



शुभ दीपावली

*Muhurat Picks
for
Samvat 2066
(2009-10)*



From the Research Desk

Dear Investors,

*As Samvat 2065 bids its "adieu" to the markets, we analyse the year that had passed by, which has been eventful for Indian markets on all accounts. With a gloomy start- world economy being at a toss, liquidity crisis, stimulus packages, accounting frauds, bad monsoon, centre going for elections, Indian markets had hands-full to even take cues from its neighbouring markets. As the year ends, optimism seems to be building, with improving industrial data figures, spate of QIP money landing the shores and continued investments by the corporate, anointing India as the "**Crown Prince**" for the next league of rule.*

It's over a year since Lehman Brothers collapsed, setting the global financial infrastructure aflame, destroying trillions of dollars across the globe. An analysis of the origin of the crisis trace a bundle of reasons for the global financial meltdown rather than one that culminate in the fall of global markets. Above all, there is another important reason behind the global meltdown which silently crept into the rational decision making of investors - "Incessant leverage and betting on even "sneeze counts", if that gave returns". This crisis, in a way had been a great leveler, bringing all investments on an even scale of - "Potential fundamental value" in real assets.

Indian markets seem to have turned out to be the canary in the coal mine for the global economy. Until a decade back, a place which was merely seen as a playground for idle money, with markets bearing little relationship to economic performance, is now being recognised as a stalwart whose gyrations are being tracked by global investors. Unlike the rest of the emerging Asia, India is still predominantly a growth market, as most of its sectors are still at their formative stages. Moreover, India's growth story being funded more by domestic savings than by foreign investments makes it less vulnerable to the global liquidity crisis. Being less dependent on external consumption, India proposes a secured investment destination for investors, where the internal growth prospects are higher given the agricultural reforms, rural development & Infrastructure development initiatives of the government.

We believe Infrastructure development & various public investments would lead the next leg of growth for the Indian economy, before the global economy stabilizes and there would be no dearth of funds from private investors, if they believe that the Indian growth programs are sustainable. This Diwali issue greets you with our picks from India Inc, driven on our sanguine view on the public investment theme. Our analysis reveals certain differentiating fundamental features of these companies, besides a secured business outlook.

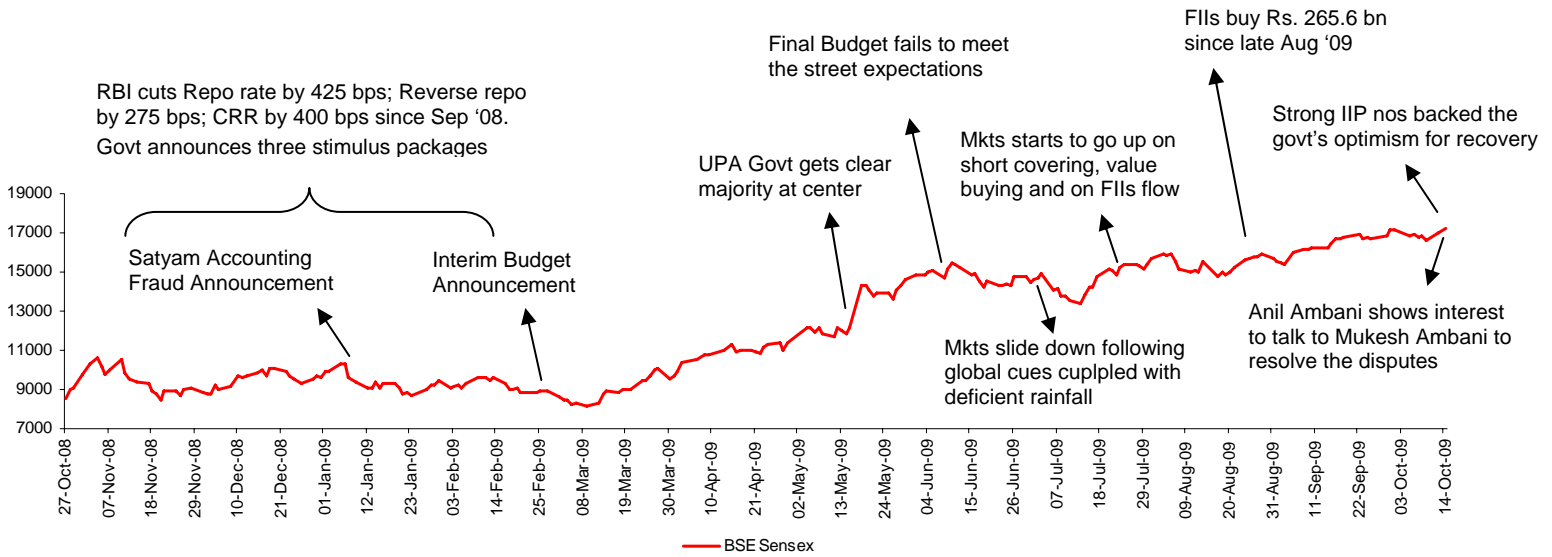
We wish all the investors - "Happy Diwali & Prosperous New Year". Like always we shall ensure that "Profit always be on your side"

October 14, 2009

INDEX

Contents	Page no
Review of Diwali 2008-09	4
Diwali Picks	
Bartronics India Ltd.	12
Birla Corporation Ltd.	14
Cairn India Ltd.	16
Garware Offshore Services Ltd.	18
ICSA (India) Ltd.	20
IVRCL Infrastructures & Projetcs Ltd.	22
Jaiprakash Associates Ltd.	24
Jyoti Structures Ltd.	26
Techno Electric & Engineering Company Ltd.	28
Voltamp Transformers Ltd.	30

Sensex Movement – Samvat 2065

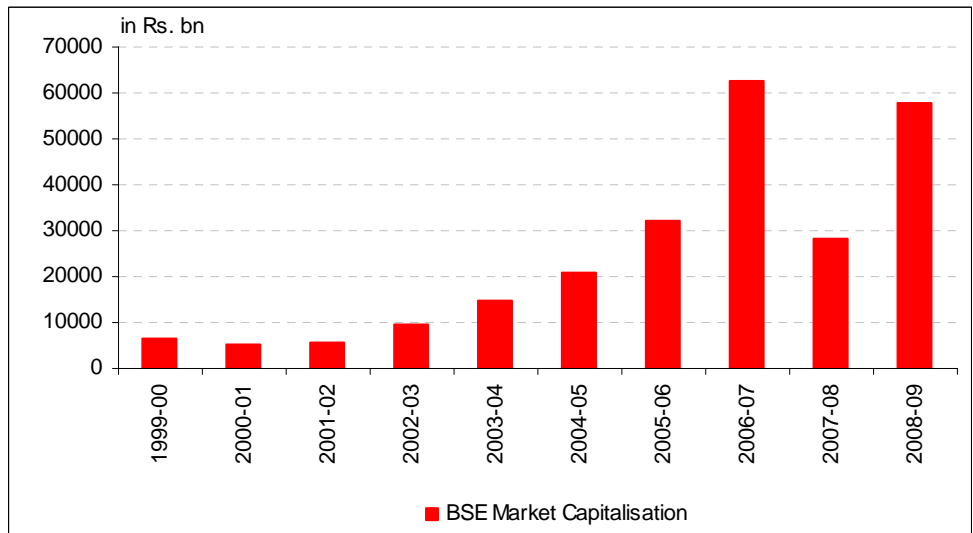
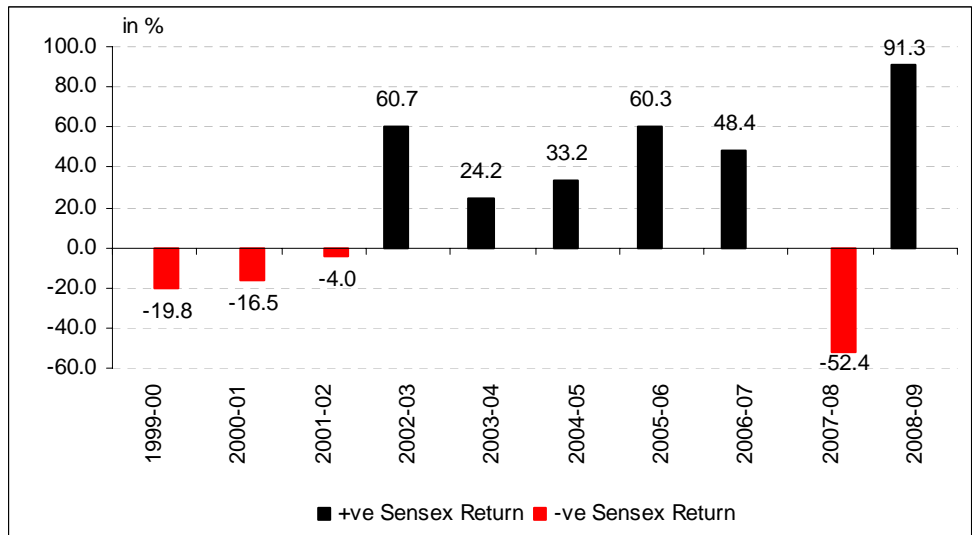


Sensex Returns and Total Market Capitalisation - Diwali to Diwali

The global financial crises and meltdown across regions had its impact on the Sensex return and the overall BSE market capitalisation slid by more than 50%, before resuming the upward journey.

This Diwali, we have already witnessed markets bouncing back from their lows, and the Sensex has already registered gains of nearly 91% since last Diwali.

The overall BSE market capitalisation has also nearly doubled from last Diwali.

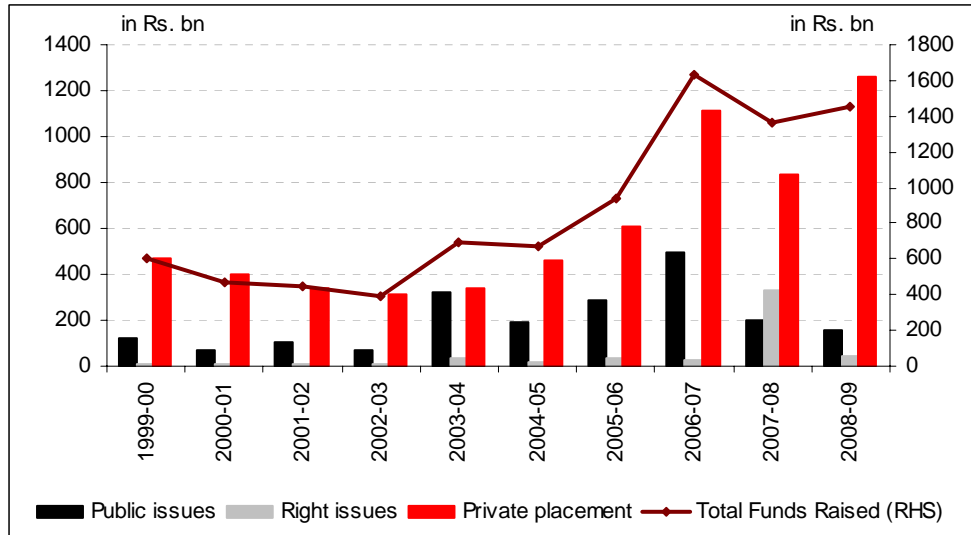


Source: BSE. CMIE. Bloomberg. India Capital Markets Research

Resources Raised - From Diwali to Diwali

After a long dry period, the primary markets witnessed revival in the form of spate of IPOs. Though not in full swing, the interest seems to be building up.

The private placement route (espcl. the QIP) saw hectic activity in recent months to raise the funds. Since large number of companies opted for the private placement, the money raised stood highest among all the other means of fund raising.

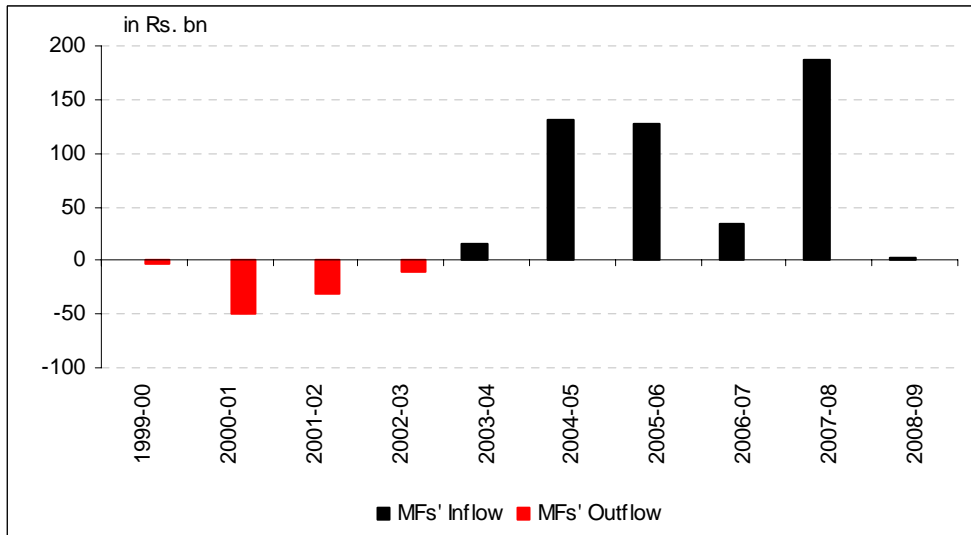
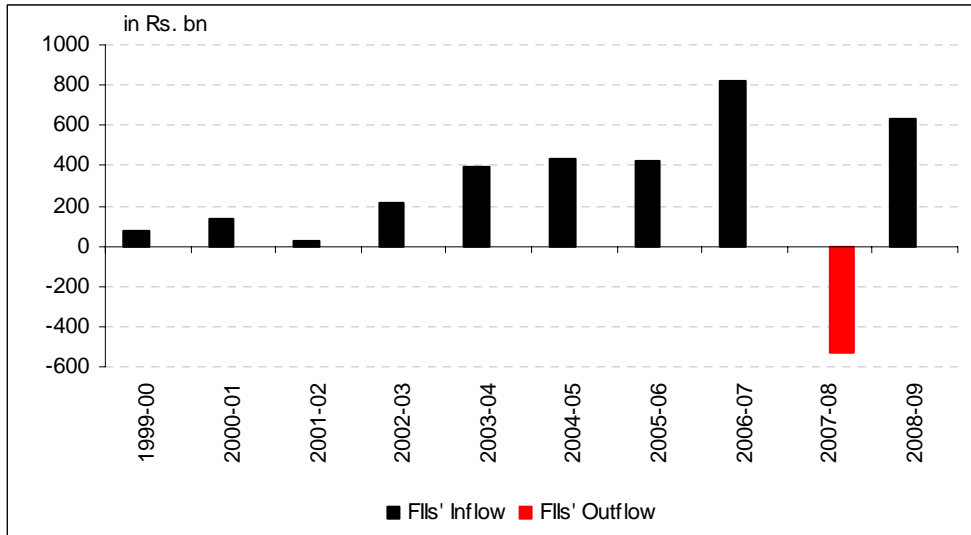


FIs' and MFs' Activities - From Diwali to Diwali

FIs' had been pumping money into India representing their faith in India's strong fundamentals and the Growth Story.

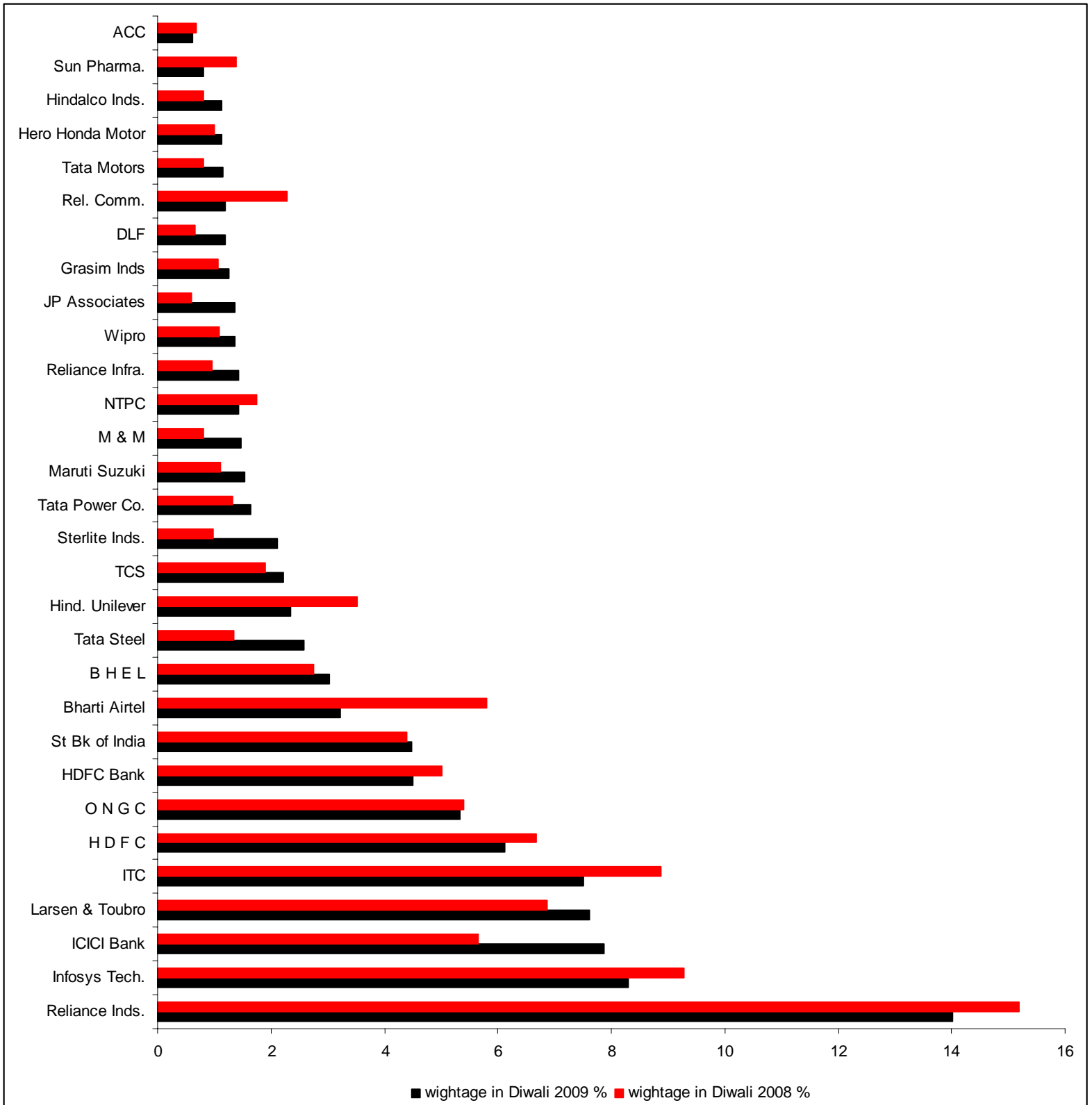
Their domestic counter part - the MFs too have not been behind.

Upto this Diwali, the FIs have again turned net buyers with the momentum peaking up in last one-two months. The global economy has been showing signs of revival and India too has been throwing signals of bottoming out and consolidating. A stable government at centre, financial & monetary stimulus, rising domestic demand & consumption and overall improvement in consumer & business confidence - seemed to be the major reasons to reassure the confidence in India's Story.



Source: BSE. CMIE. Bloomberg. India Capital Markets Research

Sensex Weightages of Companies - Diwali 2008 and Diwali 2009



Source: BSE. CMIE. Bloomberg. India Capital Markets Research

Contributors to Sensex increase from Last Diwali - Scrips

17231.11 Sensex

8223.03



Scrips	Contribution	
	Points	Percentage

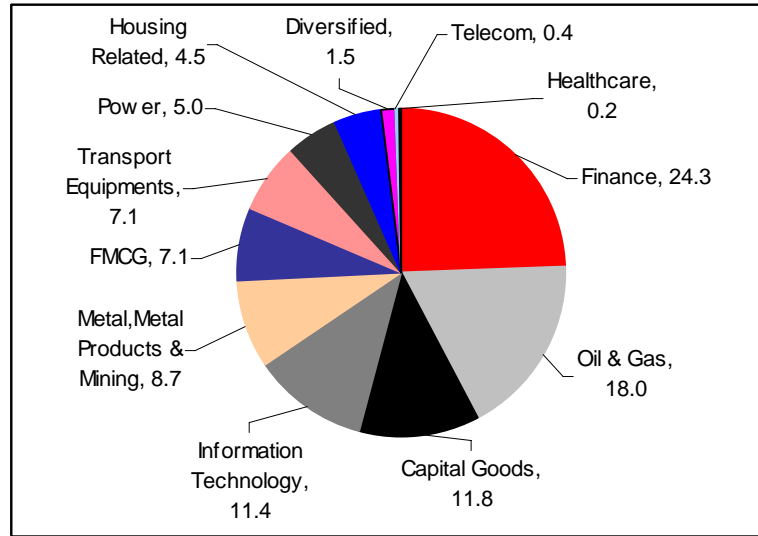
Reliance Inds.	1045.17	12.71
ICICI Bank	845.74	10.29
Larsen & Toubro	693.63	8.44
Infosys Tech.	593.15	7.21
ITC	493.37	6.00
H D F C	453.32	5.51
O N G C	433.79	5.28
St Bk of India	378.23	4.60
HDFC Bank	324.85	3.95
Tata Steel	322.59	3.92
B H E L	274.80	3.34
Sterlite Inds.	274.79	3.34
TCS	211.37	2.57
M & M	182.03	2.21
JP Associates	180.07	2.19
Maruti Suzuki	166.63	2.03
Tata Power Co.	162.08	1.97
Reliance Infra.	157.34	1.91
DLF	147.22	1.79
Wipro	135.77	1.65
Tata Motors	127.08	1.55
Grasim Inds	121.84	1.48
Hindalco Inds.	121.19	1.47
Hero Honda Motor	105.82	1.29
Hind. Unilever	89.25	1.09
NTPC	88.50	1.08
ACC	44.51	0.54
Bharti Airtel	33.59	0.41
Sun Pharma.	14.80	0.18
Rel. Comm.	0.50	0.01

9008.08

8223.03

100.00

Contributors to Sensex increase from Last Diwali - Sectors



The Contributors...

Sensex increased by 8223 points since last Diwali to 17231 points; that is a whopping 91.3% return!!!

All the companies under the Sensex contributed to the increase led by Reliance Industries, ICICI Bank, L&T, Infosys and ITC - the top five together contributing ~ 44.6% to total gain.

Among the sectors, the Finance sector has been the highest contributor followed by Oil & Gas, Capital Goods and IT sector- the top four contributing ~ 65.6% to total gain.

Sectoral Indices Returns

	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03	2001-02	2000-01
Sensex	91.3	-52.4	48.4	60.3	33.2	24.2	60.7	-4.0	-16.5
Auto	169.5	-52.3	-2.3	54.3	43.7	N.A.	N.A.	N.A.	N.A.
Bankex	116.6	-53.9	65.0	38.9	51.2	23.6	N.A.	N.A.	N.A.
Cap Goods	109.1	-65.5	130.9	86.0	79.7	44.4	126.2	28.6	2.9
Cons Durable	93.4	-61.2	50.7	41.9	76.3	40.2	42.8	27.2	-38.3
FMCG Sector	58.5	-11.1	-1.0	44.8	46.9	-1.4	27.2	-16.1	1.0
Healthcare	62.6	-27.9	5.7	34.4	1.9	34.5	70.4	-8.2	-5.4
IT Sector	64.8	-36.6	-11.2	53.0	25.5	59.3	11.9	22.4	-61.7
Metal	240.9	-72.9	86.4	61.6	7.9	N.A.	N.A.	N.A.	N.A.
Oil	91.1	-52.5	96.9	57.1	22.7	N.A.	N.A.	N.A.	N.A.
Power	111.5	-65.8	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
PSU	107.0	-55.2	68.3	27.1	20.7	25.1	102.7	59.4	N.A.
Realty Index	126.1	-80.2	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Tech	47.8	-43.9	12.7	54.7	29.7	55.5	30.7	7.2	N.A.

The Performers...

Over the years, Capital Goods segment has been outperforming the Sensex followed by Consumer Durables. The Banking segment more or less has been tracking the Sensex.

This year, all the sectoral indices posted handsome returns led by Metal Sector, Auto Sector and Realty Sector. The Capital Goods, Power and Banking were the other sectors, which registered return over 100% since last Diwali. The BSE Tech index has recently fallen from its peak owing to sell off in Telecom companies.

Top Gainers and Lossers

BSE SENSEX

Scrips	Price		Return in %		Scrips	Price		Return in %
	14-Oct-09	28-Oct-08				14-Oct-09	28-Oct-08	
JP Associates	252.4	59.55	323.8		NO LOSSER			
Tata Motors	572.7	155.2	269.0					
Sterlite Inds.	852.4	231.3	268.5					
M & M	971.4	279.45	247.6					
Tata Steel	571.6	182.8	212.7					

BSE 500

Scrips	Price		Return in %		Scrips	Price		Return in %
	14-Oct-09	28-Oct-08				14-Oct-09	28-Oct-08	
Jindal Steel	668.0	99.8	569.1		Cals Refineries	0.7	2.9	-77.2
JSW Holdings	1751.1	293.2	497.3		Maytas Infra	139.9	419.4	-66.6
Hind.Oil Explor.	361.8	63.9	466.6		Cranes Software	37.8	88.0	-57.1
Ahluwalia Contr	171.1	30.3	465.5		Indage Vintners	65.5	140.1	-53.2
Lanco Infratech	540.3	99.2	444.6		Koutons Retail	374.0	695.7	-46.2

BSE Mid Cap

Scrips	Price		Return in %		Scrips	Price		Return in %
	14-Oct-09	28-Oct-08				14-Oct-09	28-Oct-08	
Hind.Oil Explor.	361.8	63.9	466.6		Sterling Biotech	112.7	163.3	-31.0
Lanco Infratech	540.3	99.2	444.6		Ackruti City	533.9	688.55	-22.5
Aurobindo Pharma	839.1	160.2	423.8		UTV Software	455.15	555.55	-18.1
Sterlite Tech.	285.5	54.8	421.5					
IVRCL Infra.	411.8	83.5	393.2					

BSE Small Cap

Scrips	Price		Return in %		Scrips	Price		Return in %
	14-Oct-09	28-Oct-08				14-Oct-09	28-Oct-08	
Kwality Dairy	744.1	17.3	4213.6		Koutons Retail	369.4	695.65	-46.9
Geekay Finance	350.3	26.8	1206.9		Sterling Biotech	113.2	163.3	-30.7
JSW Holdings	1751.1	293.2	497.3		UTV Software	426.4	555.55	-23.2
Ster. Holid. Res	57.9	9.9	484.8		Ackruti City	533.65	688.55	-22.5
Varun Inds.	174.3	30.2	477.9					

Source: BSE. CMIE. Bloombera. India Capital Markets Research

THIS PAGE IS INTENTIONALLY LEFT BLANK

BEST PICKS FOR SAMVAT - 2066

Bartronics India Ltd.

Birla Corporation Ltd.

Cairn india Ltd.

Garware Offshore Services Ltd.

ICSA (India) Ltd.

IVRCL Infrastructures & Projetcs Ltd.

Jaiprakash Associates Ltd.

Jyoti Structures Ltd.

Techno Electric & Engineering Company Ltd.

Voltamp Transformers Ltd.

Bartronics India Ltd

BUY

CMP Rs 169

Bartronics India Ltd (BIL), a market leader in Automatic Identification and Data capture technologies, is a Hyderabad based company with subsidiaries and marketing alliances in USA, Middle East, Malaysia, Singapore, Srilanka and many other countries. Mainly into evaluation, implementation of automatic identification and data capture technology, BIL also deals with radio frequency ID, smart cards, point of sale solutions and retail IT. BIL's order book stands at around Rs 6bn or 1.1X its FY09 revenue, which provides a good visibility for the company.

Market Data		Share Data				Shareholding Pattern		Stock Performance in %		
								Period	Absolute	Relative Sensex
Sensex	17231	Bse Code	532694	Outstanding No of Shares (mn)	29	Promoters	29	3 Months	7	-17
		Bse Group	B	Market Cap (Rs mn)	5033	Public	43			
Nifty	5118	Nse Code	BARTRONICS	52 Wk High / Low (Rs)	194 / 55	Fis / MFs	6	6 Months	59	2
		Bloomberg	BAIL IN	Avg Daily Voulme Wkly	95266	FIIs	9			
		Reuters Code	BARI BO	Face Value (Rs)	10	Bodies Corporates	13	1 Year	-23	-73

- **Smart Card Market in India – Wide Opportunities** India is said to be the next big market after China and Japan for smart card growth, globally. Till date, growth in telecom subscriber base has been the dominant reason for use of smart cards in India, however banking industry embracing smart cards as a replacement to the magnetic stripe cards has presented additional opportunity to the existing market. Commercial rollout of 3G, various smart card based government initiatives like the UID, vehicle registration, license etc can widely expand smart card opportunities in India to a different league.
- **Project “Aapke Dwar” Rs 50 bn worth deal** In Feb 2009, Bartronics secured a Rs 50bn worth deal from the “Aapke Dwar” project of the Municipal Corporation of Delhi spread over nine years. Revenues are set to accrue from October 09 with the launch of 300 kiosks in the first phase further which 400 Kiosk will be added every quarter.
- **National UID project – Next big trigger** Ground has been prepared for National UID project, the world largest of its type, which aims to assign a unique identification (ID) number to each resident in the country. Though distant, this presents a far larger trigger for the smart card industry, given the size of population in India.
- **Valuations** At the CMP of Rs 169, Bartronics trades at a P/E of 4.3 & 3.2 on FY10E & FY11E consensus EPS estimates of Rs 40 & Rs.53 respectively. On a EV/ EBIDTA basis, the stock is available at a multiple of 4.1 & 2.9 on FY10 & FY11 consensus estimate. We recommend a “BUY” on the stock with a medium to long term view.

Financials Snapshot

(Rs in mn)

Year	Net Sales	Growth(%)	EBITDA	EBITDA (%)	PAT	PAT (%)	EPS(Rs)	PE(x)	EV/EBITDA(x)	ROCE(%)	ROE(%)
FY08	2,708	326.5	645	23.8	475	17.5	18	9.5	12.2	17.4	24.1
FY09	5,886	117.3	903	15.3	206	3.5	7	23.7	11.3	20.3	27.3
FY10E	9,318	58.3	2,515	27.0	1507	16.2	40	4.3	4.1	22.8	29.5
FY11E	12,842	37.8	3,529	27.5	1992	15.5	53	3.2	2.9	20.1	27.25

Source :Company Reports ,Bloomberg Consensus Estimates

Technical View : Bartronics India Ltd



Bartronics India Ltd: - CMP: - 169

Bartronics had a sharp rally from 53 to 192, which recovered near about 61.80% of the fall from 294 to 47. After the sharp rally, stock started to trade in the range of 141 to 199, which indicates consolidation in Wave B. As we can see from above chart, Bartronics is trading in a channel wherein upper end of the channel is acting as resistances and lower end of the channel as support. Currently, Stock is trading near lower end of the channel so closes below lower end of channel would indicate further weakness. However, if it holds above Lower end of the channel, it would target upper end of the channel.

We recommend BUY o Bartronics above 187 with a stop loss of 154 on closing basis for the price target of 219, 241 and 273 in short term.

Birla Corporation Ltd

BUY

CMP Rs 300

Birla Corporation Ltd (BCL), a part of M P Birla Group Company having an installed capacity of 5.8MNTPA is witnessing strong demand from the Northern and Western region. Birla Corp has 4 plants across India located in Madhya Pradesh, Rajasthan, West Bengal & Maharashtra.

Market Data		Share Data				Shareholding Pattern		Stock Performance in %		
								Period	Absolute	Relative Sensex
Sensex	17231	Bse Code	500335	Outstanding No of Shares (mn)	77	Promoters	63	3 Months	34	10
		Bse Group	B	Market Cap (Rs mn)	23134	Public	10			
Nifty	5118	Nse Code	BIRLA CORPN	52 Wk High / Low (Rs)	330 / 71	Fis / MFs	9	6 Months	54	-3
		Bloomberg	BCORP IN	Avg Daily Volume Wkly	10771	FIs	9			
		Reuters Code	ADYA BO	Face Value (Rs)	10	Bodies Corporates	10	1 Year	191	141

- **Capacity Expansion** Birla Corp has recently enhanced its clinker capacity in Rajasthan and Madhya Pradesh taking up the total capacity to 7.5MNTPA. Birla Corp has also lined up a capex of Rs 8 bn to be completed in next 2 years to build 1.2 MNTPA brownfield plant at Chanderia, Rajasthan along with 30 MW captive thermal power plant. The funding for the said capex is to be met through internal accruals and debt.
- **Revenue Growth led by both Price & Volume expansion** Birla Corp has been witnessing more than 90% capacity utilization on the back of buoyant demand from ongoing construction activity for Commonwealth Games 2010 in the Northern region. In Q1FY10 its topline jumped by 24% on YoY basis led by both higher realization along with volume growth. We expect the surge in the Infrastructure & real estate activity, which would further boost the revenue growth in the coming period in the run-up to Commonwealth games.
- **Huge Hidden Margin of Safety in Liquid Investments** Birla Corp carries Rs 7.7 bn (Rs 100/ per share) in its books in the form of Cash & Cash equivalent. Birla Corp has an investment portfolio valued at Rs 8.2 bn of which nearly Rs 4.5 bn are parked in Liquid Mutual Fund investments & Bank deposits of Rs 3.2bn were as debt stands at just Rs 2.7 bn. Further, as per consensus estimates, Birla Corp is estimated to record PAT of Rs 47.8 bn in FY10E earnings, translating into Rs 62/ per share. Thus, a net cash to the tune of Rs 162 / per share provides huge margin of safety to the tune of 50% of Market Price.
- **Valuation** At the CMP of Rs 300, Birla Corp is trading with an EPS of Rs 62 and Rs 57 with PE Multiple of 4.8x and 5.2x on FY10E and FY11E earnings consensus respectively. On a Valuation methodology of EV / EBIDTA, Birla Corp is fairly undervalued at 5x and 3x on FY10E and FY11E earnings respectively. On EV/Ton basis, Birla Corp is trading at US \$ 45/ ton which is significantly lower than replacement cost of US \$ 100 / ton. Hence, We recommend a **“BUY”** with a medium-long term view.

Financials Snapshot

(Rs in mn)

Year	Net Sales	Growth(%)	EBITDA	EBITDA (%)	PAT	PAT (%)	EPS(Rs)	PE(x)	EV/EBITDA(x)	ROCE(%)	ROE(%)
FY08	17,248	10.1	6,014	34.9	4196	24.3	54.5	5.51	3.7	39.1	50.2
FY09	17,907	3.82	4,258	23.8	3235	18.1	42.0	7.14	5.3	23.9	28.3
FY10E	20,100	12.25	5,829	29.0	4783	23.8	62.1	4.83	3.8	28.2	32.4
FY11E	20,750	3.23	5,600	27.0	4420	21.3	57.4	5.23	4.2	21.5	22.7

Source :Company Reports ,Bloomberg Consensus Estimates

Technical View : Birla Corporation Ltd



Birla Corporation Ltd: CMP: - 300

Birla Corp. has formed a good support at Blue Trend Line. As we can see from above chart, stock has rallied from 70 to 326 thereafter it has corrected till 23.60% of the rally (i.e. 265). After forming a Double Bottom at 267 Birla Corp. has started showing some strength. For the Short term, until Birla Corp. sustains above Blue trend line downside looks remote.

We recommend BUY on Birla Corp. above 326 with a stop loss of 311 on closing basis for the price target of 339, 348 and 362 in near term. For Short term or long traders use decline as an opportunity for BUY for the price target of 386, 423 and 484.

Cairn India Ltd

BUY

CMP Rs 279

Cairn India Ltd: Harnessing a combination of Innovation and Entrepreneurship, Cairn India is one of the most significant oil and gas exploration and production companies in India. The company was incorporated in 2006 by Cairn Energy PLC. Cairn India operates two processing plants, 11 offshore platforms, 200km of sub-sea pipelines and has operations spanning across the Indian continent. Its earlier three oil fields - Ravva, Lakshmi and Gauri - are producing more than 80,000 bpd (barrels of oil equivalent per day) on behalf of Cairn India and its joint venture (JV) partners..

Market Data		Share Data				Shareholding Pattern		Stock Performance in %		
						in %	Period	Absolute	Relative Sensex	
Sensex	17231	Bse Code	532792	Outstanding No of Shares (mn)	1897	Promoters	65	3 Months	27	2
		Bse Group	A	Market Cap (Rs mn)	529835	Public	3			
Nifty	5118	Nse Code	CAIRN	52 Wk High / Low (Rs)	285 / 88	Fis / MFs	7	6 Months	38	-19
		Bloomberg	CAIR IN	Avg Daily Volume Wkly	445432	FIs	11			
		Reuters Code	CAIL BO	Face Value (Rs)	10	Bodies Corporates	15	1 Year	53	3

- **Mangala – Rajasthan Block Production on Schedule** Cairn India has recently in August' 2009 commenced production from its Mangala oil field in Rajasthan. Cairn India along with ONGC plans to jointly invest Rs 200 bn to scale up the production capacity of their oilfields at Barmer (the Mangala, Bhagyam and Aishwarya fields) from current 25,000 bpd to 100,000 bpd by end of FY11 and than further ramping up to its peak capacity of 175,000 bpd by the end of FY12.
- **Transportation Logistics development on track** Cairn India has tied up with HPCL, IOC and MRPL to transport its Rajasthan crude oil Production. To supply the same construction work on 700 km pipeline from Barmer in Rajasthan to Salaya in Gujarat is underway and same is expected to be up for transportation by December' 09. In the meantime, Cairn India is currently transporting crude oil in trucks with heating system to the western coast of Gujarat
- **Rajasthan Operation to be huge Cash Cow** Cairn India is likely to generate US\$8-10 bn Cash flows over FY 2011-16 period. These Cash flows would act as a catalyst for further investments in E&P undertaking under the NELP blocks. Also, the cash outflow in the form of Government share of profits in the initial years is lower, leaving great Cash inflows in hand
- **Direct Play on Crude Oil** Cairn India is a direct play on crude oil prices, which are likely to rise. Cairn India is also good hedge against the equity markets as a sudden spike in oil prices, can negatively affect the equity market
- **Valuation** Cairn India has strong production growth and high reserve potential. At the CMP of Rs of Rs 279, Cairn India is trading with an EPS of Rs 6.5 and Rs 20.1 with PE Multiple of 42.9x and 13.8x on FY10E and FY11E earnings consensus respectively. On a Valuation methodology of EV / EBIDTA, Cairn India is available at 10x and 9x on FY10E and FY11E earnings respectively. Hence, We recommend a **“BUY”** with a medium-long term view .

Financials Snapshot

Year	Net Sales	Growth(%)	EBITDA	EBITDA (%)	PAT	PAT (%)	EPS(Rs)	PE(x)	EV/EBITDA(x)	ROCE(%)	ROE(%)
FY08	10,123	-	4,404	43.5	-246	-2.4	-0.1	-	68.4	-	-
FY09	14,327	41.53	8,663	60.5	7752	54.1	4.1	68.27	42.4	2.2	2.6
FY10E	24,487	70.92	16,603	67.8	12331	50.4	6.5	42.92	28.4	3.0	3.7
FY11E	72,454	195.89	53,206	73.4	38171	52.7	20.1	13.87	8.8	9.2	10.9

Source :Company Reports ,Bloomberg Consensus Estimates

Technical View: Cairn India Ltd



Cairn India Ltd: - CMP: - 279

In last trading session, Cairn has given a breakout by closing above Red Trend Line, which has proved as a strong resistance in past trading sessions. Multiple times Cairn managed to break above Red Trend line but failed. If it gives a close above Red Trend Line with huge volumes, it'll indicate bullishness.

We recommend BUY on Cairn India with a stop loss of 252 on closing basis for the price target of 291, 302 and 319 in near term.

Garware Offshore Services**BUY****CMP Rs 160**

Garware Offshore Services Ltd (GOSL) is an emerging service provider for the offshore oil industry in India. GOSL is primarily engaged in chartering its fleet on hire basis to oil E&P companies like ONGC, BG India etc. GOSL's current fleet size stands at 13, comprising of 5 PSVs, 6 AHTSVs and one each AHTSV & Accommodation Barge on bareboat charter basis through its subsidiary. GOSL has placed an order for a large PSV with 4500 DWT with an approximate value of US\$ 55 mn, which is likely to be delivered in Q3FY2011.

Market Data		Share Data				Shareholding Pattern		Stock Performance in %		
								Period	Absolute	Relative Sensex
Sensex	17231	Bse Code	501848	Outstanding No of Shares (mn)	24	Promoters	31	3 Months	23	-2
		Bse Group	S	Market Cap (Rs mn)	3823	Public	57			
Nifty	5118	Nse Code	GARWOFFS	52 Wk High / Low (Rs)	199 / 52	Fis / MFs	3	6 Months	108	51
		Bloomberg	GWOS IN	Avg Daily Volume Wkly	11964	FIIIs	0			
		Reuters Code	GRSH BO	Face Value (Rs)	10	Bodies Corporates	9	1 Year	16	-35

- **Rebound in oil prices** With crude prices recovering from its low to average of \$60 - \$80, oil companies have stepped up its capex spending in exploration and development. We expect rebound of interest by national oil companies owing to higher oil prices will lead to increase in demand in number of offshore support vessels (OSVs).
- **Contracts on long-term basis** GOSL has deployed 80% of its vessels on long term charter basis, which mitigates the risk of fall in day rates for the company by having assured business at fixed day rates. With recent acquisition of one each AHTS & Accommodation Work Barge on bareboat charter basis, we expect GOSL to record revenues to Rs 2.53 bn in FY10E.
- **Strong fundamentals** Despite the headwinds faced by the company in lower oil price regime, GOSL with its sound business model and strong fundamentals has managed to post better growth than its peers. We expect the GOSL's H2FY10 performance will demonstrate continued revenues expansion.
- **Valuations** With the deployment of newer OSVs on long-term contracts, generation of free cash flows is expected to lower the debt levels. As GOSL's new additions roll out, we expect revenues to grow at 34% CAGR over FY2009-2011E. We are estimating GOSL's FY2011E EPS at Rs 37.8. We expect GOSL to turn cash flow positive from FY2010 onwards after reckoning of expansion of its asset base. At current market price of Rs 160, stock is trading at 4.6x FY2010 EPS estimate of Rs 34.8. We are positive on the business model of the company & recommend a **"BUY"** on the stock.

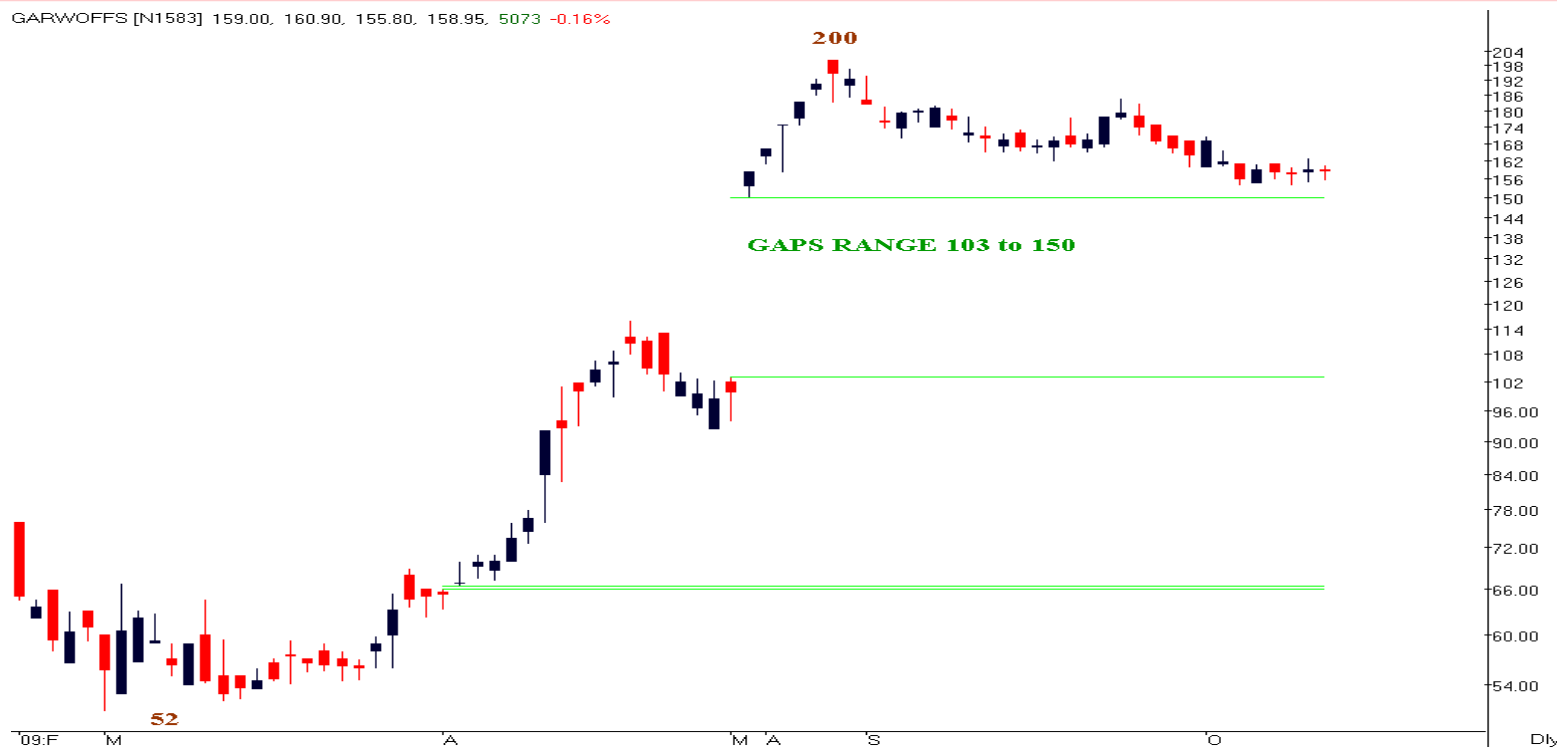
Financials Snapshot

Year	Net Sales	Growth(%)	(Rs in mn)								
			EBITDA	EBITDA (%)	PAT	PAT (%)	EPS(Rs)	PE(x)	EV/EBITDA(x)	ROCE(%)	ROE(%)
FY08	1,297	42.3	806	62.1	427	32.9	17.9	8.9	7.8	17.3	21.6
FY09	1,643	26.6	878	53.4	411	25.0	17.2	9.3	10.1	10.8	17.2
FY10E	2,538	54.5	1,422	56.0	828	32.6	34.8	4.6	6.1	14.6	25.8
FY11E	2,958	16.5	1,606	54.3	900	30.4	37.8	4.2	5.8	13.6	21.9

* FY2008 is 15 months

Source : Company Reports, India Capital Markets Research

Technical View : Garware Offshore Services Ltd



Garware Offshore Services Ltd: - CMP: - 160

Recent Top (i.e. 200) is accurately marked at 61.80% of the fall. This means stock has fall from 294 to 51 thereafter recovering 61.80% of the fall. Thus 201 will act as major hurdle. After forming a top at 200 Stock has developed Wave B i.e. corrective wave wherein downside can test till 143 (38.20%) or 126 (i.e. 50 % of the rally).

We recommend BUY on Garware offshore above 201 with a stop loss of 164 on closing basis for the price target of 236, 258 and 292 in Short term.

ICSA (India) Ltd

BUY

CMP Rs 203

ICSA (India) Ltd is an embedded technology solution provider, which designs, develops and offers products and solutions on a turnkey basis to identify and minimize T&D losses and monitor consumption using GSM technology. It mainly caters to utilities in the power and oil and gas sector with various state power transmission & distribution companies and oil & gas utilities as its key clientele. The current order book as on June 09, stands at Rs.20.1bn

Market Data		Share Data				Shareholding Pattern		Stock Performance in %		
								Period	Absolute	Relative Sensex
Sensex	17231	Bse Code	531524	Outstanding No of Shares (mn)	47	Promoters	21	3 Months	29	4
		Bse Group	S	Market Cap (Rs mn)	9580	Public	26			
Nifty	5118	Nse Code	ICSA	52 Wk High / Low (Rs)	232 / 48	Fis / MFs	2	6 Months	92	35
		Bloomberg	AURFI IN	Avg Daily Volume Wkly	199498	FIIIs	39			
		Reuters Code	ICSA BO	Face Value (Rs)	2	Bodies Corporates	12	1 Year	-7	-57

- ➔ **Huge Opportunity** India loses more than 35% of the power generated in transmission and distribution in comparison to the global average of 15%. With India facing a power deficit of 22000 MW, and saving distribution losses coming nearly at half the price of generating an additional unit of power, Power Ministry has been taking aggressive steps to bring the T&D losses to the targeted 15% by FY2012. This presents huge market opportunity for companies like ICSA.
- ➔ **Key beneficiary of government's RAPDRP scheme** With ICSA's product suite designed to arrest T&D losses, it turns out to be the key beneficiary of the RAPDRP scheme, with its key focus being to reduce aggregate technical and commercial (AT&C) losses. Establishment of reliable and automated systems for sustained collection of accurate base line data and adoption of information technology in the areas of energy accounting, being mandatory under RAPDRP, business outlook for ICSA seems bright.
- ➔ **IPRs to help stay ahead** ICSA's technology helps utilities arrest distribution losses, fits very well with various T&D loss saving initiatives of the power ministry. ICSA's patent for most of its products & the potential benefit that utilities can draw from its products, presents wide & secured business outlook for the company
- ➔ **Valuations** At the CMP of Rs 203, ICSA trades at a P/E of 5.5 & 4.4 on FY10 (E) & FY11 (E) EPS estimates of Rs 37 & Rs.47 respectively. On a EV/ EBIDTA basis, the stock is available at a multiple of 4.6 & 3.6 on FY10 (E) & FY11 (E). We recommend a **"BUY"** on the stock with a medium to long term view.

Financials Snapshot

(Rs in mn)

Year	Net Sales	Growth(%)	EBITDA	EBITDA (%)	PAT	PAT (%)	EPS(Rs)	PE(x)	EV/EBITDA(x)	ROCE(%)	ROE(%)
FY08	6721	102.1	2025	30.1	1924	28.6	39	5.2	5.7	38.5	56.5
FY09	11108	65.3	2795	25.2	1669	15.0	34	6.0	5.4	29.5	30.1
FY10E	14444	30.0	2968	20.6	1810	12.5	37	5.5	4.6	34.5	25.5
FY11E	19067	32.0	3647	19.1	2283	12.0	47	4.4	3.6	31.7	22.3

Source :Company Reports ,India capital markets research

Technical View : ICSA (India) Ltd



ICSA (India) Ltd: - CMP: - 203

ICSA has fallen from 650 to 47. After forming a bottom at 47 ICSA recovered 28% (i.e. 216) of the fall now, which is acting as a hurdle. As we can see from above chart, ICSA has rallied from 47 to 215 which is marked as Wave A after that Wave B has emerged and corrected nearby 50% of the rally (i.e. 141). ICSA many a times crossed over Red Trend Line but failed to give a close that proved the resistance at Wave A top (i.e. 215) on closing basis.

We recommend to BUY ICSA India above 215 with a stop-loss of 175 on closing basis for the target of 254, 279 and 318.

IVRCL Infra & Projects Ltd

BUY

CMP Rs 412

IVRCL Infrastructures & Projects Ltd is well-established Hyderabad based Construction Company catering to projects in Irrigation, Roads, Power Transmission and Industrial Infrastructure. IVRCL also has presence in real estate through IVR Prime Urban Developers (80% stake) & construction engineering through Hindustan Dorr Oliver (53% stake)

Market Data		Share Data				Shareholding Pattern		Stock Performance in %		
								Period	Absolute	Relative Sensex
Sensex	17231	Bse Code	530773	Outstanding No of Shares (mn)	134	Promoters	10	3 Months	29	5
		Bse Group	A	Market Cap (Rs mn)	54975	Public	9			
Nifty	5118	Nse Code	IVRCLINFRA	52 Wk High / Low (Rs)	413 / 57	Fis / MFs	19	6 Months	171	114
		Bloomberg	IVRC IN	Avg Daily Volume Wkly	324689	FIs	48			
		Reuters Code	IVRC BO	Face Value (Rs)	2	Bodies Corporates	14	1 Year	162	112

- **Robust Order Book Position** IVRCL is the Market leader in Water Management & Irrigation Projects, which comprises of nearly 63% of its current order book position. IVRCL current order book stands at Rs 148 bn executable over the period of next 30 months. Also, IVRCL stands as a lowest bidder for orders to the tune of Rs 40 bn from power, road & irrigation.
- **Road BOT Projects – To lead to High Growth Trajectory** IVRCL has one of the largest Road BOT portfolios comprising of 4 projects with investment of Rs 16.5 bn. With the huge Govt impetus on road sector, IVRCL has aggressively participated in the NHAI bids for road BOT projects & expects to gain huge awards in road project by the end of FY10. Also, IVRCL has emerged as the lowest bidder for Rs 12 bn Sion – Panvel Expressway (SPE) road project in Mumbai & Rs 4.5 bn Palkon Baramati Road Toll project.
- **Value in Listed Subsidiaries – To drive Premium Valuation** IVRCL has 80% stake in IVR Prime Urban Developers having 3,241 acres of land in its portfolio with a saleable area of 85 million Square feet across India. IVR prime has large land parcels at various stages of completion for residential & commercial use at Bangalore, Pune, Panvel, Nagpur, & Chennai Region. Also, IVRCL holds 53% stake in Hindustan Dorr Oliver Ltd, EPC Company having its core business activities in providing Engineered Solutions, technologies and EPC installations in Liquid-Solid Separation applications.
- **Valuation** IVRCL has a strong experienced management with strong execution capabilities to meet the growing demand for infrastructure in various segments. Thus, IVRCL stands in a commanding position to grab the growing opportunity & accelerate its growth. At the CMP of Rs 412, IVRCL is trading with an EPS of Rs 18.8 and Rs 22.3 with PE Multiple of 14.8x and 12.5x on FY10E and FY11E earnings consensus respectively. On a Valuation methodology of EV / EBIDTA, IVRCL is available at 10x and 9x on FY10E and FY11E earnings respectively. Hence, We recommend a **“BUY”** with a medium-long term view.

Financials Snapshot

(Rs in mn)

Year	Net Sales	Growth(%)	EBITDA	EBITDA (%)	PAT	PAT (%)	EPS(Rs)	PE(x)	EV/EBITDA(x)	ROCE(%)	ROE(%)
FY08	36,606	56.0	3,614	9.9	2052	5.6	15.4	18.15	14.9	14.6	14
FY09	48,819	33.36	4,218	8.6	2290	4.7	17.0	16.45	13.6	13.6	13.3
FY10E	60,700	24.34	5,792	9.5	2532	4.2	18.8	14.88	10.3	15.6	13.4
FY11E	71,440	17.69	6,793	9.5	3015	4.2	22.3	12.49	8.9	16.4	14.1

Source :Company Reports ,Bloomberg Consensus Estimates

Technical View : IVRCL Infrastructures & Projects Ltd



IVRCL Infrastructures & Projects Ltd: - CMP: - 412

IVRCL Infra has fallen from 627 to 57, which is 91% cut from top. After placing a bottom at 57, IVRCL with last trading session recovered 61.80% of the fall (i.e. 409). As per the retracement theory, if IVRCL crosses over 409 then upside can see till 505 (i.e. 78.60%) and 564 (89% of the fall). However, IVRCL has a hurdle at Red Trend Line crossover, which will see further upside.

We recommend BUY on IVRCL Infra on decline with a stop-loss of 340 on closing basis for the target of 461, 492 and 564 in short term.

Jaiprakash Associates Ltd

BUY

CMP Rs 252

Jaiprakash Associates Ltd is a well-diversified Infrastructure-Industrial Conglomerate with a formidable presence in Engineering, Construction, Cement, Private Hydropower, Hospitality, Real Estate Development, Expressways and Highways. JP Associate is aggressively focused on its cement capacity expansion to 32MNTPA from current 9MNTPA by FY2012.

Market Data		Share Data				Shareholding Pattern		Stock Performance in %		
						in %		Period	Absolute	Relative Sensex
Sensex	17231	Bse Code	532532	Outstanding No of Shares (mn)	1402	Promoters	50	3 Months	32	8
		Bse Group	A	Market Cap (Rs mn)	353807	Public	11			
Nifty	5118	Nse Code	JPASSOCIAT	52 Wk High / Low (Rs)	259 / 47	Fis / MFs	10	6 Months	115	57
		Bloomberg	JPA IN	Avg Daily Voulme Wkly	2821364	FIs	24			
		Reuters Code	JAIA BO	Face Value (Rs)	2	Bodies Corporates	5	1 Year	197	147

- ➔ **Power Segment – To accelerate Topline Growth** JP Associate plans to set up 3,300 MW of Power generation capacity under its arm. It has recently acquired Sangam Power Generation Company (2x660MW) and Prayagraj Power Generator Company (3x660MW) under its subsidiary Jaiprakash Power Ventures. JP Associate is planning to raise around Rs 100bn for its power venture business through stake sale of its treasury stocks and debt funds.
- ➔ **Real Estate – To give a Big Push** JP Associate has recently launched its third residential township project of 2.75 mn sq ft in Nodia on the back of great success in its earlier 2 projects namely Wish Town Classic (2.75 mn sq ft) and Aman Project (3.50 mn sq ft) in which all the inventory have been sold out. Thus, JP Associate’s Real Estate division would to providing a bigger contribution to its revenues for the coming 3 years.
- ➔ **Treasury shares – Provide Cash Flow for Capex** Recently, JP Associates has sold 25 mn shares out of its 201.2 mn treasury shares to meet its cash flow requirement for its planned aggressive capex into cement, power and equity investments for its infrastructure projects. Thus JP Associate with its Rs 40 bn worth of treasury shares has a great cushion & options available to fund its capex of Rs 30 bn over FY10-12E rather than raising incremental debt at high interest cost. We expect management to take benefit & grab the opportunity of higher valuation of its stock and book profits by sale of its treasury shares at higher value as and when need arises for funds to meet its capex cost.
- ➔ **Valuation** At the CMP of Rs of Rs 240, JP Associate is trading with an EPS of Rs 9.2 and Rs 10.4 with PE Multiple of 27.5x and 24.2x on FY10E and FY11E earnings consensus respectively. On a Valuation methodology of EV / EBIDTA, JP Associate is available at 17x and 15x on FY10E and FY11E earnings respectively. We recommend a **“BUY”** with a medium-term view.

Financials Snapshot

(Rs in mn)

Year	Net Sales	Growth(%)	EBITDA	EBITDA (%)	PAT	PAT (%)	EPS(Rs)	PE(x)	EV/EBITDA(x)	ROCE(%)	ROE(%)
FY08	39,851	10.1	10,970	27.5	6097	15.3	5.2	48.42	37.7	8.3	16.3
FY09	57,750	44.91	16,200	28.1	8891	15.4	7.5	33.56	25.5	9.0	17.2
FY10E	85,800	48.57	23,595	27.5	12870	15.0	9.2	27.49	17.5	11.5	22.5
FY11E	99,700	16.20	26,120	26.2	14580	14.6	10.4	24.26	15.8	11.7	21.7

Source :Company Reports ,Bloomberg Consensus Estimates

Technical View : Jaiprakash Associates Ltd



Jaiprakash Associates Ltd: - CMP: - 252

As we can see from above chart, JP Assoc. has formed a good support at Blue Trend Line and in last trading session given a break out of by closing above Red Trend Line with decent volume. Thus, two more closings above Red Trend Line will see more upside till 272 to 284. Since JP Assoc. has sustained above 219 (38.20% of fall) it has opened an upside till 50% and 61.80% of fall.

We recommend BUY on Jaiprakash Assoc. with a stop-loss of 239 on closing basis for the target of 265, 273 and 285 in short term. Long-term traders can see upside till 325 and 391 as long as the stock sustain above 219 on closing basis.

Jyoti Structres Ltd

BUY

CMP Rs 154

Jyoti Structures Ltd (JSL), incorporated in 1974, is one of the leading turnkey solution providers of high voltage power transmission lines and substations with ~10% market share in Power Grid capex. It provides EPC services to PGCIL, State Utilities and other Industry players. The current capacity of JSL stands at 109000MT. JSL has firmly established itself in the domestic market and has also entered in to various geographies like Africa and the Middle East through its joint ventures.

Market Data		Share Data				Shareholding Pattern		Stock Performance in %		
						in %	Period	Absolute	Relative Sensex	
Sensex	17231	Bse Code	513250	Outstanding No of Shares (mn)	82	Promoters	27	3 Months	19	-5
		Bse Group	B	Market Cap (Rs mn)	12593	Public	13			
Nifty	5118	Nse Code	JYOTISTRUC	52 Wk High / Low (Rs)	174 / 33	Fis / MFs	26	6 Months	122	65
		Bloomberg	JYS IN	Avg Daily Voulme Wkly	35109	FIIIs	24			
		Reuters Code	JYTS BO	Face Value (Rs)	2	Bodies Corporates	10	1 Year	142	92

- ➔ **Strong Order Book with expected robust order Inflow** Jyoti Structures Limited has an order backlog of Rs39.6bn as on 30th June 2009. Of the total order backlog, 65% is towards transmission, 20% is towards rural electrification and the balance 15% is from substation orders. 95% of the order backlog comprises of the orders from the domestic market. Jyoti expects the order inflow to continue at a strong pace, led by the huge investments planned by both central and state utilities. Over the next quarter, Jyoti is expecting total orders worth Rs 80 bn being floated by the different govt authorities.
- ➔ **Targeting BOOT & BOOM projects** Jyoti structures is diversifying its business from being a pure play transmission EPC contractor to asset owner. The company is bidding for Built Own Operate and Transfer (BOOT) & Built Own Operate and Maintain (BOOM) projects in joint venture with some larger players with 10-15% of equity participation. The strategy behind the asset ownership is to garner larger EPC opportunity from the JV. Recently JSL has submitted its prequalification bid in Rs 7 bn project from Haryana and Rs 6.5 bn from Rajasthan Rajya Vidyut Prasaran Nigam Ltd (RRBNPL).
- ➔ **Tapping Overseas Market** After making a strong footprint in the domestic market, the company is trying to spread its reach by tapping international opportunities, through various strategic tie-ups. To this effect, JSL has entered into strategic alliances in the Gulf and the South African markets, with local partners, which would enable JSL to penetrate the overseas market and build a strong client base.
- ➔ **Valuation** We expect the revenue to grow at a CAGR of 19.1% over 2009-11 and expect the net profit to grow at a CAGR of 22.9% over the same period. At CMP of Rs 154 the stock trades at 12.3x its FY10E earnings and 9.7x its FY11E earnings. We recommend **“BUY”** from medium-long term prospect.

Financials Snapshot

Year	Net Sales	Growth(%)	EBITDA	EBITDA (%)	PAT	PAT (%)	EPS(Rs)	PE(x)	EV/EBITDA(x)	ROCE(%)	ROE(%)
FY08	13,738	39	1,758	13	700	5.1	8.2	18.8	8.3	35.7	22.1
FY09	18,450	34	2,132	12	851	6.2	10.4	14.8	7.4	33.9	21.0
FY10E	21,648	17	2,423	11.2	1036	4.8	12.5	12.3	6.1	29.1	22.3
FY11E	26,170	21	2,937	11.2	1285	4.9	15.8	9.8	5	28.9	22.5

Source :Company Reports ,Bloomberg Consensus Estimates

Technical View : Jyoti Structures Ltd

JYOTI STRUCT [N1026] 155.00, 156.00, 152.40, 154.00, 59192 0.26%



Jyoti Structures Ltd: - CMP: - 154

Jyoti Structures has formed a Zig-Zag Pattern with higher bottom. In past trading, stock has shown a good support at Blue Trend Line. As we can see from above chart, Jyoti structures has many times taken support at Blue Trend Line and moved till Red Trend Line. Since Jyoti Structures is trading near Blue trend line, upside till Red Trend Line can be seen in coming days.

We recommend BUY in Jyoti Structures with a stop-loss of 122 on closing basis for the target of 177, 194 and 222 in short term.

Techno Electric & Engineering Company Ltd

BUY

CMP Rs 150

Techno Electric Engineering Company Ltd. (TEECL) is a leading provider of engineering, procurement and construction services to India's core sector industries. It has strong market presence across power sector value chain i.e. (generation, transmission, distribution). The Company also possesses specific domain knowledge to serve Steel, Fertilizer, and Metals and Petrochemicals sectors along with specialized jobs in diversified manufacturing. TEECL also has domain capabilities to set up captive power plant of up to 80 MW.

Market Data		Share Data				Shareholding Pattern		Stock Performance in %		
						in %		Period	Absolute	Relative Sensex
Sensex	17231	Bse Code	505397	Outstanding No of Shares (mn)	57	Promoters	55	3 Months	27	2
		Bse Group	B	Market Cap (Rs mn)	8542	Public	5			
Nifty	5118	Nse Code	TECHNOELEC	52 Wk High / Low (Rs)	180 / 48	Fis / MFs	4	6 Months	78	21
		Bloomberg	TEE IN	Avg Daily Volume Wkly	3247	FIs	1			
		Reuters Code	TEEC BO	Face Value (Rs)	2	Bodies Corporates	35	1 Year	66	16

- **Strong Order book** TEECL has a strong order book of Rs. 14 bn (2.88x FY 09 revenues). A major part of the order book is for T & D projects (58%), with BOP and captive power accounting for 34%, the rest coming from metal and oil and gas sector. The company is aggressively bidding for projects worth ~ Rs. 10 bn per month and is hopeful of getting significant orders going forward.
- **Diversification through Acquisition route** In August 2009, TEECL has signed an agreement to acquire 45 MW wind farm at Tamil Nadu and Karnataka from Super Wind Projects Pvt. Ltd., a Suzlon Group Company making its foray into wind energy segment. The Rs. 2.35 bn acquisition is funded through debt Equity of 0.55:1. The company has funded the entire acquisition by raising Rs. 800 mn loan from banks and the rest Rs.1.55 bn has come through internal accruals. The business is owned through a 100% subsidiary and will generate Rs. 200 mn of cash flow per annum. It will also generate Rs. 40 mn p.a. of revenue through sale of carbon credits under the Clean Development Mechanism (CDM). The expected IRR is ~20%.
- **Plans to foray into Bio-Mass power segment** The company has also firmed up its plans to set up bio mass power plants at four locations with a total capacity of 40 MW by end of 2010. The 4x10 MW power plants will be located at four locations: two in West Bengal and one each in Rajasthan & Madhya Pradesh. The total outlay is ~ Rs. 2 bn to be funded through debt equity mix of 20:80. The company has begun the process of land acquisition and expects to commission the plants by December 2010. The power plants will use agri-waste as the fuel. The business is expected to yield IRR of 20% at Debt: Equity mix of 20:80 including the CDM benefit.
- **Valuation** TEECL has a good business model and sound financial strength that can be leveraged to capitalize on the massive opportunity in the power sector. The company's successful foray into renewable energy could provide great impetus to its growth in the future. At the current market price, the stock currently trades at 13x its FY10E earnings of Rs 11.5 and 9x its FY11E earnings of Rs 15.8. We recommend **"BUY"** with medium-long term prospect.

Financials Snapshot

(Rs in mn)

Year	Net Sales	Growth(%)	EBITDA	EBITDA (%)	PAT	PAT (%)	EPS(Rs)	PE(x)	EV/EBITDA(x)	ROCE(%)	ROE(%)
FY08	4,296	21.7	505	11.8	491	11.4	6.6	23	15.9	36.0	28.6
FY09	4,861	13.2	546	11.2	631	13.0	9.1	17	15.2	31.6	27.7
FY10E	6,250	28.6	688	11.0	656	10.5	11.5	13	14.5	25.6	23.4
FY11E	8,200	31.2	943	11.5	902	11.0	15.8	9	10.8	24.6	23.8

Source :Company Reports ,Bloomberg Consensus Estimates

Technical View : Techno Electric & Engineering Company Ltd



Techno Electric & Engineering Company Ltd: - CMP: - 150

Techno has fallen from 370 to 51. Thereafter with recent top i.e. 202 Techno has recovered almost 50% of fall. So the rally from 51 to 202 is marked as wave A thereafter stock is under Wave B wherein it has already corrected 38.20% of rally. Any further decline would take the stock towards 50% of rally (i.e. 126). Thus, traders should adopt wait n watch strategy.

As per the retracement theory, upside would develop in Techno only above 211.

Voltamp Transformers Ltd

BUY

CMP Rs 814

Voltamp Transformers Limited is among the top 3 players in building application transformers in the organised market and commands 20% market share in the industrial application transformers, with large installation base of more than 37000 transformers. VTL has a capacity of 13000 MVA with a capability to manufacture transformers up to 100 MVA, 220 KV class for many applications covering most segments of users including industrial, utility and buildings.

Market Data		Share Data				Shareholding Pattern		Stock Performance in %		
						in %		Period	Absolute	Relative Sensex
Sensex	17231	Bse Code	532757	Outstanding No of Shares (mn)	10	Promoters	50.64	3 Months	7	-18
		Bse Group	B	Market Cap (Rs mn)	8236	Public	12.82			
Nifty	5118	Nse Code	VOLTAMP	52 Wk High / Low (Rs)	916 / 265	Fis / MFs	13.73	6 Months	94	37
		Bloomberg	VAMP IN	Avg Daily Volume Wkly	15056	FIIIs	12.99			
		Reuters Code	VOLT BO	Face Value (Rs)	10	Bodies Corporates	9.83	1 Year	57	7
							100			

- ➔ **De-Risked Business Model** The Company has a unique business model where unlike others, it generates 92% of its revenue from the industrial clients and only about 8% from the SEB's. This has helped the company to reduce its working capital requirement and subsequently improve its return ratios. Long term relationship which the Company has developed with the industrial clients has helped the Company to generate repeat business, although with aggressive marketing and new client acquisition, the Company's dependence on the top 10 clients has also come down from 51% in FY 2004 to 39% in FY 2009.
- ➔ **Market Leader in Dry Type of Transformers** The Company is a market leader in the Dry type distribution segment with 40% market share. This segment has grown at a CAGR of 45% over the last 5 years. The Company expects the demand to continue to grow in this segment due to stringent government norms and increasing demand for the safe and environment friendly products and has doubled the installed capacity to 2000 MVA.
- ➔ **Strong Order Book** The Company has a strong order backlog of Rs 4.75 bn (representing 8806 mva) as on June 2009, which the Company expects to execute within the current financial year. The strong order book provides a decent visibility on the revenue front for the current financial year. The current order book size is 0.70x its FY09 revenue.
- ➔ **Foray into 100MVA, 220KV class transformers** The Company has recently upgraded and forayed into 100 MVA, 220 KV class of transformers and has supplied order worth ~Rs 30 mn from GETCO. The company has received a repeat order from GETCO for the same class of transformers.
- ➔ **Healthy Balance sheet** VTL is a debt free Company with a superior working capital management system, this in turn has enabled the Company to manage its cash flows in a better way and enjoy superior return ratios as compared to its industry peers. It has an cash and cash equivalent of Rs 141per share.
- ➔ **Valuation** At the current market price, the stock trades at 8.6x its FY 10E earnings of Rs 94.6 and 7.2x its FY 11E earnings of Rs 112.8. We recommend "**BUY**" with medium-long term prospect.

Financials Snapshot

Year	Net Sales	Growth(%)	EBITDA	EBITDA (%)	PAT	PAT (%)	EPS(Rs)	PE(x)	EV/EBITDA(x)	ROCE(%)	ROE(%)
FY08	5,623	37	1,249	22	799	14.2	79.0	10.3	6.6	75.9	48.5
FY09	6,604	17	1,672	25	1148	17.4	113.4	7.2	4.9	64.1	43.4
FY10E	6,290	-5	1,417	23	957	15.2	94.6	8.6	5.8	42.6	27.7
FY11E	7,779	24	1,618	21	1142	14.7	112.8	7.2	5.1	38.0	25.7

Source :Company Reports ,India Capital Markets Research

Technical View : Voltamp Transformers Ltd

VOLTAMP [N1233] 820.00, 826.00, 816.00, 817.05, 4851 0.02%



Voltamp Transformers Ltd: - CMP: - 814

As we can see from above chart, Voltamp is oscillating in a channel and forming higher top and higher bottom. With current trading pattern Voltamp has a resistance at 846. Voltamp had fallen from 1910 to 260. Voltamp faces a hurdle at 891 on closing basis, which is 38.20% of fall. Thus, Voltamp closing above 891 will open up higher levels till 1080 to 1280.

We recommend BUY on Voltamp above 846 with a stop-loss of 808 on closing basis for the target of 881, 904 and 940 in near term. For long term trader keep an eye above 948 on closing basis wherein above 948 will see 1110, 1211 and 1373.

ICMPL TEAM

India Capital Markets Pvt Ltd

Name	E-Mail	Telephone Nos.
Research		
Divyesh Parikh	divyesh.parikh@indiacapitalmarkets.in	+91-22 6777 6777 Ext-707
Krupesh Thakkar	krupesh.thakkar@indiacapitalmarkets.in	+91-22 6777 6777 Ext-832
Rohit Gala	rohit.gala@indiacapitalmarkets.in	+91-22 6777 6777 Ext-830
Jignesh Dhabalia	jignesh.dhabalia@indiacapitalmarkets.in	+91-22 6777 6777 Ext-831
Jisha Nair	jisha.nair@indiacapitalmarkets.in	+91-22 6777 6777 Ext-824
Amit Shah	amit.shah@indiacapitalmarkets.in	+91-22 6777 6777 Ext-825
Jitendra Gupta	jitendra.gupta@indiacapitalmarkets.in	+91-22 6777 6777 Ext-827
Shital Kadam	shital.kadam@indiacapitalmarkets.in	+91-22 6777 6777 Ext-823
Bhadresh Nayee	bhadresh.nayee@indiacapitalmarkets.in	+91-22 6777 6777 Ext-828
Imtiyaz Qureshi	imtiyaz.qureshi@indiacapitalmarkets.in	+91-22 6789 3530
Institutional Sales /Dealing		
Devang Shah	devang.shah@indiacapitalmarkets.in	+91-22 6777 6777
Hitendra Nayee	hitendra.nayee@indiacapitalmarkets.in	+91-22 6777 6888 Ext 722
Sameer Doshi	sameer.doshi@indiacapitalmarkets.in	+91-22 6777 6888 Ext 726
Jigar Kamdar	jigar.kamdar@indiacapitalmarkets.in	+91-22 6777 6888 Ext 725

DISCLAIMER

This document has been prepared by the Research Department of India Capital Markets Pvt Ltd (ICMPL) for the use of recipient only and is not meant for public distribution and has been furnished to you solely for informational purposes and should not be construed as an offer or a solicitation of an offer to buy or sell any securities of the companies referred to herein.

The material herein is based on the information obtained from sources that ICMPL and the research analyst believe to be reliable, but neither ICMPL nor the research analyst represents or guarantees that the information contained herein is accurate or complete and it must not be relied upon as such. Accordingly, no representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document.

This document is prepared for assistance only and is not intended to be and must not alone be taken as the basis for any investment decision for or against the companies referred to in this report. The user assumes the entire risk of any use made of this information. The investment discussed or views expressed may not be suitable for all investors. Each recipient of this document should make such investigations, as it deems necessary to arrive at an independent evaluation of an investment in the securities of the companies referred to in this document and consult its own advisors to determine the merits and risks of such an investment.

Opinions, estimates and projections in this report constitute the current judgment of the research analyst as on the date of the report and they do not necessarily reflect the opinions of ICMPL. The recipient of the document is cautioned that any forward-looking statements are not predictions and are subject to change without notice. While ICMPL would endeavor to update the information herein on reasonable basis, ICMPL has no obligation to update, modify or amend this report or to otherwise notify a recipient thereof in the event that any opinion, forecast or estimate set forth herein, changes or subsequently becomes inaccurate. Prices and availability of financial instruments are subject to change without notice.

ICMPL, its affiliates, their directors, employees and their dependant family members may from time to time have long or short positions in, act as principal in, and buy or sell, the securities or derivatives thereof or may have a vested interest in the covered companies referred to in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this document. Our sales people, traders, and other professionals may provide oral or written market commentary or trading strategies to our clients and our proprietary trading desks that reflect opinions that are contrary to the opinions expressed in this document. The recipient should take this into account before interpreting the document.

Neither ICMPL nor its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information.

No part of this material may be copied, photocopied or duplicated in any form by any means or redistributed without the prior written consent of ICMPL.

INDIA CAPITAL MARKETS PVT. LTD.

11/13, Botawala Building, Office no 4-5, 1st floor, Horniman Circle, Mumbai - 400 001.

Tel : 67776777 Fax : 67776889 Email : research@indiacapitalmarkets.in