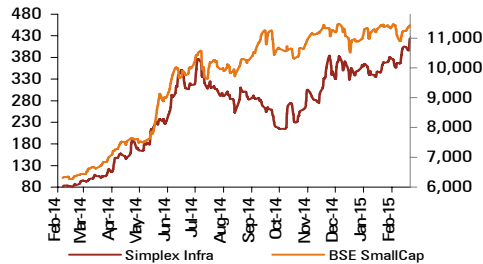


Time frame: 6 months

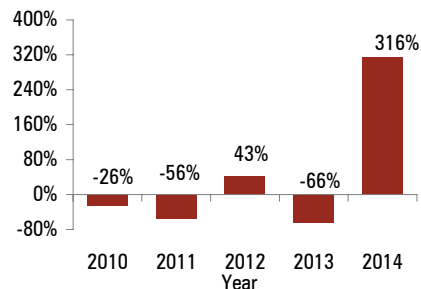
Key Technical Data	
Recommended Price	422-434
Price Target	565.00
Stoploss	375.00
52 Week High	449.00
52 Week Low	92.00
50 days EMA	376.00
200 days EMA	302.00
52 Week EMA	292.00

*Recommendation given on i-click to gain on March 02, 2015 at 12:39

Stock price movement vs. BSE Small Cap



Price performance over last five years



Gladiator Stocks: Series 10.0

Simplex Infrastructure (SIMCON)

(CMP- ₹ 434.00)

Technical View

Strategy: Buy Simplex Infrastructure in the range of ₹ 422.00–434.00 for a target price of ₹ 565.00 with a stop loss below ₹ 375.00 on a closing basis

The share price of Simplex Infrastructure has been in a strong uptrend since the beginning of 2014 and rallied past its 2012 and 2013 highs of ₹ 257 and ₹ 264, respectively, in June 2014, thus signalling a major reversal of long term trend. The stock continues to stride northwards in a rising peaks and troughs fashion on the long term price charts.

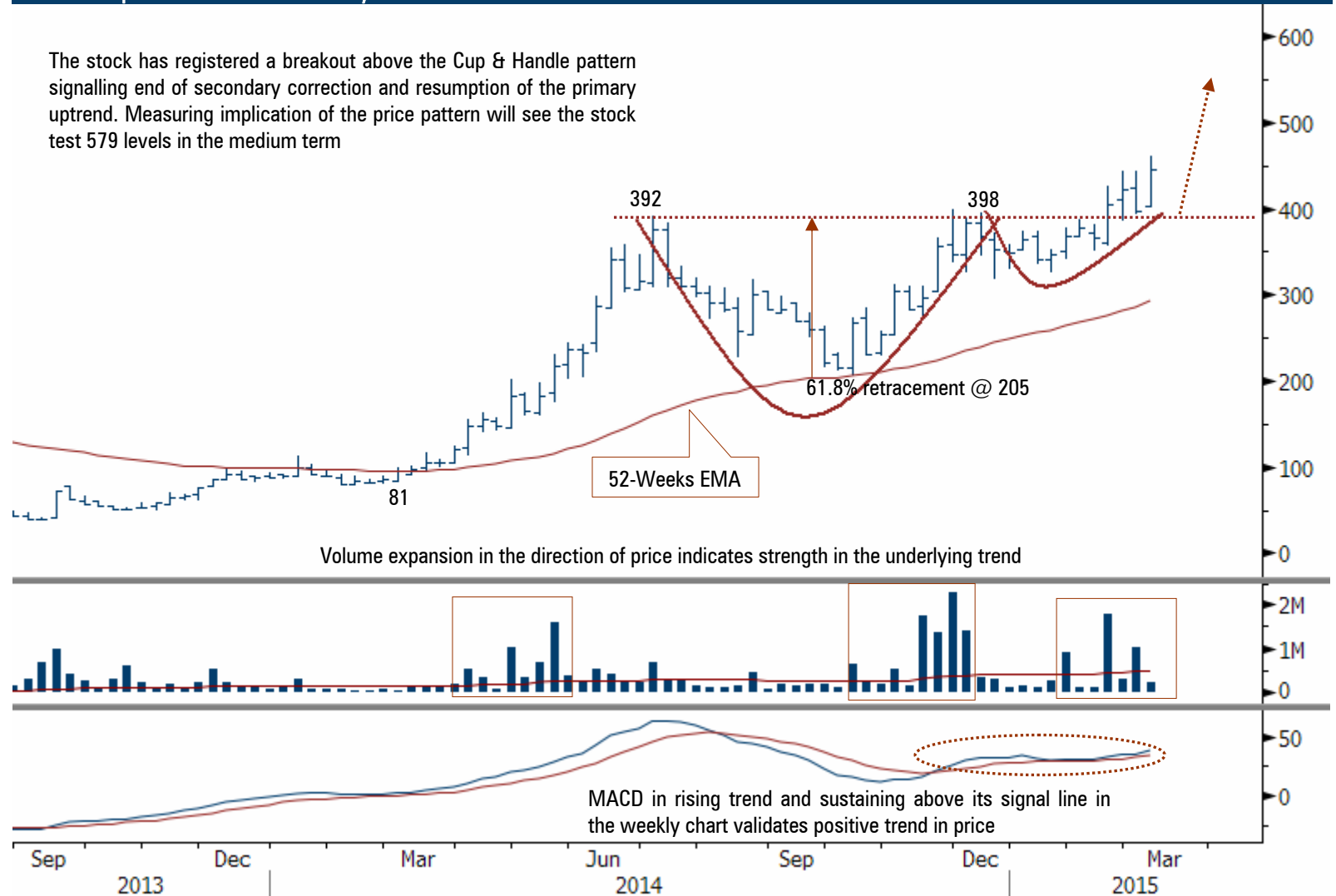
Key technical observations

- The stock entered a secondary corrective phase after hitting a high of ₹ 392 in July 2014. The entire corrective price action over the past seven months took the pictorial form of a well defined Cup & Handle pattern as highlighted in the adjoining chart. A Cup & Handle formation is a bullish continuation price pattern having positive implication on the price front upon resolution above the neckline of the pattern
- The stock recently registered a resolute breakout from the Cup and Handle pattern signalling the end of the secondary consolidation and resumption of the next up leg, thereby offering a fresh entry opportunity to ride the ongoing uptrend from a medium-term perspective
- The base of the pattern (₹ 205) rests upon the confluence of major supports being the 61.8% retracement of the previous major rally from ₹ 81 to ₹ 392 placed at ₹ 200 levels and the 52 week EMA then placed at ₹ 207 levels. The formation of a bullish continuation pattern while respecting key price support highlights the overall bullish price structure and augurs well for the stock going forward
- Behaviour of volumes over a longer horizon charts also corroborates the underlying strength in the trend. The corrective price declines have witnessed receding volumes while rallies have been backed by stronger volumes which are three times the 50 weeks average volume of 3.5 lakh shares per week highlighting larger participation in the direction of primary trend
- Among oscillators, the Weekly MACD has formed a steady base above its nine period average while prices were under corrective phase highlighting the underlying strength in the trend.

Conclusion: Based on the above technical evidence, we believe the stock has embarked upon its next directional up leg towards ₹ 579 levels over the medium term. The measuring implication of the price pattern i.e. the distance between the neckline and the base of Cup (₹ 392 – 205 = 187 points) added to the neckline projects upside towards ₹ 579 levels for the current up move

Exhibit 1: Simplex Infrastructures – Weekly Bar Chart

The stock has registered a breakout above the Cup & Handle pattern signalling end of secondary correction and resumption of the primary uptrend. Measuring implication of the price pattern will see the stock test 579 levels in the medium term



Source: Bloomberg, ICICIdirect.com Research

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Stock Data	
Particular	Amount
Market Capitalization (₹ Crore)	2,185.3
Total Debt (₹ Crore)	3,235.0
Cash and Investments (₹ Crore)	34.0
EV (₹ Crore)	5,386.3
52 week H/L	427 / 90
Equity capital (₹ Crore)	9.9
Face value (₹)	2.0

Stock return (%)				
Returns (%)	1M	3M	6M	12M
Simplex Infra	14.1	24.0	45.5	346.9
NCC	6.1	15.2	80.5	415.8
NBCC	5.0	7.1	100.2	504.7

Exhibit 1: Key metrics				
(x)	FY14	FY15E	FY16E	FY17E
P/E	36.1	33.5	26.6	14.3
Target P/E	37.9	35.2	28.0	15.1
EV / EBITDA	8.6	8.3	7.6	6.5
P/BV	1.6	1.5	1.4	1.3
RoNW (%)	4.5	4.6	5.5	9.4
RoCE (%)	9.3	9.7	10.1	11.9

Exhibit 2: Financial highlights				
(₹ Crore)	FY14	FY15E	FY16E	FY17E
Net Sales	5,513.0	5,617.6	6,298.9	7,431.3
EBITDA	589.8	651.6	711.8	817.4
Adj. Net Profit	60.6	65.3	82.1	152.6
EPS (₹)	12.2	13.1	16.5	30.7

Source: Company, ICICIdirect.com Research

Fundamental view

- Simplex Infrastructure (SIL) is one of the leading & oldest companies in the construction space. It has expertise in specialised work such as pilling, urban utilities, etc. SIL has an excellent track record of successful project implementation across a wide range of projects ranging from housing & building to power, ports, railways & roads. The company also has a very well known clientele and gets repeat orders from its clients. Unlike other construction players, we also like SIL given its focused approach on the cash contract in the construction space rather than committing huge equity towards BOT project portfolio.
- SIL currently has a strong well diversified order book of ₹ 16,810 crore, 3.1x book to bill providing strong revenue visibility over the next few years. In terms of segments, buildings & housing constitute ~40% followed by roads, railways and bridges (~25%) and power (~12%). SIL had order inflow of ~₹ 5,628 crore in 9MFY15, which bodes well for execution, going ahead. We also highlight that SIL will be a key beneficiary from the anticipated recovery in the investment cycle given its higher exposure towards the private sector (~43% of the order book). The company indicated that it expects a topline growth of ~10% and order intake of ~₹ 7000-8000 crore in FY15, which again would depend on how the macroeconomic recovery shapes up
- SIL has a BOT road portfolio of three projects where its equity commitment is very low compared to other construction players. We highlight that SIL has only invested ~₹ 100 crore among BOT projects, which is only ~6% of its net worth, which is significantly lower than that of its peers. In terms of BOT project details, Bhubaneswar Chandikol is completed (invested equity of ₹ 65 crore) and currently tolling ₹ 25 lakh/day. The company indicated it has applied for completion of a bridge, post which the toll/day would rise to ₹ 35/day. For the remaining projects (Mahulia Kharagpur & Jowai Meghalia), the company had not yet received land and other clearances. Consequently, it has served a notice for amicable termination of project. Hence, we derive comfort from this stand of SIL, as it ensures no equity commitment towards BOT projects portfolio, going ahead.
- In terms of financials, we anticipate SIL's revenues will grow at a CAGR of 10.5% to ₹ 7,431 crore during FY14-17E on the back of a strong order book and a pick-up in execution given the anticipated recovery in the investment cycle. This coupled with stable margin and leverage, lends us comfort that its net profit will grow at 36.0% CAGR to ₹ 152.6 crore during FY14-17E.
- At the CMP, the stock is trading at 14.3x FY17 PE, 1.3x FY17 P/BV & 6.5x FY17 EV/EBITDA. Considering its strong well diversified order book and relatively better quality of management & execution capabilities ensuring 36.0% CAGR in earning during FY14-FY17E, we believe SIL's current valuation is very attractive.

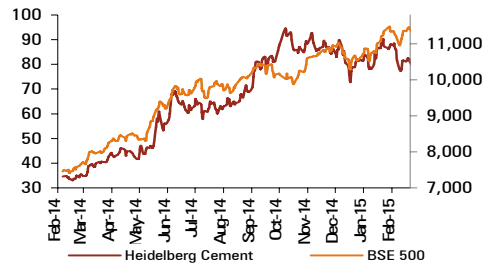
Time frame: 6 months

Key Technical Data

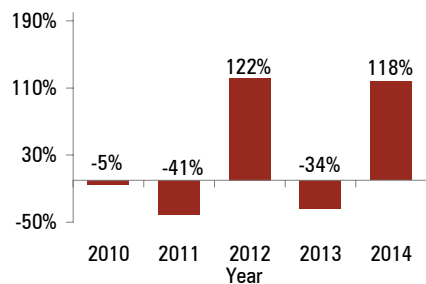
Recommended Price	81.5-83.50
Price Target	96.00
Stoploss	75.50
52 Week High	104.00
52 Week Low	34.30
50 days EMA	82.00
200 days EMA	74.00
52 Week EMA	72.00

*Recommendation given on i-click to gain on March 02, 2015 at 13:51

Stock price movement vs. BSE 500



Price performance over last five years



Heidelberg Cement (MYSCEM)

(CMP- ₹ 83.50)

Technical view

Strategy: Buy Heidelberg Cement in the range of ₹ 81–84 for a target price of ₹ 110.00 with a stop loss below ₹ 74 on a closing basis

The midcap cement space has garnered a lot of investor interest throughout 2014. Investors who lapped up cement stocks were rewarded handsomely as many stocks produced multi-fold gains and are still going strong. Heidelberg is one of the late movers from the cement space as the stock began picking up steam towards the second half of 2014.

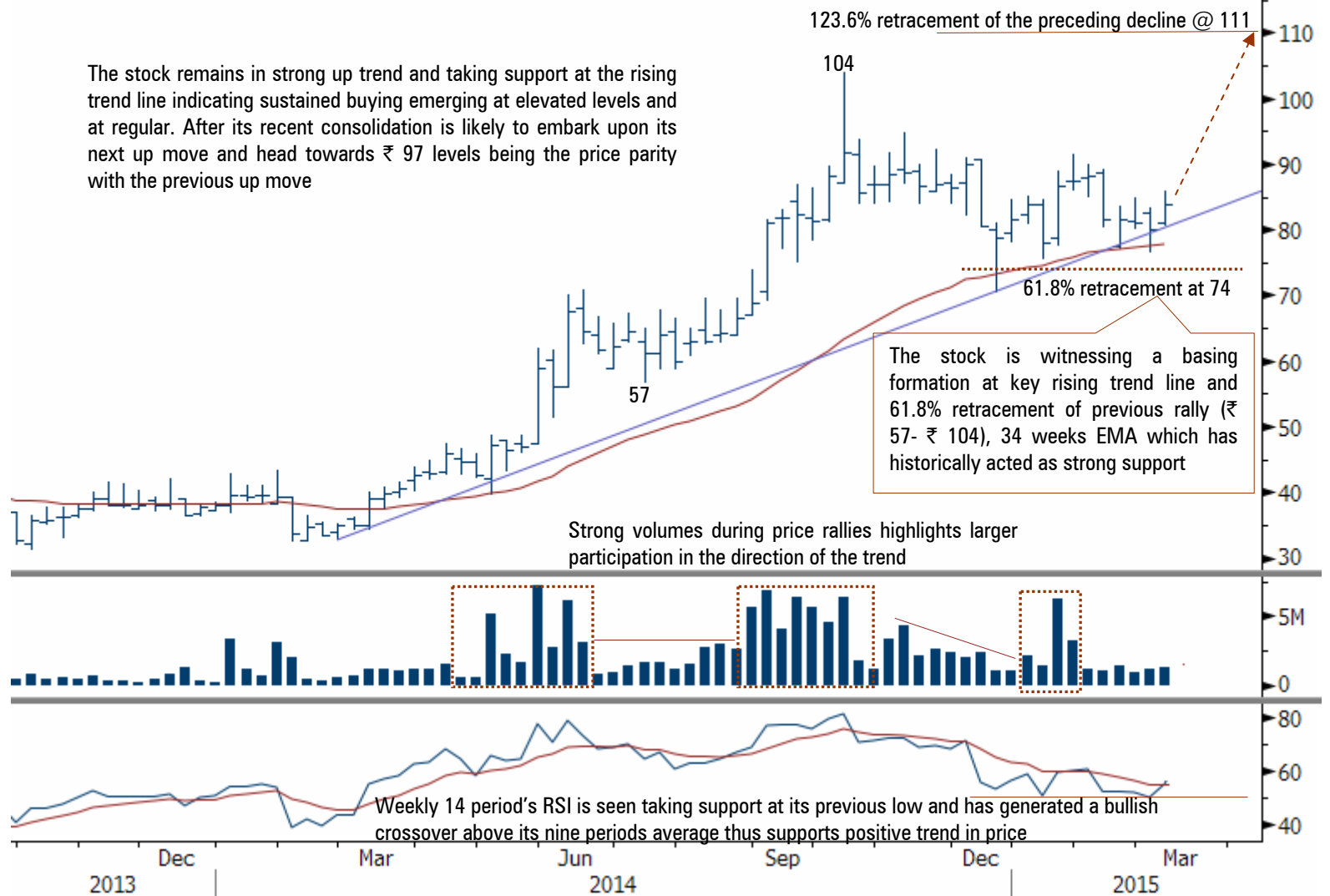
Key technical observations

- The share price of Heidelberg Cement is in a strong up trend and forming rising peak and rising trough on the weekly chart. The recent corrective decline from the all-time high of ₹ 104 has seen the stock approach the confluence of major supports placed at ₹ 75 levels and is seen undergoing a base formation thus offering fresh entry opportunity to ride the next up move in the stock
- The presence of multiple technical parameters converging at ₹ 75 levels makes this a key value area for the stock based on the following observations
 - The stock has tested the key medium term rising trend line in place since February 2014. The monthly lows of December 2014, January and February 2015 are placed at this trend line
 - The 61.8% Fibonacci retracement of the July to October 2014 rally (₹ 57 - 104) is placed at ₹ 75 levels
 - The rising 34-week moving average, that has historically acted as a key support for the stock during secondary corrective declines is currently placed at ₹ 77 levels
- Time wise, the previous up move from July 2014 low of ₹ 56 to October 2014 high of ₹ 104 took 13 weeks while the stock has already spent 21 weeks in the current consolidation retracing just 61.8% of the preceding 13 week rally. Larger time wise consolidation and limited price correction is the primary indicator of a healthy corrective action and highlights the underlying strength in the price structure
- Among oscillators, the 14 period RSI has bounced back taking support at its previous low and given a bullish crossover above its nine period's average on Monday's session, thus indicating the positive trend in price

Conclusion: We expect the stock to embark upon its next up move and head towards ₹ 111 levels in the medium term, being the 123.6% retracement of the preceding decline from ₹ 104 to ₹ 71, thus it provides a good reward/risk setup for positional traders to ride the ongoing uptrend

Exhibit 2: Heidelberg Cement– Weekly Bar Chart

The stock remains in strong up trend and taking support at the rising trend line indicating sustained buying emerging at elevated levels and at regular. After its recent consolidation is likely to embark upon its next up move and head towards ₹ 97 levels being the price parity with the previous up move



The stock is witnessing a basing formation at key rising trend line and 61.8% retracement of previous rally (₹ 57- ₹ 104), 34 weeks EMA which has historically acted as strong support

Strong volumes during price rallies highlights larger participation in the direction of the trend

Weekly 14 period's RSI is seen taking support at its previous low and has generated a bullish crossover above its nine periods average thus supports positive trend in price

Source: Bloomberg, ICICIdirect.com Research

Stock Data	
Particular	Amount
Mcap	₹ 1926 crore
Debt (FY15E)	₹ 1356 crore
Cash & Invest (FY15E)	₹ 161 crore
EV	₹ 3121 crore
52 week H/L	₹ 104 / 32
Equity cap	₹ 226.6 crore
Face value	₹ 10

Stock return (%)				
	1M	3M	6M	12M
Heidelberg Cem.	8.2	0.4	40.9	126.3
India Cement	34.2	-3.1	5.6	99.4
JK Cement	11.9	26.1	84.6	293.2
JK Lakshmi Cem.	1.9	15.9	82.6	458.6

Key metrics				
	CY13	FY15E#	FY16E	FY17E
PE (x)	NA	44.8	44.8	25.0
Target PE (x)	NA	55.3	55.4	30.8
EV to EBITDA (x)	36.7	11.4	12.9	10.6
EV/Tonne(US\$)	98	96	96	96
Price to book (x)	2.3	2.3	2.2	2.0
RoNW (%)	-4.9	5.1	4.9	8.1
RoCE (%)	-0.5	6.2	6.1	8.0

For 15 months

Financial highlights				
	CY13	FY15E#	FY16E	FY17E
Net Sales	1364.8	1999.9	1794.8	2060.8
EBITDA	86.4	273.3	242.5	293.8
Net Profit	-40.7	43.0	43.0	77.1
EPS (₹)	-1.8	1.9	1.9	3.4

Source: ICICIdirect.com Research

Fundamental view

- Heidelberg Cement is a central regional player that contributes over ~94% of its total revenues. The company has recently doubled its cement capacity to 6 MT from 3 MT in CY13 at a total capex of ₹ 1570 crore. However, due to subdued demand, these major expansions took a heavy toll on its profitability with the company reporting a net loss of ₹ 41 crore in CY13 (vs. net profit of ₹ 31 crore in CY12) led by high interest and depreciation. It has operated at low margins of 6.3% in CY13 vs. industry average of 18-20% due to lower cement realisation in the central region and high operational costs due to capacity expansions.
- To bring down freight costs, the company installed a conveyor belt between its limestone reserves and clinker units, which are 20 km away (at a cost of ₹ 200 crore) to transport lime stones to its clinkerisation unit that are currently being transported by trucks. This would help the company to achieve cost savings of about ~₹ 45-50/tonne. Further, to reduce its power costs, Heidelberg is currently setting up a 13 MW waste heat recovery plant (capex of ~₹ 180 crore), which will be commissioned by early 2016E. Considering these benefits, we expect operating margins to improve to 13.5% in FY16E and 14.3% in FY17E from 6.3% in CY13.
- Heidelberg's Indian operations have the support of the rich experience of the German promoter (Heidelberg AG), a Germany-based company, which is one of the world's largest cement manufacturers with consolidated revenue of €14 billion in 2013. This, we believe, would provide huge potential to grow inorganically over the longer run
- The debt at the end of FY15E is expected to be at ~₹ 1057 crore with net D-E ratio of 1.2x. However, the operational turnaround as witnessed in the last two quarters coupled with strong promoter back-up (Heidelberg AG) allay our concerns with regard to its debt servicing ability
- We expect the company to report a net profit of ₹ 77 crore in FY17E. We expect EBITDA/tonne of ₹ 585/tonne in FY17E from ₹ 260/tonne in CY13. On an EV/tonne basis, the stock is trading at \$94/tonne (on capacity of 5.4 MT). Given the scope for growth along with the margin expansion with expanded capacity, we remain positive on the company.

Strategy Follow up

Date	Scrip	Product	Strategy	RP	Target	SL	Gain/Loss %	Comment
9-Jun	SKF	Cash	Buy	980.00	1425.00	780.00	46.00	Target achieved
9-Jun	EIH Hotels	Cash	Buy	94.00	150.00	74.00	32.00	Booked 50% profit at 124
9-Jun	Essel Propack	Cash	Buy	95.00	155.00	64.00	31.00	Booked 50% profit at 124
19-Sep	Heidelberg Cement	Cash	Buy	78.50	98.00	69.00	30.00	Target achieved
9-Jun	Cummins	Cash	Buy	635.00	860.00	545.00	29.00	Booked profit at 820
9-Jun	KSB Pumps	Cash	Buy	500.00	790.00	390.00	55.00	Target almost achieved
9-Jun	BEL	Cash	Buy	1835.00	2350.00	1490.00	25.00	Booked profit at 2290
9-Jun	Ingersoll	Cash	Buy	665.00	998.00	528.00	50.00	Target Achieved
28-Nov	Gulf Oil	Cash	Buy	457.00	560.00	408.00	23.00	Target achieved
8-Sep	EPC Industries	Cash	Buy	196.00	255.00	167.00	20.00	Booked profit at 235
9-Jun	Aban	Cash	Buy	720.00	1050.00	575.00	19.00	Booked profit at 853
27-Nov	Tide Water	Cash	Buy	16450.00	19450.00	14800.00	18.00	Target achieved
9-Jun	Federal Bank	Cash	Buy	117.00	165.00	97.00	17.00	Booked 50% profit at 136.50
28-Nov	Berger Paint	Cash	Buy	390.00	480.00	348.00	23.00	Target achieved
10-Oct	Infosys	Cash	Buy	1885.00	2245.00	1745.00	19.00	Target achieved
28-Nov	Indian Bank	Cash	Buy	186.00	245.00	163.00	14.00	Booked profit at 211.50
27-Nov	International Tarvel	Cash	Buy	285.00	380.00	238.00	13.00	Booked profit at 323
10-Oct	Simplex Infra	Cash	Buy	255.00	310.00	224.00	18.00	Target achieved
16-Sep	KPR Mill	Cash	Buy	305.00	375.00	267.00	23.00	Target achieved
19-Sep	UltraTech Cement	Cash	Buy	2630.00	3100.00	2435.00	-7.00	Stoploss triggered
16-Sep	Repro	Cash	Buy	290.00	355.00	261.00	-10.00	Stoploss triggered
8-Sep	Phoenix lamp	Cash	Buy	140.00	180.00	125.00	-11.00	Stoploss triggered
9-Jun	India Cements	Cash	Buy	110.00	160.00	87.00	-18.00	Stoploss triggered
9-Jun	SBI	Cash	Buy	271.00	351.50	235.00		Open
28-Nov	Kajaria Ceramic	Cash	Buy	590.00	770.00	518.00	30.00	Target achieved
28-Nov	Somany Ceramic	Cash	Buy	314.00	405.00	278.00	27.00	Booked 50% profit at 352.00
1-Dec	Castrol India	Cash	Buy	497.00	660.00	430.00		Open
2-Jan	Cholamandalam Investment	Cash	Buy	505.00	630.00	445.00	13.00	Booked 50% profit at 569
2-Jan	Bajaj Corp	Cash	Buy	379.00	440.00	350.00	15.00	Target achieved
2-Jan	Gabriel India	Cash	Buy	93.00	125.00	83.00	14.00	Book profit at 105.80
27-Jan	Cummins India	Cash	Buy	870-890	1070.00	795.00		Open
28-Jan	ABB	Cash	Buy	1320.00	1590.00	1210.00	15.00	Book profit at 1520
28-Jan	Timken	Cash	Buy	520.00	675.00	445.00	10.00	Booked 50% profit at 572

NOTES:

- It is recommended to enter in a staggered manner within the prescribed range provided in the report
- Once the recommendation is executed, it is advisable to keep strict stop loss as provided in the report on closing basis
- The recommendations are valid for three to six months and in case we intend to carry forward the position, it will be communicated through separate mail.

Trading Portfolio allocation

- It is recommended to spread out the trading corpus in a proportionate manner between the various technical research products
- Please avoid allocating the entire trading corpus to a single stock or a single product segment
- Within each product segment it is advisable to allocate equal amount to each recommendation
- For example: The 'Daily Calls' product carries 3 to 4 intraday recommendations. It is advisable to allocate equal amount to each recommendation

Recommended product wise trading portfolio allocation

Products	Allocations		Number of Calls	Return Objective		Duration
	Product wise allocation	Max allocation in 1 stock		Frontline Stocks	Mid-cap stocks	
Daily Calls	8%	2-3%	3-4 Stocks	0.50-1%	2-3%	Intraday
Short term Delivery	6%	3-5%	7-10 p.m	4-5%	7-10%	Opportunity based
Weekly Calls	8%	3-5%	1-2 Stocks	5-7%	7-10%	1 Week
Weekly Technical	8%	3-5%	1-2 Stocks	5-7%	7-10%	1 Week
Monthly Call	15%	5%	2-3 Stocks	7-10%	10-15%	1 Month
Monthly Technical	15%	2-4%	5-8 Stocks	7-10%	10-15%	1 Month
Techno Funda	15%	5-10%	1-2 Stocks	10% and above	15% and above	6 Months
Technical Breakout	15%	5-10%	1-2 Stocks	10% and above	15% and above	3-6 Months
Cash in Hand	10%	-	-	-	-	-
	100%					



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