statement.
- Greece and Ireland are among countries in an "intolerable" economic situation, which may lead to bailouts or even an exit from the euro area by the end of next year, according to Standard Bank Plc
- High-yield bond issuance in Europe more than doubled this week as companies take advantage of the lowest yields in more than a year. Companies have issued 23 billion euros of high-yield bonds this year as \$1.7 trillion of write downs force banks to cut lending. The jump in sales came as Moody's Investors Service said default rates in Europe will drop to 3.3 percent next year from 10.2 percent this month, boosting investor confidence in borrowers' ability to repay debt
- Appetite for riskier assets is increasing. The yen declined against all of its most-traded counterparts as U.S. stock-index futures gained on signs the global economy is rebounding, encouraging demand for higher-yielding assets.
- Russia's economic decline abated in the third quarter as companies began restocking inventories depleted during a record slump in the first half of the year. Gross domestic product fell 8.9 percent from a year earlier, in line with the government's estimate
- Oil rose for the first time in eight days after China said the country's refineries processed a record amount of crude last month.
- Refining volume in China, the world's second-largest energy consumer, climbed 21 percent from a year earlier to 33.4 million metric tons, or 8.1

million barrels a day, according to government statistics

- The Indian Market would be influenced by global cues and government announcements. WPI would be announced next week.

Market Indices

SECTORAL INDICES				
INDICES	4-Dec-09	11-Dec-09	Change (%)	Difference
BSE				
Sensex	17101.54	17119.03	0.10	17.49
Bankex	10244.63	10106.17	-1.35	-138.46
IT Index	4796.53	4900.47	2.17	103.94
Metal Index	16867.93	16419.26	-2.66	-448.67
FMCG Index	2868.53	2848.82	-0.69	-19.71
Cap. Goods Index	13347.43	13877.95	3.97	530.52
Realty Index	3953.61	3922.62	-0.78	-30.99
Consumer Durables Index	3493.69	3549.43	1.60	55.74
Healthcare Index	5038.70	4932.29	-2.11	-106.41
PSU Index	9282.09	9306.83	0.27	24.74
Mid-Cap Index	6600.97	6574.49	-0.40	-26.48
NSE				
S&P CNX Nifty	5108.90	5117.30	0.16	8.40
Bank Nifty	9245.05	9097.20	-1.60	-147.85
CNX IT Index	5429.60	5521.05	1.68	91.45
S&P CNX 500	4238.85	4242.90	0.10	4.05

GLOBAL INDICES				
INDICES	4-Dec-09	11-Dec-09	Change (%)	Difference
US Market				
NASDAQ	2194.35	2190.31	-0.18	-4.04
Dow Jones	10388.90	10471.50	0.80	82.60
S & P 500	1105.98	1106.41	0.04	0.43
European Market				
FTSE 100	5322.36	5261.57	-1.14	-60.79
CAC 40	3846.62	3803.72	-1.12	-42.9
Asian Market*				
Nikkei	10022.59	10107.87	0.85	85.28
Strait Times	2791.01	2800.75	0.35	9.74
Hang seng	22498.15	21902.11	-2.65	-596.04
Shanghai Comp.	3317.04	3247.32	-2.10	-69.72

Institutional Activity (Equity)

INSTITUTIONAL ACTIVITY (Equity)

(Rs. In Cr)

Day Wise	Purchase	Sale	Net
FII Activity			
Friday	2303.80	1858.90	444.90
Monday	1937.00	1939.90	-2.90
Tuesday	2873.70	1879.60	994.10
Wednesday	2105.80	2402.70	-296.90
Thursday (provisional)	2556.62	2262.58	294.04
Friday (provisional)	2156.50	1818.04	338.46
Total	13,933.42	12,161.72	1771.70
DII Activity			
Friday	1036.44	1093.08	-56.64
Monday	1113.79	1299.04	-185.25
Tuesday	1087.30	1591.28	-503.98
Wednesday	1347.98	1329.11	18.87
Thursday	1255.92	1186.69	69.23
Friday (provisional)	1523.92	1531.09	-7.17
Total	7365.35	8030.29	-664.94

Weekly Sectoral Roundup

Out performer	Under performer	Neutral
CAPITALGOODS (+3.97%)	METAL (-2.66%)	AUTO (+0.18%)
IT (+2.17%)	HEALTHCARE (-2.11%)	
	BANK (-1.35%)	
	OIL&GAS (-1.02%)	
	REALTY (-0.78%)	
	FMCG (-0.69%)	

Weekly Top Gainers

Name	close	pclose	%change
BALRAMPUR C.	144.80	131.05	10.49
IDEA	59.75	54.75	9.13
HOTEL LEELA.	44.75	41.35	8.22
BHEL	2371.30	2208.80	7.36
INDIAN HOTEL	94.65	88.35	7.13

Weekly Top Losers

Name	close	pclose	%change
NAGAR.CONST.	150.90	164.20	-8.1
TATACOMM	352.35	380.3	-7.35
GVKPIL	47.95	51.75	-7.34
RENUKA	212.85	229.70	-7.34
BANK OF BARO	499.50	532.90	-6.27

Outlook for the Week

Nifty opened the week on a negative note at 5108.85 levels and showed selling pressure during first trading day of the week and Nifty made low of 5051.55 levels. Some recovery was seen from support near 5051 levels and Nifty made 52- week high of 5182.55 levels. Some profit booking was seen from here and Nifty closed on a flat note in green at 5117.30 levels with 0.16% gains. Volumes have been marginally lower than previous week. **After making weekly bullish engulfing pattern previous week, Nifty made weekly Doji candlestick pattern, which shows indecision from resistance at 5180 levels. Bulls and bears have been indecisive. On one side bulls showed strength from 5050 levels and on the other**

hand bears showed selling pressure from 5180 levels. On short term basis, Nifty is trading in 5050-5180 range, until range breakout or breakdown take place volatility and range bound scenario may be continuing. Decisive breakout above 5180 or breakdown below 5050 may take some directional movements.

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NIFTY Futures View

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Nifty Trend Watch

Date	Nifty	Cash	Future
11-12-09	Close Today	5117.30	5111.60 (Disc 5.70)
Week Beginning 14-12-2009	R2	5235/5300	5235/5300
	R1	5140/5180	5140/5180
	Weekly Trend Deciding	5090-5050	5090-5050
	S1	4990/4950	4990/4950
	S2	4850/4790	4850/4790

Nifty Weekly

NSE Nifty [N1] 5108.85, 5182.55, 5051.55, 5112.05, 3816897024 0.06%
 Price



Investment Ideas

GMR Infrastructure.
(Medium Risk-Medium Return)

CMP: - 71 (FV 1)
Date: 8th December 2009

Company background

GMR Infrastructure was started as Varalakshmi Vasavi Power Projects Limited in Hyderabad in 1996. In 2004, present name GMR Infrastructure came into existence and its Registered Office was shifted to Bangalore. Presently, it is engaged in development of various infrastructure projects in Power, Road, Airport etc. It has set up special purpose vehicles for these businesses. The major revenue is from Energy and Airports.

The major business activities of GMR Group include:

Energy

Power Projects Operational:

The company has 800 MW of Power plants under operations, through subsidiaries like GMR Energy, GMR Power Corporation, Vemagiri Power Corporation.

GMR Intergen:

GMR acquired a 50% stake in InterGen, a leading global power generation company, headquartered in the Netherlands in October 2008. InterGen has 12 power plants located across UK, Netherlands, Mexico, Australia and Philippines, with 8,086 MW of net operational capacity (including 428 MW under construction in the Netherlands) and 4,680 MW of assets under development.

GMR Island Power

GMR acquired Island Power from Intergen. Island Power Company is a Singapore based, electricity power generating project, Singapore's only privately-owned IPP. It holds the licence to own and operate up to 800 MW of electricity generating capacity in Singapore. The company has selected a site on Jurong Island for the development of an 800 MW natural gas fired combined cycle facility.

Power projects Under Construction:

The company has the following upcoming projects at different locations:

Power project	Capacity (MW)	Est Completion	Fuel	Contract**
Dhenkanal, Orissa	1050	2012	Coal	25 years COD
Talong Hydro Power Project	160	2015	Hydro	25 years COD
Bajoli Holi Project	180	2016	Hydro	40 years COD
Raipur	1200	2012	Coal	40 years COD
Upper Karnali, Nepal	300	2016	Hydro	30 years COD
Upper Marsyangdi, Nepal	250	2016	Hydro	30 years COD

Alaknanda Power	140	2012	Hydro	30 years COD
Emco Energy	600	2012	Coal	25 years COD

**COD is Commercial Operation date. Contract is for period from the date of commercial Operation beginning.

Mining

GMR has acquired a 100% stake in PT Barasentosa Lestari (PT BSL), an Indonesian Greenfield coal mining company with proven reserves. PT BSL is estimated to have a mining life of around 25 years based on the explored reserves. The mine has significant area which is yet to be explored.

These acquisitions are in line with the Group's strategy to own coal assets to scale up its energy business and secure the fuel supply. Additionally, the acquisitions will also help to circumvent the volatility of fuel prices for its imported coal based coastal power plants in the west and east coast of India

GMR has a 33.5% stake in Homeland Energy Group Ltd. (HEG), a listed company which owns coal properties in South Africa through its subsidiary the Homeland Mining and Energy (HMESA). HEG owns a controlling interest in the already operational Kendal mines, fully explored Eloff mines and other exploration sites with total mineable reserves of around 300 million tonnes.

Eloff mines which has significant coal reserves, is under the pre-feasibility stage, having been fully explored. In addition, HEG also holds a 39% stake in Homeland Uranium Inc. a Canadian uranium exploration and development company focused on projects in Niger and the United States and around 12% stake in Altona Resources with coal assets in Australia.

Airports

Delhi International Airport (DIAL):

DIAL is a joint venture consortium of GMR Group (54%), Airports Authority of India (26%), Fraport & Eraman Malaysia (10% each). GMR is the lead member of the consortium; Fraport AG is the airport operator, Eraman Malaysia - the retail advisors.

In January 2006, the consortium was awarded the concession to operate, manage and develop the IGI Airport, initial term of the concession is 30 years extendable by a further 30 years. The Airport has become operational, the construction activities are in last phase; all construction and renovation activities get completed by March 2010 before the commonwealth games.

GMR Hyderabad International Airport:

GMR Hyderabad International Airport Limited (GHIAL) was formed to design, finance, build, operate and maintain the Greenfield Rajiv Gandhi International Airport (RGIA) on 5,495 acres in Shamshabad, located 25 km from the city centre of Hyderabad. The airport is the first Public Private Partnership in the Indian airport infrastructure sector between GMR Infrastructure Ltd. (63%), Malaysian Airports Holdings Berhad (11%), Airports Authority of India (13%) and Government of Andhra Pradesh (13%).

International Airports:

GMR made its maiden international foray, by winning the bid to develop Istanbul Sabiha Gokcen International Airport (ISGIA) at Istanbul, Turkey, along with its consortium partners Limak Holding, Turkey (LIMAK) and Malaysia Airports Holdings Berhad (MAHB). GMR has 40% stake in the Turkish Venture.

The consortium inaugurated ISGIA on 31 October 2009, a full year ahead of schedule.

Highways

Projects Completed:

GMR Group has six highway projects across India measuring a total length of 424 km of which the toll based projects constitute 260 km and the annuity based projects total 164 km.

Project	Contract	Distance	Concession Period	Operational
Tambaram - Tindivanam	BOT	93 km.	15 years	2004
Tuni - Anakapalli	BOT	60 Km.	15 Years	2004
Ambala - Chandigarh	BOT	35 Km.	20 Years	2008
Farukhnagar - Jadcherla	BOT	58 Km.	20 Years	2009
Adloor - Gundla Pochanpalli	BOT	107 Km.	20 Years	2009
Tindivanam - Ulunderpet	BOT	71 Km.	20 Years	2009

Projects Under development:

Project	Contract	Distance	Concession Period
Chennai Outer Ring Road	BOT	29 km.	20 years
Hyderabad-Vijaywada	BOT	181 Km.	25 Years

Agri-Business

The company has 3 Sugar complexes as:

Sankili Sugar Plant (Andhra Pradesh): It has a cane crushing capacity of 5000 tonnes per day, Co-generation capacity of 16 Megawatt (MW) and a Distillery unit capacity of 45 Kilo litres per day (KLPD).

Haliyal Sugar Complex (Karnataka): It has capacity of 3,500 tonnes cane crushed per day (TCD), which can further be expanded to 5,000 TCD. The sugar complex produces superior grades of M-30 and S-30 sugar. The in-built co-generation unit of the plant has a capacity of 24 MW while it's distillery's capacity is 45 Kilo litres per day (KLPD). The distillery unit manufactures rectified spirit, ethanol and E.N.A.

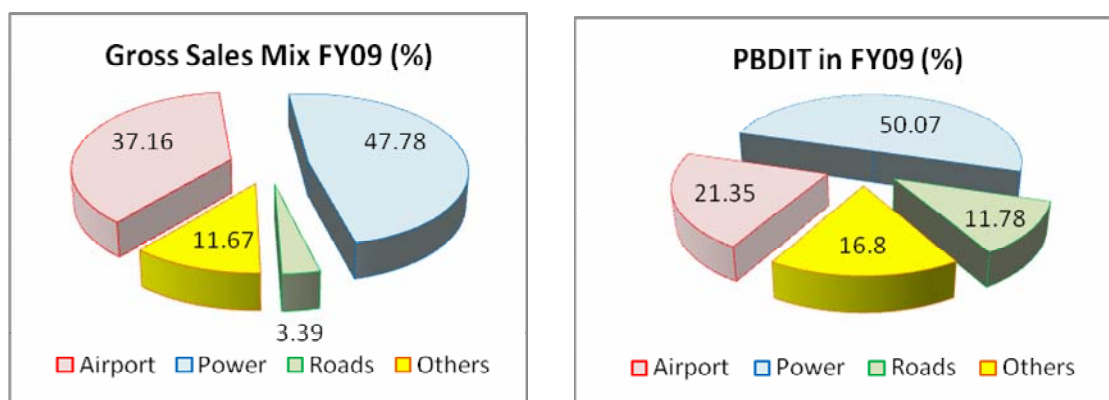
Ramdurg Sugar Complex (Karnataka): It has a crushing capacity of 2500 TCD scalable to 4000 TCD and a captive power generation capacity of 6 MW, which is being expanded to 15 MW.

Urban Infrastructure

GMR Group entered into an MOU with Tamil Nadu Industrial Development Corporation (TIDCO) for the development of a Multi Product Special Economic Zone (SEZ) in Krishnagiri District, Tamil Nadu.

The SEZ is advantageously located in close proximity to Bangalore. It would be operational by 2009, with the entire development process to be completed by 2014.

Sectoral Break-Up



Source: Company Annual Report FY 09

Investments Rationale

- The fast growing Indian economy, is resulting in more demand for infrastructure like Roads, Airports, Power etc.
- Infrastructure offers good business potential in India.
- GMR is among the fastest growing infrastructure company.
- It has diversified Infrastructure portfolio, consisting of Power plants, Roads, Airports, SEZ etc.
- It has made foray into mining, to ensure uninterrupted supply of Coal for its Power plants.
- GMR has successfully forayed into international market. Its consortium in Turkey completed Airport project ahead of schedule. This has given it reputation for bidding for other global projects.
- Delhi Airport to become fully operational in FY11, besides, 3 roads projects that became operational in year 2009, will have full impact in FY 11 results.
- Chennai Ring Road and Hyderabad-Vijaywada Road are likely to become operational in FY11.
- Presently, Power and Airports are the 2 largest components of sales. As more power projects begin operations, roads projects get completed and more development at SEZ takes place.
- The company has long concession period for all its projects, which gives good visibility in its earnings.
- Its Sugar plants are located in South India, where crushing period is longer than North India. The power business has negligible contribution to the Group's performance.

Financial Highlights (Consolidated)

Rs. Crore	Q2 FY09	Q2 FY10	% Y-o-Y	Q1 FY10	% Q-o-Q	H1 FY09	H1 FY10	% Change	FY09	FY10E	% Change
Net Sales	847	1194	40.97	1178	1.36	1732	2372	36.95	4019	4809	19.66
Other Income	10	16	60.00	12	33.33	17	28	64.71	21	49	133.33
Total Income	857	1210	41.19	1190	1.68	1749	2400	37.22	4040	4858	20.25
Raw Material	434	552	27.19	608	-9.21	1039	1160	11.65	2016	2356	16.89
Employee	81	56	-30.86	65	-13.85	162	121	-25.31	340	265	-22.06

Cost											
Other Expenses	83	207	149.40	183	13.11	45	390	766.67	596	785	31.71
Total Expenses	598	815	36.29	856	-4.79	1246	1671	34.11	2952	3406	15.39
PBDIT	259	395	52.51	334	18.26	503	729	44.93	1088	1452	33.42
Depreciation	85	141	65.88	137	2.92	165	278	68.48	390	549	40.77
Interest	71	177	149.30	160	10.63	140	337	140.71	368	678	84.24
PBT	103	77	-25.24	37	108.11	198	114	-42.42	330	225	-31.94
Minority Intt	5	4	-20.00	2	100.00	17	6	-64.71	2	8	300.00
Tax	8	20	150.00	12	66.67	17	32	88.24	51	49	-3.92
Net Profit	90	53	-41.11	23	130.43	164	76	-53.66	277	168	-39.50
Equity (FV 10)	367	367		367		367	367		367	367	
EPS (Rs.)	0.25	0.14		0.06		0.45	0.21		0.75	0.46	
CMP (Rs.)	71	71		71		71	71		71	71	
PE X (Annlyzd)	73.40	124.64		287.22		80.56	173.84		95.39	157.67	
PBDIT (%)	30.58	33.08		28.35		29.04	30.73		27.07	30.18	
NPM (%)	10.50	4.38		1.93		9.38	3.17		6.86	3.45	

FY 09 EPS is adjusted according to Equity dilution. Company issued 1.3 Crore Share at Rs.113/Share to IDFC Infrastructure Fund in Q1 FY10.

Peerset Comparison

Rs. Crore	GMR	GVK	Lanco Infra
Total Sales FY09	4040	567	6129
PBDIT FY09	1088	229	838
Net FY09	51	106	280
Equity	367	141	220
Face Value	1	1	10
FY 09 EPS	0.75	0.75	12.73
CMP Rs./Share	72	52	594
PE X	96	69.17	46.67
PBDIT (%)	27.07	40.39	13.67
NPM (%)	6.86	18.69	4.57

Lanco results are better than GMR, however GMR enjoys better margins.

Risks

- The Govt will exercise significant influence on the pricing of services of infrastructure projects.
- Availability of finance is the key in developing major infrastructure projects. And hurdle in funding can have severe impact on the projects.
- The gestation period is long for projects that require huge investments. As the new projects come up depreciation and interest costs can rise fast.
- There can be execution delays in these infra projects.

- Dynamic economic and political conditions impact operations, especially in overseas markets.

Valuation & Recommendation

GMR is a leading Infra developer in India. The scrip looks highly priced, however given the visible growth in business, high risk investors may BUY at CMP Rs.71 for a target of Rs.85 in mid term.

**ICSA (India) Ltd.
(Result Update)**

**Hold
(Buy@165)**

**Price: - 185
Date: 11thDecember 2009**

Company Background

ICSA (India) Ltd, formerly known as Innareddy Computer Software Associates, is a unique combination off the EPC business in the space of T&D infrastructure creation and embedded solutions and services. The company is providing technology solutions to the Indian power sector and telecommunication sector with the objective to identify transmission and distribution losses and monitor power consumption. They also provide rural electrification, construction of sub stations and conversion of LT line to HT lines.

The product offered by the company to support and reduce the losses in transmission and distribution. The product offered is mainly distributed under Power Application and Pipeline Application.

Result Highlights

- The company has recorded revenue of Rs. 314.03 Cr and Net Sales of Rs. 311.12 Cr in the second quarter FY10 which marks 2.72% and 1.78% growth respectively over the previous quarter.
- The EBIDTA stood at Rs. 70.93 Cr showing a margin of 22.80% for Q2 FY10.
- The Net Profit stood at Rs. 38.48 Cr showing a margin of 12.37% with the Diluted EPS standing at 7.48
- Infrastructure Projects & Services contributed about 62%, Embedded Service Systems contributed about 36% and Power Generation contributed about 1.50% in the present quarter

Investment Rationale

- The company has posted robust growth over past few years. The net sales reported a CAGR of 167% during 2005-09. Operating profit also grew by over 152% CAGR during the same period. Net Sales during last fiscal year has grown by more than 64% while PBIDT has grown by more than 37%. The company has reported sales of Rs 616 Cr in 6 months FY10, an increase of 18.4% total sales for HIFY09. While PAT was down nearly 18.5%. The company's bottom-line has dipped because the order book mix has changed from embedded solution (High margin) to infrastructure (Low margin). We expect the margin for the company improve in the coming quarters as its business from embedded space improves.
- Strong order book: - The Company has an order book of close to Rs 2000 Cr. 65% of the orders for the company is mostly from Infrastructure space (Nearly 65% of the order book) and the rest is for embedded space. Going ahead, the company plans on have a mix of 50% from each segment. .
- Wide Range of products on offer: - The Company has a wide array for products to address the needs such as detection and loss reduction. The company has a strong folio of products that address the power, Oil and Gas and water sector. Company has over the years build up competency and an excellent pipeline of products such as DTMS.
- Market for product and Government emphasis on reduction of losses: - With around 147 Million users, India has a poor sub-transmission and distribution network that results in high Aggregate technical and commercial losses (AT&C losses) and supply of poor quality of power. Moreover power theft in India is also rampant resulting in Loss of revenue for Government and various power companies. The government of India plans to bring down AT & C

losses to 15% from the current level of 35% in its 11 Five-year plan through Accelerated Power Development and Reform Program (APDRP). Products for theft and leak detection have very low penetration at 5%. This has resulted in strong headroom for the company products. Going forward as Government implements stronger norms for curbing these losses demand for company products would be boosted.

- **Entry Barrier and limited competition:** - The Company has limited competition from companies that have yet to establish themselves for core solutions for Leak detection and transmission loss products. Companies such as KLG Systel and Easun Reyrolle have yet to establish themselves as providers of loss detection products and conserving power products. Moreover, for any new entrant to launch a new product would take a period of nearly two years for gaining approval from various nodal and government agencies.
- **Strong R&D and new product portfolio:** - The Company has an established R&D facility with more than 120 employees dedicated to new product launch and improving the existing products. The company has launched many new embedded products in the recent quarter.

Risk and Concern

- The company has USD21 Mn worth of FCCB, at USD Rs 42 that would mature in May 2012. Although the FCCB are to be converted at Rs 250 per share. In case the conversion is not materialized, the company has a loan obligation of Rs 98 Cr, at USD Rs 48, together with an interest out go of Rs 9 Crore (Rs 3 cr per year) over the next three years. Although since accounting standard AS11 is being scrapped the company might be able to write back MTM losses that it might have incurred due to depreciation of INR from Rs 42 to Rs 50.
- The company's has projects from many government agencies. ICSA's working capital cycle could be adversely effected as many of the government power sector utilities are in the red.

Recommendation

Recommended on 17th April 2009 at Rs 105. Booked full profit at Rs 195

The company has posted a growth of 18.4% in top line in H1FY10. However, due to change in order book mix its bottom-line has shown a de-growth of 18%.The management is focusing its efforts to have an equal mix of order book. We have projected an EPS of Rs 30 for FY10. At CMP the company is trading at an earning multiple of 6.16x. Recommend investors to accumulate on declines at Rs 165 with a target of Rs 195 in the medium term.

Derivatives Statistics

SYMBOL	PCR			December. 2009 OPEN INTEREST		
	PREV.WEEK	CURR. WEEK	%CHG	PREV. WEEK	CURR. WEEK	%CHG
ALL INDEX	1.0039	0.8649	-13.90	28980708	28781056	-0.69
ALL STOCK	0.1229	0.1526	24.17	1326812701	1369208140	3.20
NIFTY	1.0039	0.8649	-13.90	27473558	27458756	-0.05
RELIANCE	0.1529	0.1669	9.16	11439600	10536600	-7.89
BHARTIARTL	0.1385	0.2603	87.94	20527000	16780500	-18.30
TATASTEEL	0.1763	0.1606	-8.91	11847348	14014052	18.29
SUZLON	0.1137	0.1028	-9.59	51249000	53730000	4.84
RCOM	0.0891	0.1276	43.21	21705600	23067800	6.28
UNITECH	0.133	0.1036	-22.10	49203000	56349000	14.52
ICICIBANK	0.1188	0.1276	7.41	12705350	12197850	-3.99
IFCI	0.055	0.0799	45.27	84182040	89721680	6.58
SBIN	0.1025	0.1954	90.63	3451008	3375372	-2.19
DLF	0.0866	0.1376	58.89	10906400	10465600	-4.04
IDEA	0.0823	0.2050	149.10	29686500	28139400	-5.21
HINDALCO	0.15	0.1943	29.53	25793976	24056084	-6.74
SAIL	0.3409	0.2962	-13.10	10343700	9069300	-12.30
IDBI	0.0426	0.054	26.76	15343200	14704800	-4.16
RNRL	0.0303	0.0330	8.91	30170712	30696384	1.74
INFOSYSTCH	0.1284	0.3174	147.20	2380000	2403800	1.00
TATAMOTORS	0.1721	0.1842	7.03	14346300	14359050	0.09
NTPC	0.0531	0.0712	34.09	13637000	14036750	2.93
CHAMBLFERT	0.0240	0.0359	49.58	8787150	8062650	-8.24
HDIL	0.0538	0.0742	37.92	7834428	6390918	-18.40
RPOWER	0.0570	0.0817	43.33	20818000	20914000	0.46
BHEL	0.0115	0.0955	730.40	2361150	2541000	7.62
JINDALSTEL	0.0589	0.0541	-8.15	6758400	7107840	5.17
LT	0.2288	0.1205	-47.30	3935400	3799400	-3.46
JPASSOCIAT	0.0752	0.0724	-3.72	11189250	10148625	-9.30
ISPATIND	0.0596	0.0589	-1.17	76081950	74774700	-1.72
ITC	0.0643	0.0564	-12.30	9253125	8835750	-4.51
ESSAROIL	0.0075	0.0039	-48.00	19310512	18172440	-5.89
BALRAMCHIN	0.0313	0.0326	4.15	14841600	18237600	22.88
RELCAPITAL	0.0478	0.1268	165.30	4560900	4218384	-7.51

Nifty Stock Level (Cash)

SCRIPS	LTP	R1	R2	S1	S2	trend
ABB LTD.	750.90	783.00	815.00	725.00	698.00	Uptrend
A.C.C.	816.75	828.00	840.00	800.00	783.00	Uptrend
AMBUJACEM	98.00	101.00	105.00	94.00	90.00	Uptrend
AXISBANK	1003.75	1035.00	1067.00	985.00	966.00	Downtrend
BHARTIARTL	331.55	351.00	371.00	310.00	288.00	Uptrend
BHEL	2371.30	2435.00	2499.00	2254.00	2136.00	Uptrend
BHARAT PETRO	622.35	641.00	660.00	609.00	595.00	Uptrend
CAIRN	271.95	278.00	284.00	268.00	263.00	Downtrend
CIPLA	340.40	359.00	379.00	325.00	310.00	Downtrend
DLF	383.05	397.00	411.00	367.00	350.00	Uptrend
GAIL	416.30	427.00	438.00	406.00	395.00	Uptrend
GRASIM IND.	2400.95	2439.00	2477.00	2369.00	2336.00	Downtrend
HCL TECHNOLO	347.50	360.00	374.00	333.00	319.00	Uptrend
HDFC BANK	1785.15	1829.00	1873.00	1752.00	1718.00	Downtrend
HERO HONDA	1670.1	1706.00	1742.00	1642.00	1613.00	Uptrend
HINDALCO	141.90	147.00	153.00	138.00	134.00	Downtrend
HINDUNILVR	272.95	278.00	283.00	269.00	264.00	Downtrend
ICICI BANK	864.5	887.00	910.00	843.00	821.00	Downtrend
IDEA	59.75	63.00	67.00	55.00	50.00	Uptrend
IDFC	164.35	473.00	510.00	416.00	395.00	Downtrend
INFOSYS TECH	2460.75	2508.00	2556.00	2394.00	2327.00	Uptrend
ITC	252.75	259.00	266.00	248.00	243.00	Downtrend
JINDL STL&PO	744.85	763.00	782.00	713.00	681.00	Uptrend
JPASSOCIATEQ	229.55	235.00	241.00	224.00	218.00	Downtrend
LT EQ	1690.65	1725.00	1760.00	1635.00	1579.00	Uptrend
MAH & MAH	1029.45	1055.00	1082.00	1007.00	985.00	Downtrend
MARUTI	1591.75	1635.00	1679.00	1549.00	1506.00	Uptrend
NTPC EQ	209.10	213.00	217.00	205.00	200.00	Uptrend
ONGC CORP.	1189.6	1207.00	1225.00	1170.00	1150.00	Uptrend
PNB	917.45	938.00	959.00	901.00	884.00	Uptrend
POWERGRID	105.15	107.00	110.00	103.00	101.00	Uptrend
RANBAXY LAB.	497.75	513.00	530.00	488.00	479.00	Downtrend
RCOM	183.6	192.00	201.00	173.00	162.00	Uptrend
REL.CAPITAL	848.15	866.00	884.00	832.00	815.00	Downtrend
RELIANCE	1071.25	1094.00	1117.00	1049.00	1026.00	Downtrend
RELINFRA	1067.4	1087.00	1108.00	1039.00	1011.00	Uptrend
RPOWER	147.85	154.00	160.00	142.00	135.00	Uptrend
SAIL	210.95	217.00	224.00	202.00	193.00	Downtrend
STATE BANK	2266.45	2325.00	2384.00	2234.00	2201.00	Downtrend
SIEMENS	546.05	557.00	569.00	534.00	522.00	Uptrend
STEEL AUTHOR	210.95	217.00	224.00	202.00	193.00	Downtrend
STER EQ	841.85	876.00	910.00	817.00	791.00	Downtrend

SUN PHARMA.	1442.25	1484.00	1526.00	1415.00	1387.00	Downtrend
SUZLON	83.15	87.00	91.00	79.00	74.00	Uptrend
TATAMOTORSEQ	711.9	729.00	746.00	695.00	677.00	Uptrend
TATA POWER	1360.7	1377.00	1393.00	1349.00	1336.00	Downtrend
TATASTEEL	546.55	569.00	592.00	530.00	513.00	Downtrend
TCS EQ	706.1	717.00	729.00	692.00	678.00	Uptrend
UNITECH LTD	86.65	91.00	95.00	84.00	80.00	Downtrend
WIPRO	644.4	658.00	673.00	632.00	620.00	Uptrend

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