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Technical View: Cash Market

After showing good strength previous week, Nifty made spinning Top weekly candlestick pattern, which shows indecision at higher levels. However, on daily chart, Nifty is trading above its important support at 5150 levels. As long as Nifty trades above 5150 levels, short term trend may remain up and intermediate term trend may get momentum on upside. On maintaining below 5150 levels on Daily basis, profit booking may be seen and range bound scenario may resume.

For trading during the coming trading sessions, trend deciding level is 5150. If Nifty shows strength above 5150 levels then we may see rally to 5235/5270-5295/5350. If Nifty doesn't sustain above 5150 then decline to 5090/5050/4990/4940 may be seen.

.Recommendation for Monday- Intra Day Trading

Scrip (LTP)	Action	At Price	For Target of	Stop Loss	Duration
PFC (261.45)	BUY	ABOVE 262	267	258	1 day
IVRCL INFRA (350.75)	SELL	BELOW 351	345	355	1 day

Technical View: NIFTY Future

Nifty December Future opened at 5191.05, tested the low of 5155 and then due to good buying support touched the high of 5229 & closed at 5201.05. The main point to be noted is that Nifty future crossed the 5200 mark. Nifty future is now in uptrend with the support level of 5135, possible resistance will be 5350-5400. If Nifty future decline below 5135 levels then selling pressure till 5050-5020 levels may also be seen.

Trading strategy for Medium term Traders: On Medium term basis, Nifty has support zone of 5050-5100. Medium term resistance zone is 5350-5400. Buying on dips may be considered around 5100-5150 level with the short term SL of 5050 for the target of 5250-5310-5350.

Trading strategy for Short term Traders: Short term trend of Nifty is uptrend & buying on dips may be considered around 5150 level with the SL of 5100 for the target of 5250-5280. If Nifty trades below 5100 in coming few sessions, then it may test the levels of 5050-5020.

For day-trading purposes on Monday: Buy positions may be taken in Nifty Futures on intraday dips around 5150 with the SL of 5120, for likely target of 5180-5210.

Fundamental Call

Company	Recommendation	Buy Range	Target
Royal Orchid Hotel Ltd.	Hold	72	90
JPAssociate Ltd.	Hold	130	165

News Roundup

- India's stocks posted their biggest annual gain in 18 years. India's benchmark index Nifty gave a return of nearly 71% in CY 2009. Nifty closed at the highest level for the year.
- India's benchmark index, Nifty closed flat with a minor gain of 0.44% for the week ended 1st Jan 10. The NIFTY closed at 5201. However, Global markets were flat for the week.
- The government may relax a rule to allow select public power producers to sell at market prices on merchant basis. Companies such as NTPC would gain from the proposed move.
- Government is not in any hurry to withdraw the stimulus. In his statement deputy central bank governor said on Thursday that India's central bank will review interest rates at its next policy review scheduled for 29 January and not before.
- India's exports rose for the first time in 14 months as recovery in the global economy boosted year-end holiday demand for the South Asian nation's products. Overseas shipments increased 18.2 percent to \$13.2 billion in November from a year earlier after sliding an average 21 percent per month since October 2008, according to data provided by the trade ministry. Imports fell 2.6 percent to \$22.8 billion.
- With production of 46.77 million tonnes of crude steel during the period January-October, 2009, India has emerged as the fourth largest steel producer in the world.
- Foreign fund flows into India's stock market rose to \$17.5 billion in 2009, close to a record set two years ago when FII's invested USD 17.7Bn.
- Food inflation, as measured by the Wholesale Price Index (WPI), rose to 19.83 per cent for the week ended December 19 primarily due to rising prices of potatoes, pulses and other vegetables. Food inflation stood at 18.65 per cent for the previous week ended December 12 and at 9.38 per cent during the corresponding period in 2008.
- Finance Minister Pranab Mukherjee said the nation's budget deficit, forecast at 6.8 percent of gross domestic product in the year to March 31, can't be sustained for a long time. However, the minister hinted that a hasty exit from stimulus to lower fiscal deficit might not be the right approach.
- Delay in Mobile number portability has given some respite to incumbent telecom operators. The government has postponed the implementation of mobile number portability to the 31 March 2010 from 31 December 2009.
- Auto makers such as Maruti Suzuki, Hyundai, Mahindra & Mahindra, General Motors and Hero Honda today reported high double-digit sales growth in December.
- Crude oil rose for a sixth day before a U.S. government report that is forecast to show a decline in stockpiles of the fuel in the largest energy-consuming nation. The crude closed at USD 79.62 per barrel.
- The dollar posted its first monthly gain since June versus the currencies of major U.S. trading partners; the greenback has fallen by 4.2% for the year.
- U.S. stocks fell this week, limiting an advance that sent the Standard & Poor's 500 Index to its biggest annual increase in six years. The 2009 rally failed to rescue investors from the worst return for any decade.
- Asian economies were reporting signs of economic recovery and growth. China's manufacturing expanded at the fastest pace in 20 months in December, cementing the recovery in the world's third-biggest economy. South Korea's exports increased at the fastest pace in 17 months, adding to signs that Asia's fourth-largest economy is recovering from the global recession.
- The Indian Market would be influenced by global cues. The result season, which begins in the

following week would engage the attention of the market.

Market Indices

SECTORAL INDICES				
INDICES	24-Dec-09	31-Dec-09	Change (%)	Difference
BSE				
Sensex	17360.61	17464.81	0.60	104.2
Bankex	9968.03	10030.80	0.63	62.77
IT Index	5175.46	5186.35	0.21	10.89
Metal Index	17333.73	17399.22	0.38	65.49
FMCG Index	2824.39	2791.55	-1.16	-32.84
Cap. Goods Index	14017.08	14116.69	0.71	99.61
Realty Index	3854.04	3855.78	0.05	1.74
Consumer Durables Index	3655.34	3785.39	3.56	130.05
Healthcare Index	5109.94	5018.33	-1.79	-91.61
PSU Index	9459.49	9531.73	0.76	72.24
Mid-Cap Index	6641.14	6717.82	1.15	76.68
NSE				
S&P CNX Nifty	5178.40	5201.05	0.44	22.65
Bank Nifty	8968.10	9029.50	0.68	61.40
CNX IT Index	5829.70	5818.40	-0.19	-11.30
S&P CNX 500	4300.35	4329.10	0.67	28.75

GLOBAL INDICES				
INDICES	24-Dec-09	31-Dec-09	Change (%)	Difference
US Market				
NASDAQ	2285.69	2269.15	-0.72	-16.54
Dow Jones	10520.10	10428.05	-0.87	-92.05
S & P 500	1126.48	1115.10	-1.01	-11.38
European Market				
FTSE 100	5402.41	5412.88	0.19	10.47
CAC 40	3937.37	3936.33	-0.03	-1.04
Asian Market*				
Nikkei	10634.23	10546.44	-0.83	-87.79
Strait Times	2853.19	2897.62	1.56	44.43
Hang seng	21480.22	21872.50	1.83	392.28
Shanghai Comp.	3188.79	3277.14	2.77	88.35

Institutional Activity (Equity)

INSTITUTIONAL ACTIVITY (Equity)

(Rs. In Cr)			
Day Wise	Purchase	Sale	Net
FII Activity			
Friday	1594.70	783.40	811.30
Monday	Market Closed	Market Closed	
Tuesday	1776.10	1391.70	384.40
Wednesday	1417.20	1063.40	353.80
Thursday (provisional)	2625.95	2109.85	516.10
Friday	Market Closed	Market Closed	
Total	7,413.95	5,348.35	2065.60
DII Activity			
Friday	1197.37	1308.48	-111.11
Monday	Market Closed	Market Closed	
Tuesday	979.60	976.41	3.19
Wednesday	1164.20	1095.09	69.11
Thursday (provisional)	1402.79	1874.95	-472.16
Friday	Market Closed	Market Closed	
Total	4743.96	5254.93	-510.97

Weekly Sectoral Roundup

Out performer	Under performer	Neutral
AUTO (+1.07%)	HEALTHCARE (-1.79%)	OIL&GAS (+0.51%)
CAPITALGOODS (+0.71%)	FMCG (-1.16%)	METAL (+0.38%)
BANK (+0.63%)	REALTY (+0.05%)	
	IT (+0.21%)	

Weekly Top Gainers

Name	close	pclose	%change
KINGFISHER AIRLINES	63.20	58.90	7.30
SINTEX INDUS	274.50	256.65	6.95
INDIAN HOTEL	102.60	96.2	6.65
NATION ALUMI	417.90	392.15	6.57
ISPATIND	21.95	20.65	6.30

Weekly Top Losers

Name	close	pclose	%change
GTOFFSHORE	471.10	576.25	-18.25
ORCHID CHEM	183.75	192.7	-4.64
PIRHEALTH	373.00	389.85	-4.32
ORIENT.BANK	250.30	260.55	-3.93
ABIRLANUVO	875.25	910.95	-3.92

Outlook for the Week

Nifty opened the week on a positive note at 5180.75 levels and showed volatility in 3 trading days of small week. Nifty made low at 5160.10 levels. However, good recovery was seen from here and Nifty made its 52 week high at 5221.85 levels and closed the week in green at 5201.05 with 0.44% gains. Volumes were lower than previous week. **After showing good strength previous week, Nifty made spinning Top weekly candlestick pattern, which shows indecision at higher levels. However, on daily chart, Nifty is trading above its important support at 5150 levels. As long as Nifty trades above 5150**

levels, short term trend may remain up and intermediate term trend may get momentum on upside. On maintaining below 5150 levels on Daily basis, profit booking may be seen and range bound scenario may resume.

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NIFTY Futures View

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Nifty Trend Watch

Date	Nifty	Cash	Jan Future
24-12-09	Close Today	5201.05	5215 (Prem 13.95)
Week Beginning 29-12-2009	R2	5350	5150
	R1	5235/5270-5295	5050/5090
	Weekly Trend Deciding	5150	4990
	S1	5090/5050	4950/48500
	S2	4990/4940	4790

Nifty Weekly

NSE Nifty [N1] 5180.75, 5221.85, 5160.10, 5201.05, 2118814976 0.44%
Price



Investment Ideas

Royal Orchid Hotel Ltd.
(High Risk-High Return)

Hold

CMP: - 81
Date: 1st January 2010

Company Background

Royal Orchid Hotel Ltd operates and manages a chain of 13 hotels across 7 destinations. The company has hotels in most major Tier I & Tier II cities with plans to expand into international markets in the future. The Group has also extended its expertise to a broad spectrum of high quality hospitality solutions, which include Food Factory, a catering company supplying “packaged meals” to a host of MNCs, Presidency College of Hotel Management and a Hospitality Advisory Practice.

The company has five hotels in Bangalore, two each in Mysore and Pune. One each in Goa, Ahemdabad, Hyderabad and Jaipur

Investment Rationale

- **Demand Supply Mismatch to continue:** - India is rated as world's fifth most popular tourist destinations according to the World Travel and Tourism Council. In the current scenario there exists a difference in the Demand –Supply of room in India. This mismatch would drive the Average Room Rent (ARR), Occupancy Rate (OR) and RevPar upward. Increasing ARR and occupancy rate is adding to Hotel sector's top-line and bottom line. Royal Orchid Hotels stand to gain considerably from increasing demand of hotel rooms across the sector.
- **Tourism expected to pick up:** - Travel & Tourism growth is likely to contract by 3.3% in 2009 only to expand by in 2010. However looking beyond the current downturn, Travel & Tourism is expected to resume its role in global growth. World travel & tourism is expected to contribute nearly US\$5,474 billion to global GDP in 2009, rising to approximately US\$10,478 billion over the next ten years. Royal orchid has expansion plans that would aid the company in reporting better growth in the future. Despite the decline in tourism in 2008 due to the economic meltdown and the concerns about terrorism, according to most industry sources, Indian tourism prospects remain promising in the long term. Revival in business tourism is also following suit and the company with four hotels in Bangalore would do well. A recovery is expected in 2010 due to the Commonwealth games to be held in India.
- **Slack Occupancy Rate improving:** - The occupancy rate, which had dipped to nearly 55% across the country, is expected to improve in the coming quarters. We expect the company to report better revenues and profit margins in the coming quarters. The Occupancy rate has already increased from below 34% in some regions to over 70 % in some regions.
- **Average room Rent (ARR) on the rise-** In the past the ARR had slipped considerably for the company. But in the past few quarters ARR has gone up by 10% for the Industry. Royal Orchid management has also stated that the ARR has been revised upwards viz-a-viz December 08.
- **Operating Budget hotels in competitive markets:** - The Company had an asset light strategy wherein it has long term contracts for running hotel properties across the country. The company has lately shifted to acquiring hotel properties and improved the blend between properties owned by the company and properties under management contract. The company is catering in the four star category with rates that are extremely competitive in some of the markets. Royal Orchid Hotels Limited is planning to target the lower end of the hospitality pyramid with a chain of budget hotels called Pepper Mint. A B Holdings Private Limited, the fully owned subsidiary of the company will manage the budget hotel business of the hospitality chain.
- **Expanding organically and Inorganically:** - The company plans on having 2000 rooms by 2011-year end The Company is also planning to foray in International markets with a hotel launch in Tanzania. The Company recently acquired a 53% stake in Amartara Hospitality at Powai in Mumbai. It plans to develop the property as a four-star hotel with 250 rooms The Company is expanding both organically and inorganically. The company had acquired stake in Satkar Realities Pvt Ltd, property owners of 104 room Ahemdabad hotel, in FY09. The hotel has since

started operation. ROHL has diversified presence and plans on expanding into service apartments together with expansion in Luxury Hotel segment. The expansion plan of company for the coming years is as follows:-
 Under Hotel royal orchid, five-star business hotel offering

- 230 key Hotel Royal Orchid, Hyderabad **(2010)**
- 160 key Hotel Royal Orchid, Jaipur **(2010)**
- 150 key Hotel Royal Orchid, Dar Es Salaam, Tanzania **(2011)**
- Shimla **(2012)**

Under, Royal orchid central, smart business hotel

- 70 key Royal Orchid Central, Navi Mumbai (January 2010)
- 250 key Royal Orchid Central, Mumbai (2011)
- New Delhi (2012)

Under, Royal orchid suits,

- 100 key Royal Orchid Suites, Hyderabad **(2011)**.

➤ **Continuous Dividend history:** - The Company has a dividend history with good dividend payout. The dividend payout for the company had dipped from 53% in FY08 to 21% in FY09. However, the dividend per share may decline for FY10 and start going up post FY10. We expect the company to maintain a healthy dividend payout in the coming years.

➤ The company gets nearly a third of its revenues from foreign exchange transactions. In the past few months foreign tourist arrival and expenditure has increased. Foreign exchange earnings for the sector are going up and this would result in the company in reporting higher earnings from foreign exchange.

Risk and Concern

- The company has exposure to currency fluctuations with nearly 32% of its revenue, in FY09.
- Increased Competition from International hotel chains: -The Indian subcontinent with high growth rates has become the Focus area of many international chains. Several of these have announced their plans to establish hotels.
- Hotel Industry in general is very sensitive. Any adverse development in economics, political, social and environment may seriously impact business. The economic downturn had adversely affected the hotel industry across the board. Royal Orchid hotel was also affected. The hotel sector may be unfavorably affected by changes in Global and Domestic economies, changes in local market and excess room supply etc.
- Hotel Business is Capital Intensive with long gestation periods. This result in lower Return on Investment and Return on Equity.

Peer set

Rs. Crore(Cons)	Royal Orchid Hote	Viceroy Hotel	Kamat Hotel	ElH Associated Hotel*
FY 09 Total Sales	144	107.38	128.53	168
FY 09 PBDIT	47.08	36.95	44.26	53.18
FY 09 Net	19.99	6.67	4.19	7.44
H1 FY10 Total Sales	53.03	45.57	45.59	53.4
H1 FY 10 PBDIT	9.02	14.87	8.93	7.98
H1 FY 10 Net	1.19	0.37	-12.14	-8.16

Equity (FV 10)	27.23	42.41	13.79	19.59
H1 FY 10 PBDIT (%)	17.01	32.63	19.59	14.94
H1 FY 10 NPM (%)	2.24	0.81	-26.63	-15.28
H1 FY 10 EPS (Anlzd)	0.87	0.17		
CMP (Rs.)	80	49	64	128.5
PE X H1 EPS	91.53	280.82		
Book Value (BV)	69.9	56.67	123.36	53.2
Price/BV	1.15	0.85	0.52	2.42

*Results for EIH Assoc Hotel is standalone.

Financial Highlight

In Rs Cr	Q2FY10	Q2FY09	VAR [%]	Q1FY10	VAR (%)	FY09	FY10E	Var(%)
Total Income	18.62	24.68	-24.6	18.14	2.65	144	140	-2.78
Total Expenditure	14.65	16.12	-9.1	14.36	2.02	96.92	106	9.37
PBIDT	3.97	8.56	-53.6	3.78	5.03	47.08	34	-27.78
APAT	1.88	5.05	-62.8	1.56	20.51	19.99	11	-44.97
PBDITM (%)	21.32	34.68		20.84		32.69	24.29	
PATM(%)	10.10	20.46		8.60		13.88	7.86	
Equity(FV 10)	27.23	27.23		27.23		27.23	27.23	
EPS	0.69	1.85		0.57		7.34	3.89	

The company reported a disappointing H1FY10 due to a significant drop in Occupancy rate and ARR compared to H1FY09. As a result the topline for the company dipped by over 24% and bottomline dropped by nearly 63%.

Valuation and Recommendation

Hotel Industry is emerging from the lows of 2008-09. Hotel Industry was suffering from lower occupancy rate and a decrease in ARR. But with tourism expected to pick up in the coming quarters, an increase in ARR, by approx 10%, and Occupancy rate is expected. Royal orchid Hotel Ltd had witnessed significant decline in occupancy rate and **ARR**. Despite a slowdown in the Industry and cancellation of many projects, the company is going ahead with its expansion plans and its projects are underway. The company would add close to nine more properties by 2011 end. The Company is currently trading at an earnings multiple of 20.58x for FY2010 EPS of 3.89. The company can report better profits in the coming quarters as tourist season approaches. The recent trend in tourism indicates a recovery in the sector. We recommend long term investors to hold the counter and add to position near Rs 70 with a target of Rs 90 in the medium term.

JP Associates Ltd.
(High Risk-High Return)

Hold

CMP: - 150
Date: 29th December 2009

Company background

JP Associate started as civil construction company in 1979. The conglomerate has interests in different lines of business as:

Cement: The company has present Cement making capacity of 14.7 Million Tonnes, it is increasing it further by 18.85 Million Tonnes to 35.55 Million tones by 2012 with a captive power capacity of nearly 350 MW. By the end of FY10, it plans to have a cement capacity of about 23 Million Tonnes and captive power capacity of about 252 MW.

Construction & Engineering: The company has constructed among the largest dams in India. The company has an order book of about Rs.47000 Crore (FY09). The projects under execution include about 3100 MW HydroPower projects, 165 Km. Yamuna Express Highway (Agra-Noida) and 750 Km. Ganga Express Highway (Noida-Balia).

Power: It owns 300 MW capacity of 63% subsidiary JP Hydro and 400 MW capacity of 80% subsidiary JP Power Ventures (JPVL) is already operational. It has 49 MW of Wind Power capacity. The company is diversifying into Thermal Power. Company plants to have a generation capacity of 12000 MW by 2018. The Power capacity of the company does not include the captive power capacity of Cement plants.

Power Transmission: Jaypee Powergrid Ltd., a Joint Venture of Jaiprakash Hydro- Power Ltd. and Powergrid Corporation of India Limited is setting up the Transmission Line for evacuation of Power from the Karcham Wangtoo Project of the Jaypee Group. Central Electricity Regulatory Commission has granted Transmission License to this subsidiary.

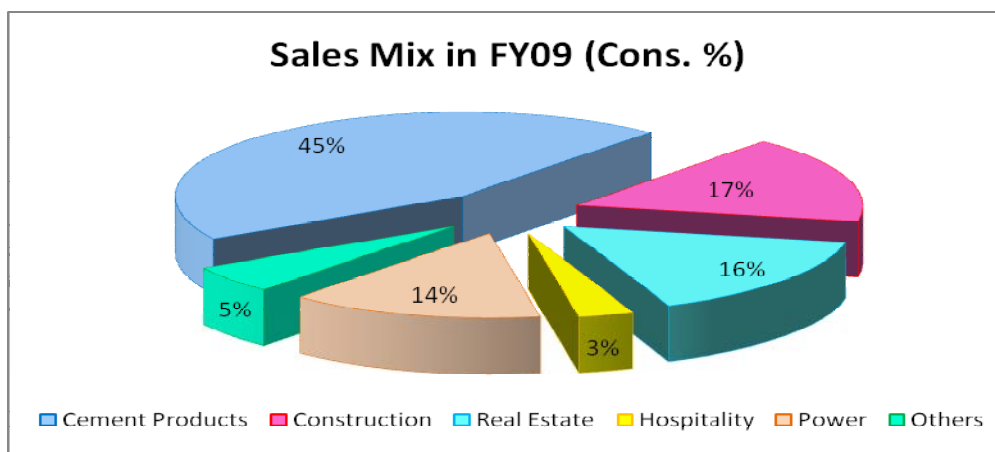
Mining: Company has entered in to JV with Madhya Pradesh State Mining Corporation Ltd. The JV is named Madhya Pradesh Jaypee Minerals Limited, for developing and mining of Coal from Coal Block at Amelia (North) in Madhya Pradesh. Initially this JV will supply coal to upcoming 1320 MW Power plant of JPVL.

MP Jaypee Coal Limited (MPJCL) has been incorporated in May 2009, as a joint venture with Madhya Pradesh State Mining Corporation Ltd. for mining and sale of Coal from Dongri Tal-II Coal Block at Singrauli in Madhya Pradesh.

Real Estate: Company is developing 1162 acre township JP Greens "Wish Home". Besides, it has 1151 Acre land on Yamuna Expressway to be developed by JP Infratech (subsidiary that is developing Yamuna Expressway).

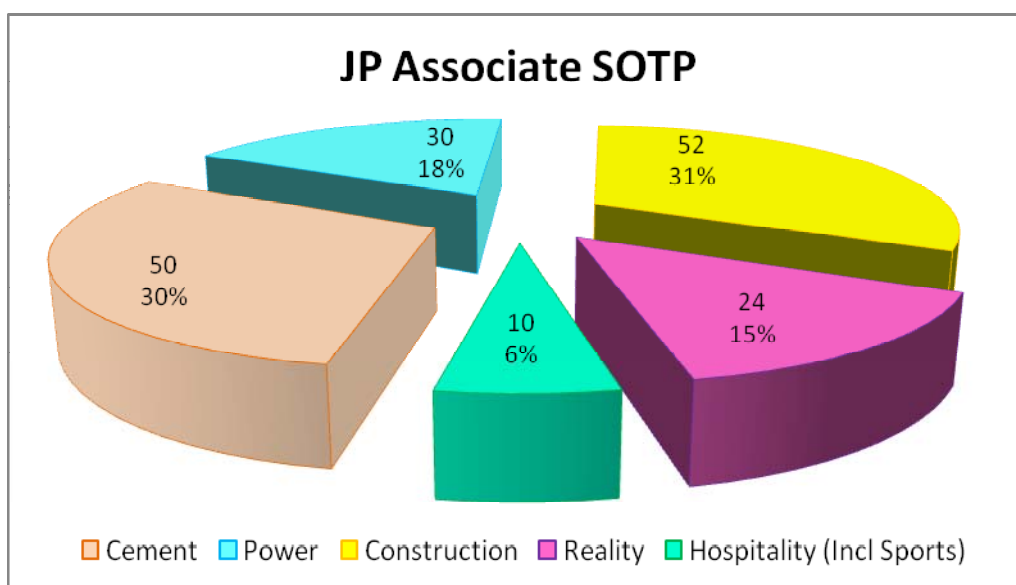
Hospitality: The company has Four 5-Star hotels. Two at Delhi with total rooms capacity of 213. One hotel at Agra with 341 rooms and One hotel at Mussorie with 90 rooms capacity. Its Boutique Spa-Resort are located at Greater Noida (Uttar Pradesh) is coming up in 2010.

Sports: It has a 18 holes Golf Course. It is also developing a Formula 1 track at Greater Noida and planning a cricket stadium at Noida.



Investment Rational

- Indian economy is in long sustainable growth trajectory. In a developing economy, growth of Cement industry is about 1.2 times the economic growth. Indian economy is expected to grow by 8% on an average in next couple of years.
- After a slackening phase between Q3 FY08 and Q1 FY09, there is robust demand for cement.
- In H1 FY10 JPA's Cement dispatches (including clinker sale) were up at 45.10 lac Tonnes up 27% v/s 35.5 lac Tonnes in H1FY09
- JPA is increasing its cement capacities at regular interval.
- India is a power deficit economy. The situation is unlikely to improve even in next 10 years, as there is brisk economic growth.
- JPA is continuously adding power capacities, at regular intervals. Its subsidiaries have 700 MW of Hydro Power capacities presently. It is venturing into thermal power also. It is likely to have capacity of 12000 MW by 2018.
- It is also venturing into mining for uninterrupted supply of Coal, key raw material for its upcoming thermal plants.
- There is good demand for affordable housing. JPA achieved good success in its first township at Noida "JP Greens". It has received good initial response for 1162 Acre township "Wish Homes". Besides, it has 1151 Acre land at prime location on Yamuna Expressway.
- Company has hotels at prime locations. The industry is looking upwards, after almost 2 years of slack period.
- JPA is pursuing at sports ventures. Success of Indian Premier League has attracted business houses towards sports as Investment Avenue.
- Besides, a Golf Course already under operations, JPA has planned a Cricket stadium and a FORMULA 1 track at Noida
- The funding requirements are huge in projects of the company. It merged 4 subsidiaries with itself in FY09, resulting in 20 Crore Treasury stocks being created. It issued 7.5 Crore Shares and raised Rs.1680 Crore during H1 FY10 (i.e. Rs.224/Share Pre-Bonus or 11.25 Crore Shares Rs.149/Share Post Bonus).
- The SOTP (Sum Of Total Parts) of the Company stand at Rs.165 as:

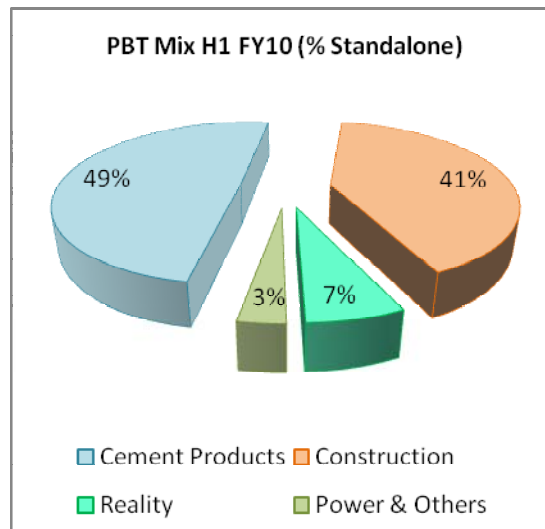
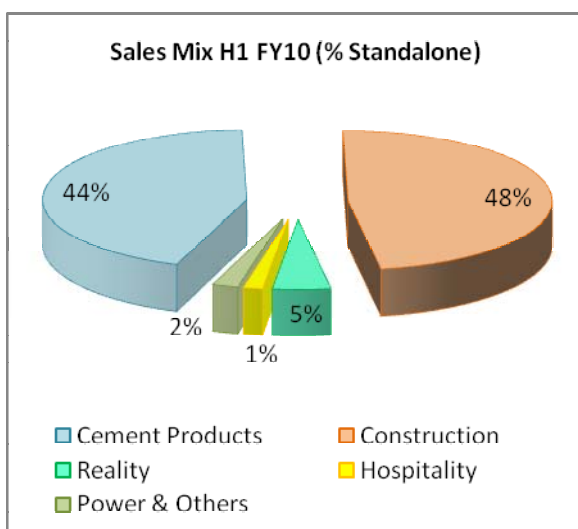


Note: The valuations are based on JPA's capacities/order book compared to peers in respective industries. Where it has listed subsidiaries (JP Hydro in Power), valuations are based on Market cap and JPA's Share in subsidiary. The capacities are taken as on 31 March 2009.

Financial Highlights (Standalone)

Rs. Crore	Q2 FY 09	Q2 FY 10	% Y-o-Y	Q1 FY10	% Q-o-Q	H1 FY09	H1 FY10	% Chng	FY 09	FY 10E	% Chng
Net Sales	1240	1824	47.10	2067	-11.76	2435	3891	59.79	5979	8291	38.67
Other Income	62	65	4.84	73	-10.96	63	138	119.05	173	285	64.74
Total Income	1302	1889	45.08	2140	-11.73	2498	4029	61.29	6152	8576	39.40
Raw Material	598	1003	67.73	1142	-12.17	1200	2145	78.75	2995	4560	52.26
Employee Exp.	94	107	13.83	99	8.08	142	206	45.07	331	431	30.21
Other Expenses	143	285	99.30	258	10.47	333	543	63.06	760	1023	34.61
Operating Exp.	835	1395	67.07	1499	-6.94	1675	2894	72.78	4086	6014	47.19
PBDIT	467	494	5.78	641	-22.93	823	1135	37.91	2066	2562	24.01
Depreciation	70	110	57.14	102	7.84	136	212	55.88	309	435	40.78
Interest	111	259	133.33	222	16.67	210	481	129.05	504	881	74.80
PBT	286	125	-56.29	317	-60.57	477	442	-7.34	1253	1246	-0.56
Extra Ordinaries		965		250	286.00		1215			1215	
Tax	86	220		76	189.47	149	296	98.66	356	626	75.84
Net Profit	200	870		491		328	1361		897	1835	104.57
Equity	275	280		280		275	280		275	450	
EPS (Rs.)	1.45	6.21		3.51		2.39	9.72		6.52	8.16	
CMP (Rs.)	146	146		146		146	146		146	146	
PE (X) Annlzd	25.09	5.87		10.41		30.60	7.51		22.38	17.90	
PBDIT (%)	37.66	27.08		31.01		33.80	29.17		34.55	30.90	
NPM (%)	15.36	46.06		22.94		13.13	33.78		14.58	21.40	

The Sales and PBT Mix in H1 FY10 stands as:



Peerset Comparison

Rs. Crore	JPA	GMR	GVK Infra
FY 09 Total Sales	4967	4041	567
FY 09 PBDIT	1984	1088	229
FY 09 Net	420	279	106
H1 FY10 Total Sales	4029	2399	861
H1 FY 10 PBDIT	1135	728	281
H1 FY 10 Net	1361	76	77
Equity	450	366	158
Face Value (Rs.)	2	2	1
FY 09 PBDIT (%)	34.55	26.92	40.39
FY 09 NPM (%)	14.58	6.90	18.69
H1 FY 10 PBDIT (%)	29.17	30.35	32.64
H1 FY 10 NPM (%)	33.8	3.17	8.94
H1 FY 10 EPS (Annualized)	12.10	0.83	0.97
CMP (Rs.)	146	67	47
PE X H1 EPS	12.07	80.66	48.22
FY 09 Book Value (Rs./Share)	47	18	15
Price/Book Value	3.11	3.72	3.13

** JPA Equity Post 1 for 2 Bonus and Issue of Treasury Shares. The Peerset is not strictly comparable. All these players have significant presence in infrastructure.

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.
- Company has loss making subsidiaries, which are in expansion phase where there is fund requirement and returns cannot be expected in near term.
- As the fund requirement is huge, further equity dilution cannot be ruled out.
- Its capacity utilization of cement plants is about 60% (H1 FY10), which is low.
- 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.

Valuation & Recommendation: Hold

North India based conglomerate JPA, is into the business of cement, infrastructure etc. Besides, developing among the largest Expressway projects, it is also setting up power generation capacities. It is likely to show an EPS of Rs.8/Share and Cash EPS of Rs.10/Share in FY10. At CMP Rs.146, it trades at 18.25 PE and 14.6 Cash PE on FY10 estimates. Investors can HOLD this scrip. Long term investors may BUY, if it corrects to 125-130 for a target of Rs.165.

Derivatives Statistics

SYMBOL	PCR			January. 2010 OPEN INTEREST		
	PREV.WEEK	CURR. WEEK	%CHG	PREV. WEEK	CURR. WEEK	%CHG
ALL INDEX	0.7798	0.8144	4.44	20518190	24093690	17.43
ALL STOCK	0.219	0.2141	-2.24	990690244	1373961832	38.69
NIFTY	0.7798	0.8145	4.45	19247290	22366196	16.20
RELIANCE	0.2229	0.3011	35.08	7214400	8658300	20.01
SBIN	0.168	0.1726	2.74	2275548	2880504	26.59
TATASTEEL	0.2787	0.3098	11.16	9763156	13835276	41.71
SUZLON	0.193	0.1612	-16.50	43980000	59259000	34.74
ICICIBANK	0.2144	0.2393	11.61	6489350	9277450	42.96
NTPC	0.1296	0.1549	19.52	9436375	14386125	52.45
UNITECH	0.1806	0.1345	-25.50	55494000	60327000	8.71
BHARTIARTL	0.3274	0.1907	-41.80	8230500	15632500	89.93
DLF	0.1992	0.2042	2.51	10274400	14256000	38.75
HINDALCO	0.3138	0.2867	-8.64	18451910	17308560	-6.20
SAIL	0.5454	0.3694	-32.30	7487100	6627150	-11.49
TATAMOTORS	0.2666	0.2478	-7.05	9286250	12440600	33.97
IFCI	0.0936	0.0763	-18.50	58973920	86987320	47.50
RCOM	0.1229	0.0822	-33.10	15414000	22440600	45.59
ISPATIND	0.1414	0.0571	-59.60	54593250	86963250	59.29
RPOWER	0.0958	0.0881	-8.04	9746000	19470000	99.77
RNRL	0.0652	0.1059	62.42	22807728	30857304	35.29
INFOSYSTCH	0.7004	0.8697	24.17	1671200	2508200	50.08
IDBI	0.0885	0.1464	65.42	10735200	14368800	33.85
GTOFFSHORE	0.0723	0.0912	26.14	1307000	2334000	78.58
SESAGOA	0.0304	0.0904	197.40	8842500	12385500	40.07
RELINFRA	0.1992	0.1597	-19.80	2916216	4069896	39.56
JPASSOCIAT	0.1360	0.1004	-26.20	12597544	16171040	28.37
HDIL	0.0646	0.1599	147.50	6279462	6913368	10.09
ESSAROIL	0.0230	0.0299	30.00	13552376	17641528	30.17
HINDUNILVR	0.1338	0.0513	-61.70	5888000	11476000	94.90
ITC	0.1497	0.0918	-38.70	5861250	7824375	33.49
RANBAXY	0.2224	0.2961	33.14	2322400	2218400	-4.48
ONGC	0.0947	0.0896	-5.39	939375	1104750	17.60
POWERGRID	0.0507	0.0689	35.90	6231225	11661650	87.15

Nifty Stock Level (Cash)

SCRIPS	LTP	R1	R2	S1	S2	trend
ABB LTD.	767.10	778.00	790.00	754.00	741.00	Downtrend
A.C.C.	872.45	886.00	900.00	858.00	843.00	Uptrend
AMBUJACEM	104.25	107.00	110.00	100.00	95.00	Uptrend
AXISBANK	989.2	1002.00	1015.00	973.00	956.00	Downtrend
BHARTIARTL	329.75	333.00	337.00	324.00	318.00	Uptrend
BHEL	2403.30	2435.00	2467.00	2357.00	2310.00	Uptrend
BHARAT PETRO	635.55	648.00	661.00	615.00	594.00	Uptrend
CAIRN	282.15	286.00	291.00	277.00	272.00	Downtrend
CIPLA	335.05	347.00	360.00	325.00	315.00	Downtrend
DLF	361.20	371.00	382.00	355.00	349.00	Downtrend
GAIL	413.30	432.00	451.00	402.00	390.00	Downtrend
GRASIM IND.	2475.05	2511.00	2547.00	2422.00	2368.00	Uptrend
HCL TECHNOLO	371.30	378.00	385.00	365.00	358.00	Downtrend
HDFC BANK	1702.25	1722.00	1743.00	1678.00	1654.00	Downtrend
HERO HONDA	1717.7	1763.00	1809.00	1686.00	1654.00	Downtrend
HINDALCO	160.85	166.00	171.00	154.00	146.00	Uptrend
HINDUNILVR	264.80	269.00	274.00	262.00	259.00	Downtrend
ICICI BANK	877	890.00	904.00	864.00	851.00	Uptrend
IDEA	58.05	60.00	63.00	56.00	54.00	Downtrend
IDFC	154.3	473.00	510.00	416.00	395.00	Downtrend
INFOSYS TECH	2601.10	2623.00	2645.00	2571.00	2540.00	Uptrend
ITC	250.8	256.00	262.00	247.00	243.00	Downtrend
JINDL STL&PO	703.30	724.00	746.00	691.00	679.00	Downtrend
JPASSOCIATEQ	146.85	150.00	153.00	143.00	138.00	Uptrend
LT EQ	1677.60	1699.00	1721.00	1658.00	1638.00	Downtrend
MAH & MAH	1080.85	1095.00	1110.00	1058.00	1035.00	Uptrend
MARUTI	1560.10	1578.00	1596.00	1542.00	1523.00	Downtrend
NTPC EQ	235.65	242.00	249.00	229.00	222.00	Uptrend
ONGC CORP.	1178	1198.00	1218.00	1165.00	1151.00	Downtrend
PNB	906.2	920.00	934.00	896.00	885.00	Uptrend
POWERGRID	110.15	113.00	116.00	108.00	105.00	Uptrend
RANBAXY LAB.	517.95	529.00	541.00	502.00	486.00	Uptrend
RCOM	172.35	177.00	181.00	170.00	166.00	Downtrend
REL.CAPITAL	857.65	868.00	878.00	848.00	837.00	Downtrend
RELIANCE	1090.55	1102.00	1114.00	1074.00	1057.00	Uptrend
RELINFRA	1146.75	1173.00	1200.00	1111.00	1075.00	Uptrend
RPOWER	155.1	164.00	174.00	147.00	139.00	Uptrend
SAIL	241.7	246.00	250.00	236.00	230.00	Uptrend
STATE BANK	2269	2300.00	2331.00	2223.00	2176.00	Uptrend
SIEMENS	582.35	597.00	612.00	570.00	557.00	Downtrend

STEEL AUTHOR	241.7	246.00	250.00	236.00	230.00	Uptrend
STER EQ	863.55	876.00	890.00	852.00	841.00	Downtrend
SUN PHARMA.	1508.8	1562.00	1615.00	1479.00	1448.00	Downtrend
SUZLON	90.35	92.00	95.00	88.00	86.00	Uptrend
TATAMOTORSEQ	791.55	804.00	817.00	775.00	758.00	Uptrend
TATA POWER	1381.45	1399.00	1417.00	1355.00	1328.00	Uptrend
TATASTEEL	617.7	627.00	637.00	610.00	602.00	Uptrend
TCS EQ	750.25	766.00	782.00	725.00	699.00	Uptrend
UNITECH LTD	82.3	86.00	90.00	80.00	77.00	Uptrend
WIPRO	680	693.00	706.00	672.00	663.00	Downtrend

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