

POTENTIAL WINNERS

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BANCO PRODUCTS

The company started in 1962 and has four modern manufacturing plants based at Baroda (Vadodara), approximately 400 kilometers north from Bombay (Mumbai), with state-of-the-art facilities for Production, Design & Development and Quality Assurance. The quality systems are certified to ISO/TS 16949:2002. It is working in collaboration with Elring Klinger, Germany and Japan Metal Gaskets, Japan for the Indian market. The company is a leading manufacturer of Gaskets in M.L.S., Graphite, Fibre Steel and Copper designs for Automotive, Agricultural vehicles, Diesel Commercial vehicles as well as for automotive vehicles. Banco Products also manufactures radiators for cars and pickups besides Industrial radiators, air to air intercoolers, custom designed intercoolers and intercoolers cores for various Commercial vehicles and off road Industrial applications. The company supplies to major OEMs within India and in Europe. Banco Products manufactures high quality compressed jointing sheets using non asbestos raw materials. The segment wise revenue break up between gaskets and radiators is approximately 40% and 60%. Key clients include Tata Motors, Ashok Leyland, Mahindra & Mahindra, Bharat Earth Movers Limited, Indian Railways, Boss Manufacturing Limited Caterpillar, John Deere, Tafe, JCB etc.

Financials: For the fiscal ended March 2006 sales were Rs.172.7 crore, OPM was 12.8%, net profit was Rs.12.8 crore and the EPS was Rs.17.7. For the quarter ended September 2006 sales were Rs.65 crore, OPM was 14.5% and net profit was Rs.6.7 crore.

Recommendations: Buy

AMTEK AUTO

Amtek Auto Limited, incorporated in 1985 is currently engaged in manufacturing of a wide range of components for automotive applications mainly for use in engine, transmission and suspension systems. The major categories of components include connecting rod assemblies (largest in India), steering knuckles, suspension and steering arms, CV joints, crankshaft assemblies for two-wheelers, torque links, machined aluminum case components and a wide range of precision forgings. The Company is a Tier-1 vendor and is a OEM supplier to Maruti Suzuki, John Deere, TVS Suzuki, JCB, JBML, Case New Holland, GE, Hero Honda, Hindustan Motors, Mahindra & Mahindra, Tata Motors, Sanden Corp., LML Limited, Eicher Tractors, Honda Scooters, Yamaha motors, Bajaj Auto. The company has plans at a cost of USD 200 mn for expansion of Forging Capacity from 85000 TPA to 135000 tpa, increasing Machining Capacities from 25 Mn components p.a. to 30 Mn components p.a. which include 2 Mn large components and 3 Mn small & medium components. A 20000 tpa, HPDC and GDC Aluminium Casting facilities at Ranjangaon (Maharashtra) and scaling up the Forgings and machining capacity from 90000 tpa to 160000 tpa. Amtek has also entered into a Joint Venture with Magna International Inc., a Canada Based diversified auto component manufacturer for manufacture of two piece Flex Plate Assemblies for Automotive Applications. Another joint venture is between Amtek & Neumayer Tekfor (Germany) for manufacturing Fractured Connecting Rods for diesel engine, called Amtek Tekfor Automotive Ltd.

Financials: For the fiscal ended March 2006 sales were Rs.873.4 crore, OPM was 30.5%, net profit was Rs.162.5 crore and the EPS was Rs.12.8. For the quarter ended September 2006 sales were Rs.236.3 crore, OPM was 30.8% and net profit was Rs.50.9 crore.

Recommendations: Buy

TRF

TRF is a Tata Group company, is the market leader in the material handling business, with a market share of over 20%. Company procures steel from its clients and not by itself to reduce the raw material costs. It caters to a wide range of industries namely thermal power plants, mining, steel and ports sectors. The EPC / EPCM Division of TRF Ltd. caters to the customer needs in the infra-structure, power generation, ferrous and non-ferrous metals and coal washery sectors, if required, on BOO or BOOT / BOOM basis and specializes in EPC-related activities. Other divisions are bulk material handling systems, which includes Conveyor systems for use in plants, cross-country conveyor systems, underground conveyor systems, rapid-loading systems, Bulk material handling equipment Conveyor components like idlers, pulleys, take ups, scrapers, stackers, wagon-handling equipment. The Coke oven equipment includes Stamping, charging and pushing equipment. Coal dust injection systems is where pulverised and dried coal is injected through blast furnaces for improved performance .The Coal beneficiation systems Expertise in the dense media cyclone-cum-flotation process and jig system process. Port & yard equipment Slewing cranes, grab ship & barge unloaders, stacker reclaimers. The company also makes special purpose EOT cranes for steel mills. Recently the company had signed an agreement with Kocks Krane, Germany, for supplying shipyard and container cranes.

Financials: For the fiscal ended March 2006 sales were Rs.214.6 crore, OPM was 8.6%, net profit was Rs.7.3 crore and the EPS was Rs.12.7. For the quarter ended September 2006 sales were Rs.82.6 crore, OPM was 7.7% and net profit was Rs.3.8 crore.

Recommendations: Buy

DISHMAN PHARMA

The company is based in Ahmedabad and was incorporated in 1983 by Mr. Janmejy Vyas. The company's business is organised under two segments namely, marketable molecules (Specialty chemicals, API) and contract manufacturing & research. Contract Research and Manufacturing (CRAM) business is the core of the company's business model. The company recently acquired Swiss company Carbogen Amcis AG for \$75 mn. The company is a pharmaceutical service provider with a strong product pipeline in the oncology segment with 6 molecules undergoing phase III clinical trials. Carbogen Amcis has a network of 60 clients, globally. Carbogen carries out contract research activities upto Phase II, Amcis is involved in Phase III contract research and manufacturing of select High Potency APIs. Dishman has entered into a joint venture with Arab Company for Drug Industries and Medical Appliances, Saudi Appliances Corporation and Takamul Holding Corporation for manufacturing and marketing 20 API in the Middle East.

Financials: For the fiscal ended March 2006 sales were Rs.216.9 crore, OPM was 26.6%, net profit was Rs.45.6 crore and the EPS was Rs.6.5. For the quarter ended September 2006 sales were Rs.60.6 crore, OPM was 25.3% and net profit was Rs.12.3 crore.

Recommendations: Buy at Declines

BANSWARA SYNTEX

Banswara Syntex Ltd (BSL) is promoted by R. L. Toshniwal in the textile segment. The company undertakes manufacturing of special dyed fiber, shuttle-less woven fabric, and supplies its products to leading fabric and garment producers, in India and abroad. It has the largest fiber based synthetic yarn producing unit at a single location. The company has moved up the value chain from yarns and its value added products include fabrics. It has also undertaken forward integrating into garmenting. BSL is aggressively expanding capacity at an investment outlay of Rs. 252 crores. BSL is increasing garmenting capacity to 2,860,000 pieces per annum. The company's 18 MW thermal power plant, which is scheduled to

become operational in February 2007. The company has entered into a joint venture with Carreman Michel Thierry Group of France. BSL's current capacity is of of Rs. 1.02 lakh spindles and 143 shutless looms. Its ready-made garment facility at Daman has a capacity to produce 75,000 trousers per month. Of the 1,05,000 spindles 12000 spindles are for cotton while the remaining are for synthetic fiber.

Financials: For the fiscal ended March 2006 sales were Rs.314.1 crore, OPM was 7.4%, net profit was Rs.8.8 crore and the EPS was Rs.7.3. For the quarter ended September 2006 sales were Rs.102.3 crore, OPM was 15.4% and net profit was Rs.5 crore.

Recommendations: Buy at Declines

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