

KARVY BAZAAR BAATEIN

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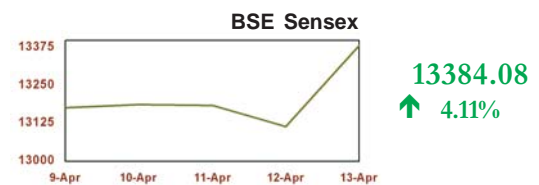
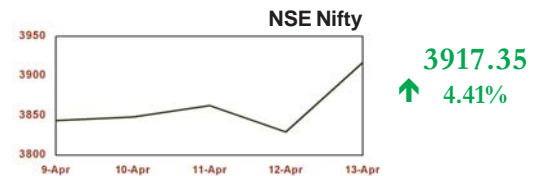
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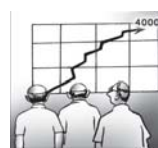
Nifty		NSE		
	Open	Close	Adv/Dec	Turnover (Rs. cr.)
09-04-07	3752.90	3843.50	859/186	6287
10-04-07	3844.15	3848.15	652/380	8441
11-04-07	3848.35	3862.65	629/406	7984
12-04-07	3861.85	3829.85	372/671	7078
13-04-07	3830.35	3917.35	691/344	9735

Sensex		BSE		
	Open	Close	Adv/Dec	Turnover (Rs. cr.)
09-04-07	12904.85	13177.74	1915/613	3093
10-04-07	13236.20	13189.54	1576/1004	4202
11-04-07	13221.76	13183.24	1532/1038	3954
12-04-07	13127.86	13113.81	1090/1466	3325
13-04-07	13163.02	13384.08	1560/988	4729



Dalal street

Infy does the honours



The much awaited trigger from Infosys changed the undertone of the markets. The company announced its FY2007 results along with the guidance for FY2008. The

numbers surpassed the street expectation which was reflected in the street reaction post announcement. The grounded Jet-Sahara deal finally took-off during the week with Jet taking over Sahara at an enterprise value of Rs.14.50bn. On the inflation front, India's wholesale price index closed at 5.74% y-o-y as against the market expectations of 5.84%. This further fuelled the rally. All sectoral indices closed in the green, Metal scrips hogged the limelight on the bourses. Nifty and Sensex notched up gains of more than 4% each, closing the week at 3,917/13,384 levels respectively. The BSE Mid-cap and Small-cap indices too advanced at the same pace, displaying broad based participation in the market. The short-term momentum is expected to continue. Nifty is expected to test 4000 and 4050 levels if the participation sustains above 3910 levels.

Sector focus

Metal



The BSE Metal index was the top performer among the sector indices soaring over 7% during the week. The steel makers led the rally in the sector; stocks like Tata Steel, JSW Steel and SAIL towered 9-11% in the week, after the steel prices moving northwards. In the non ferrous segment, Hindustan Zinc, Hindalco and Nalco gained about 2-6% as base metals prices at the LME swelled to six month high.

Technology

Technology stocks staged a bounce back on Friday after tech giant Infosys announced decent guidance for FY08 beating 70-80% of the market participants expectations. Technology stocks were oversold in the recent past after the appreciation of rupee and the US slowdown enforcing negative sentiments. Infosys announced guidance for fiscal 2008; revenues are expected to grow at 22-24% to reach \$4 bn, while EPS is expected to grow by 20-22%.

KBB weekly recommendations for week beginning 16 Apr

Scrip	Action	CMP	Entry	Stop Loss	Target	Time Frame
Satyam	Buy	481.40	475-480	468.10	500-505	3-4 Days
Tata Steel	Buy	511.20	505-510	494.50	540-542	5-6 Days
Welspun Gujarat	Buy	124.45	122-124	118.80	132-134	7-8 Days
Aptech Training	Buy	267.45	260-265	252.80	288-290	7-8 Days

Disclaimer: The above recommendations are purely based on technical analysis. Hence, the stop loss should be strictly adhered to.

NSE	
52 Wk H/L	: 4245.30/2595.65
Mcap	: Rs.34,80,302 Cr.
BSE	
52 Wk H/L	: 14723.88/8799.01

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Karvy research

Tata Consultancy Services Ltd.

(Rs. 1,232)



Tata Consultancy Services (TCS) is scheduled to report its Q4FY2007 results on Monday April 16, 2007.

● TCS would grow its revenues by 8.5% in Q4, as we expect its offshore revenues, led by BFSI, to grow much faster.

● The impact of rupee appreciation on operating margins is negative upto 50bps over Q3.

● Besides, we expect TCS to suffer treasury loss of Rs.450 mn which would dwarf the net profit growth to 4.8% over Q3.

At the current market price of Rs.1,232 the stock is trading at a PE of 20.4x FY08E and 14.9x FY09E. We recommend buying the stock with a price target of Rs.1,480.

TCS	Y/E March	(Rs Mn)	FY05E	FY06	FY07E	FY08E	FY09E
Reuters/ Bloomberg Code	TCS.BO/ TCS.IN	Revenues	97,485	132,522	187,607	259,835	350,778
Market Cap (Rs bn)	1,206	Op Profit	28,138	36,641	50,715	73,014	100,673
Market Cap (US\$ bn)	27	Net Profit	19,769	29,667	41,166	58,783	80,777
Shares Outstanding (mn)	979	EPS (Rs)	23.9	30.6	42.4	60.4	82.7
52-week High/Low	1300/727	EPS Growth (%)	44.8	28.1	38.4	42.6	36.8
		Operating Margin (%)	28.9	27.6	27.0	28.1	28.7
Major Shareholders (%)		PER (x)	51.6	40.2	29.1	20.4	14.9
Promoters	84.8	EV/EBITDA (x)	42.8	32.8	23.6	16.3	11.6
FII's	6.0	Price/Sales	12.4	9.1	6.4	4.6	3.4
Banks/Fis/MFs	2.5	RoCE (%)	75.7	56.7	51.7	50.7	48.7
Public	6.7	ROE (%)	56.8	49.5	45.2	43.5	41.4

Source: Company and Karvy Estimates

Mid-cap ideas

Nitco Tiles Ltd. (Rs.195)

Nitco Tiles Ltd. (Nitco) provides a range of flooring options not only for indoors and outdoors but also industrial applications.

The company is expected to report its Q4FY2007 results. The major highlights of the quarter are:

Merger of the reality business: During the quarter, the company announced that it will merge Shark Properties into the company and Nitco Realities into Motivation Properties. Nitco Realities is a 100% subsidiary of Nitco Tiles whereas Motivation Properties is a 100% subsidiary of Shark Properties. The share exchange ratio is fixed at 10 equity shares of the face value of Rs.10 each of Nitco Tiles for every 27 equity shares of the face value of Re.1 each held in Shark Properties. Also, Motivation Properties will issue 10,000 fully paid up preference shares of Rs.10 each to Nitco Tiles.

The merger became effective from January 1, 2007.

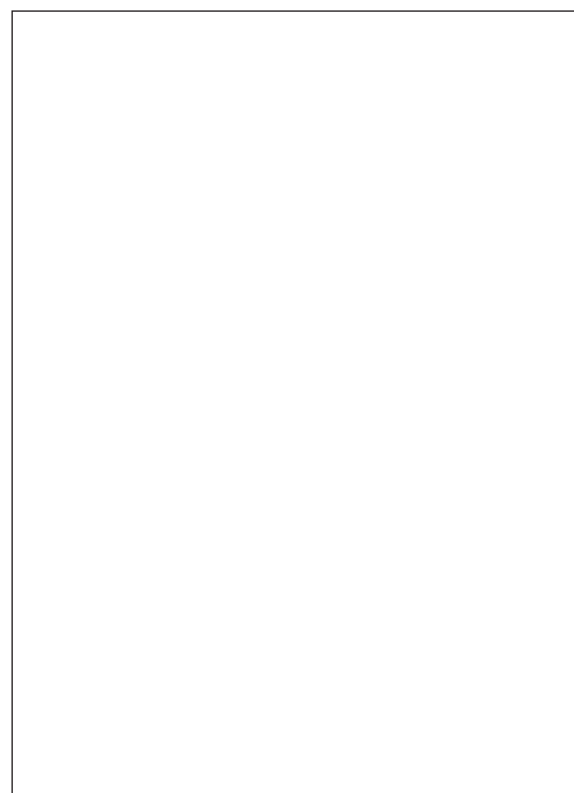
Raise funds to utilize in the reality business: The company is also planning to raise Rs.2,500 mn by way of FCCBs / GDRs / ADRs / Qualified Institutional Placement. The money raised will be primarily utilized to fund its real estate business. Due to insufficient information, we have not factored any revenues from the company's real estate business.

At the current market price of Rs.195 the stock is trading at a PE of 7.1x FY08E and 6.1x FY09E. We maintain our BUY on the stock with a price target of Rs.322.

Mastek Ltd. (Rs.308)

Mastek is a global software solutions and integration services provider which designs, develops, integrates and maintains business applications that enable enterprises to solve complex, mission-critical business problems.

The company reported its Q3FY2007



(June ended) results last week. The major highlights of the results were:

Sale of its stake in JV with Deloitte: During Q3FY07 Mastek sold its entire stake in its joint venture with Deloitte Consulting to affiliates of Deloitte Consulting LLP in line with the terms of agreement. The five year old joint venture had served its objectives and the revenues from the JV were stagnating for the past three years. Mastek received Rs.584 mn as consideration for its 50.12% stake in the JV resulting in a profit of Rs.270 mn.

Strong growth in US revenues: The revenues from US which were stagnating for the past many quarters reported a strong growth 26.6% on a rolling quarter basis being the pile driver of overall revenue growth, contributing 21% of Q3FY07 overall revenues. The revenues from Europe were flat at the last quarter level. As a result, percentage of revenues slipped from 67% of revenues in Q2FY07 to 65% in Q3FY07. The US operations witnessed noticeable growth, as it managed to successfully ramp up its relationships with the existing accounts by securing repeat orders. After many quarters Mastek managed to win four new clients and the revenues from BPO also saw strong growth.

At the current market price of Rs.308, the stock is trading at 8.4x FY2007E on an EPS of Rs.36.7 and 6.0x FY2009E on an EPS of Rs.51.2. We recommend buying the stock with a target price of Rs.410.

Market pulse

Bulk deals

Company	Wt. Avg. price (Rs.)	Traded qty	Acquirer/Seller
Buy			
Indiabulls	1485560	491.57	Citigroup
Subex	381084	550.00	Merrill Lynch
Bajaj Hindusthan	882987	208.35	UBS
SRF	730000	151.36	Citigroup
Ratnamani Metals	150000	732.01	Prudential ICICI
Grindwell Norton	440409	119.00	Franklin Templeton
PTC	850000	60.00	Morgan Stanley
Orbit Corp	236123	119.10	Deutsche Securities
Bhagyanagar India	700000	40.02	Citigroup
Allsec	79000	290.00	UTI
Sell			
HT Media	1800000	180.00	Citicorp Intl
ABG Shipyard	273000	350.01	New York Life
Allsec Tech	79000	290.00	UTI MF
Page Industries	56896	357.07	Standard Chartered
Paramount	369424	27.07	Goldman Sachs

Top Gainers (Weekly)

Company	12-Apr	05-Apr	%Change
Suzlon	1050.20	968.50	8.44
Sterlite	498.40	465.20	7.14
Grasim	2254.95	2108.75	6.93
Tata Steel	496.05	465.50	6.56
Hindalco	140.15	132.35	5.89
Siemens	1120.85	1063.00	5.44
ITC	156.25	148.20	5.43
SAIL	120.65	114.90	5.00
Sun Pharma	1091.65	1042.05	4.76
BHEL	2468.80	2361.45	4.55

Top Losers (Weekly)

Company	12-Apr	05-Apr	%Change
Zee Tele	253.65	269.90	-6.02
Dr. Reddy	705.50	729.80	-3.33
Ranbaxy Lab	336.95	346.90	-2.87
Gail	284.55	292.25	-2.63
Wipro	540.45	552.60	-2.20
Satyam	446.10	455.55	-2.07
HPCL	247.55	251.10	-1.41
Hero Honda	629.30	632.60	-0.52
HCL Tech	287.60	288.80	-0.42
Dabur India	93.85	94.10	-0.27

FII Invt (Rs.cr) MF (Rs.cr)

Date	Purchases	Sales	Purchases	Sales
5-Apr-07	2406.10	2408.30	358.82	317.80
9-Apr-07	2341.00	1773.50	437.21	390.89
10-Apr-07	1574.50	1005.10	251.79	684.38
11-Apr-07	2266.90	1864.30	1015.50	726.10
12-Apr-07	2074.60	1972.70	400.90	422.00
Total	10663.10	9023.90	2464.22	2541.17

Corporate Actions

Company	Date	Purpose
Gujarat Ambuja	20-04-2007	Unaudited Results
India Cements	20-04-2007	Unaudited Results
MTNL	24-04-2007	Unaudited Results
Patni Computer	25-04-2007	Audited Results
Bharti Airtel	27-04-2007	Audited Results
Polaris Software	27-04-2007	Audited Results

Technical picks

Tech Mahindra

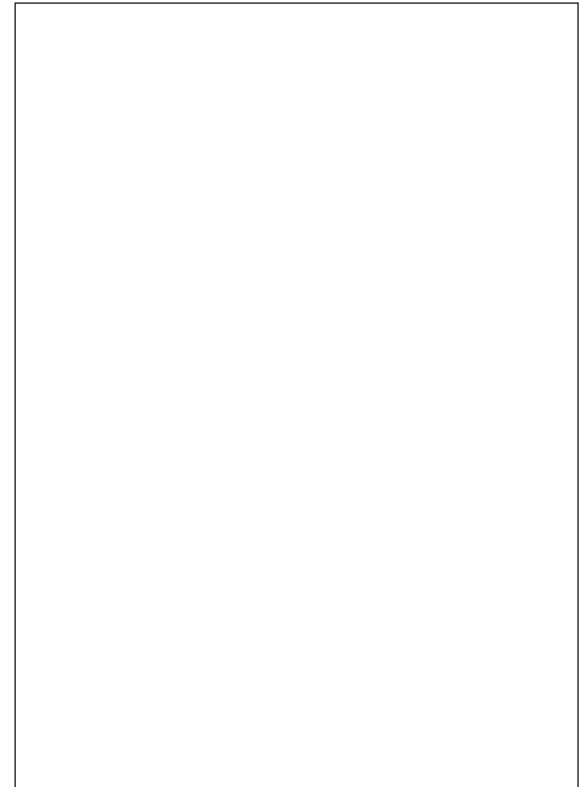
(CMP: 1494)

The stock has been consolidating in a range of 1330-1500 levels for the last few trading sessions. However, significant buying was observed on last Friday, indicating the stock might witness a breakout of the range. The 14-day RSI is confirming the uptrend in the stock. The 8-day EMA line has cut the 21-day EMA line from below, thereby generating a buy signal on the stock. The stock has also managed to close above all its short-term moving averages. A sustained close above 1500 levels will induce fresh buying interest which might guide the stock to test 1790-1800 levels in a medium-term scenario. Strong support for the stock is placed at around 1330 levels which is not likely to be pierced in near-term. Investors are advised to assume long positions in the stock only if it is able to sustain above 1500 levels, for an immediate target of 1790-1800. All long positions in the stock should be protected with a stop loss below 1330 levels.

Reliance Communication

(CMP: 421.50)

The stock ended in the positive territory last week, up by 6.35%. It is attracting buyers at every decline, indicating the strength to prevail in coming sessions. The 14-day RSI has pierced the trigger line from below, thereby generating a buy signal on the stock. It is also expected that



the 8-day EMA line will cut the 50-day EMA line from below in coming sessions, which will induce fresh buying interest in the stock. The stock has the potential to test higher levels of 490-500 levels in near-term. It has a support placed at around 390 levels. A slide below that level will force the stock test 370 levels. Investors are advised to accumulate the stock at around current levels for an immediate target of 490-500 levels. The stop loss should be placed below 390 levels.

Technical portfolio

Balance on Inception (01-Jan-07)	10,00,000
Balance last week (6-Apr-07)	9,92,527
Balance current week (13-Apr-07)	10,16,722.5
Abs. Return WoW (%)	2.44%
Abs. Return since Inception (%)	1.67%

KBB weekly recommendations monitor

Scrip	Action	Entry	SL	Target	Shares(#)	P/L	Return	Remark
Mindtree	Buy	825-830	809.10	890-895	217	13,588.75	7.55%	TA
Sail	Buy	112-114	108.10	123-125	-	-	-	NI
Balrampur Chinni	Buy	72-74	69.05	81-83	2465	-9,735.13	-5.41%	SLT
Gesco Corp	Buy	585-590	571.80	640-645	306	10,320.23	5.74%	CMP
Total						14,173.85		

Balance on inception (01- Jan- 07)	Balance last week (05-Apr- 07)	Balance current week (13-Apr-07)	Abs. returns WoW (%)	Abs. returns since Jan 1, 2007(%)
5,00,000	539,745	553,919	2.63	10.78

TA - Target achieved	SLT - Stop loss triggered	CMP - Closing price as on last trading day
NI - Not initiated	# No. of Shares	SL - Stop Loss P/L - Profit/Loss

Commodities

Precious metals review

Gold: Last week proved to be sideways for bullion, although the bias was on the downside. The primary reason was the strong employment data coming in from the United States. The Non Farm Payrolls increased by 1,80,000 and the general Unemployment Rate declined to 4.4%. The effect of this data was felt on the US\$ which appreciated against the Euro, thereby reducing the attractiveness of Gold. Last week the Import Price Index increased strongly by 1.8% compared to previous levels of 0.4%. This is more due to higher cost of energy prices. The Euro rose sharply against the US\$ on the back of the comments issued by the ECB Chairman, that higher inflationary pressures in the Euro Zone will force the ECB to hike rates later this year, probably by the end of June, 2007. At last week's meeting, the ECB kept the rates unchanged at 3.75%. Another significant event last week was the FOMC minutes, wherein the Fed reiterated its focus again on inflationary pressures in the US economy. This reduces the possibility of the Fed cutting back on interest rates by the first half of 2007.

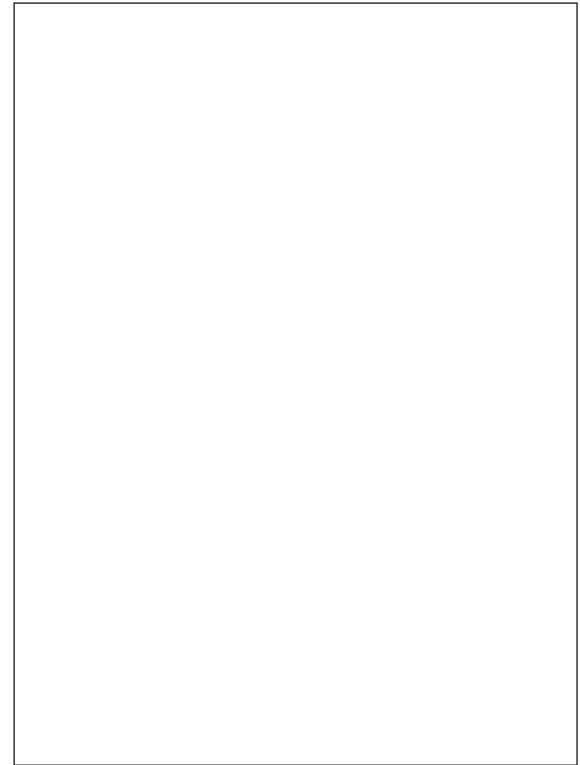
Energy review

Crude Oil: Crude prices will mostly trade rangebound. However, there might be

slight upside movement given the drastic fall in gasoline stockpiles, even as retailers scramble to stock up on gasoline supplies ahead of the crucial US driving season. Moreover, refinery shutdowns due to maintenance repairs are also reducing the gasoline output from refineries.

Agri market review

Chana: Chana prices moved up towards 2490 levels in the last few days on continued buying even as spot prices remained steady for some time. Arrivals declined in Madhya Pradesh and Maharastra, while increased in Rajasthan. Arrivals in Delhi increased to 60-70 trucks from recent daily arrivals of 20-25 trucks. Millers and stockiest are active buyers in market expecting further rise in prices in medium-term. Meanwhile, government has taken a decision to import 1.5 million tonnes of pulses in the next 6-8 months to control rise in prices. However, exact quantity of chana to be imported is not known. Arrivals may decline from Rajasthan also in coming days. Output estimates have been lowered to 59.7 lakh tonnes from 61.2 lakh tonnes for this year. Prices may trade sideways with positive bias due to strong demand and declining arrivals. Decision to import pulses may not have significant impact on prices of chana as global markets also face severe shortage of pulses and import prices may quote higher than domestic prices.



Refined Soy Oil: Refined Soy Oil futures have displayed upward movement last week tracking strong international markets especially Crude Palm Oil on Bursa Malaysian Derivatives Exchange. Most active third month CPO futures have crossed 2200 level touching eight year high of 2205 per tonne. Rise in export of palm oil from Malaysia supported the prices. During April 1st to 10th period, Malaysia had exported 4,28,985 tonnes, up by 38% from 3,10,679 tonnes exported in the same period a month ago. In its latest World Agriculture Supply and

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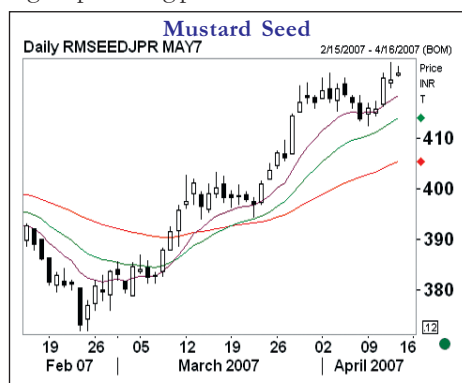
CRASH

time to cash in
on the market's
upward trend

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Demand Estimates, Foreign Agriculture Services division of United States Department of Agriculture has kept the US soybean production estimates unchanged at 3,188 million bushels.

Mustard Seed: Mustard Seed prices have been rallying in line with our expectations. Staggered arrivals to the spot markets coupled with strong demand from oil millers are supporting the prices in the futures market. Lower production estimates at 58.5 lakh tonnes against 67.7 lakh tonnes produced last year is also adding a bullish note to mustard seed futures prices. So far, NAFED had procured only 25,000 tonnes of mustard seed due to higher prevailing prices.



Sugar: Sugar futures traded on lower side on the back of higher supply amidst lack luster demand in the market. In its third advanced estimates, government had revised sugarcane production to 322.94 million tonnes compared to 315 million tonnes earlier. However, for the current month, the sales quota is fixed at 12 lakh tonnes which is lower than the 15 lakh tonnes of March quota. Government had also extended the validity period of the March sales quota release till April 15, so that mills could dispatch their unsold quantity during this extended period to support the falling prices. Overall, sentiments remain bearish as Election Commission had withheld the Centre's recently announced relief package for the sugar industry. Maharashtra sugar mills had slashed their export floor price from Rs.1,320 to Rs.1,275 per quintal FOR (free-on-rail). At a meeting of the Sugar Export Cell under the Maharashtra Sugar Commissioner, it is decided that the mills in South Maharashtra will sell sugar at Rs.1,320 per quintal, against the earlier levy level of Rs.1,345 per quintal. For near-term, sugar prices may remain on lower side.

Guar seed: Guar seed traded sideways in between 2100-2025 (NCDEX May contract) for the last few days with steady spot prices. Guar gum exports have increased by 10.5% in the eight months ended November to 1,22,869 tonnes. It is valued at \$164 mn increasingly by 17%. During 2006-07 (Apr-Mar), India exported about 2,75,000 tonnes against 1,86,530 tonnes compared to last year. Stockiest are not offloading their produce at lower prices on expectation of further rise in prices. However, stocks have increased by 13% from March 1st till second week of April and touched 30,000 tonnes in NCDEX exchange warehouses. (Meteorological department was expected to release weather report in the second week of April, which will have a major impact on prices in medium-term.) Prices may remain firm on heavy speculative buying prior to weather report supported by steady demand. At the same time, sharp rally in prices may not be seen due to increased warehouse stocks.

Spices review

Jeera: Jeera futures prices edged up on the back of declining arrivals in the Unjha spot market. However, market showed slight corrections in between due to long liquidation.

- Rain in Turkey and Syria may lower the production levels and also delay the crop arrivals.
- Average daily arrivals are around 10,000 bags compared to 15,000 bags previous week.
- Production of Jeera during 2005-06 was around 1.2 lakh metric tonne(MT), whereas production is estimated to be only around 35,000 to 40,000 MT during 2006-07 due to severe crop damage in Rajasthan by unseasonal rains.
- Availability of Jeera for the current season is expected to be only 20- 30%.
- Spot market at Unjha remained firm due to concerns over crop damage.
- Only 5 lakh bags left as carry forward for 2007 compared to normal carry forward of around 10 to 15 lakh bags.
- Export demand is expected to improve in coming months.

Pepper: Pepper futures prices climbed up on the back of strong fundamentals. Factors supported price rally during previous week are:

- Vietnam holding the Pepper prices around \$3300 per MT compared to \$2900 per MT previous week.
- Production is expected to fall severely in Vietnam as there is no selling pressure in the overseas market.
- Stockiest bought at around 15700 levels in the Cochin spot market in anticipation of further rally in the prices.
- Lower production estimates in Brazil led to price target of \$5000 per MT in 2007.
- Overseas markets was closed due to Easters holiday.
- Export enquiries for black Pepper coming from Taiwan, Japan and Australia indicating lower stocks in Malaysia and Indonesia.
- Pepper production in Vietnam is projected to lower by 10-15% due to unfavorable weather conditions.

Turmeric: Turmeric prices remained steady with slight gain on the back of improved buying from stockiest in the market.

- Arrivals at Nizamabad spot market remained steady at around 14,000 bags per day.
- Improved demand from stockiest.
- Increased selling pressure in Erode and Sangli markets.
- Aggressive buying from traders may push the prices upwards.
- Exports are expected to improve in coming days.

Chilli: Chilli futures prices remained highly volatile on the back of increased speculative activity in the market.

- Poor quality Chilli arrivals at Guntur spot market dampened the buyers' interest in the market.
- Average daily arrivals are around 60,000 with spot prices ranged between Rs.4,900 to Rs.5,200.
- Steady export and domestic demand.
- Heavy buying from stockiest pushed the prices upwards. .
- Estimations of lower crop in China and Pakistan.
- Export orders from Bangladesh kept market under tight situation.



Personal Finance Matters

Weekly Personal Finance Advisor from Karvy - The Finapolis

MUTUAL FUNDS & INSURANCE

Top performers as on Apr.12, 2007

Balanced		
Fund	NAV	Returns(%)
Magnum Balanced	34.01	34.14
HDFC Prudence	111.69	33.46
Canbalance II	36.12	31.02
Kotak Balance	22.87	30.53
Principal Child Benefit	56.37	28.97

*Annualised 3 year returns

Equity Diversified		
Fund	NAV	Returns(%)
Magnum Global	41.40	62.21
Magnum Contra	36.46	55.17
Sundaram BNP Paribas Select Midcap	87.14	52.58
Taurus Starshare	37.91	49.31
Reliance Growth	262.00	49.17

ELSS		
Fund	NAV	Returns(%)
Magnum Taxgain	43.00	62.15
HDFC Tax saver	134.41	47.08
Sundaram BNP Paribas Tax saver	26.35	46.06
Prudential ICICI Tax Plan	82.93	43.97
Principal Tax Savings	74.21	39.36

NFO

Birla Long-Term Advantage Fund-Series I

It is a 3-years close-ended equity fund that aims to invest in small and mid-cap stocks. Upon maturity, the scheme would be automatically converted into an open-ended fund.

Defining small & midcap stocks

The fund would invest in smallcap and midcap stocks as defined by the following indices:

	Market capitalization range* (Rs. Crores)
Mid-cap	800 – 10,000
Small-cap	Less than 800

Source: Birla AMC

*The definition of midcap stocks is on the back of market capitalization of CNX Midcap index.

Analyst's view:

Risk return profile: Since high volatility is associated with mid-caps and small-caps, investment in this fund involves higher degree of risk when compared to a diversified or a large-cap fund. However, on the back of growing economy and the size migration of small-caps to mid-caps and mid-caps to large-caps, the fund offers higher return potential than a diversified or large-cap fund.

Suitability: Investors willing to take additional risk to achieve higher returns than equity diversified funds can opt for the fund.

Preferred horizon: More than 3 years.

Snapshot:

Offer period	Apr 9, 2007 to May 11, 2007
Offer price	Rs.10
Benchmark	BSE 500
Scheme type	Equity (close-ended)
Plans offered	Growth and dividend
Min. investment	Rs.5,000
Entry/Exit load	Nil*
Fund Manager	Mr. Jayesh Gandhi
Liquidity	Monthly

Source: Birla Sunlife AMC

Fidelity International Opportunities Fund

Fidelity International Opportunities Fund aims to invest in equities and equity related securities in both domestic as well as international markets, thereby offering international diversification.

Asset allocation:

Equities and equity related securities in India	At least 65%
Equities and equity related securities in international market	Nearly 30%
Money market instruments	Nearly 5%

Analyst's view:

Risk return profile: While investing in international markets, the fund would invest in both developed and developing countries. Hence, the fund falls under the moderately aggressive category of risk-return profile. Since the fund's exposure to foreign markets is around 30% and it would not adopt any sector or cap bias strategy, its risk-return parameters could be comparable to equity diversified funds investing in domestic markets.

Suitability: Investors who want to give a flavour of the risk-return associated with international markets and are looking for a moderately aggressive fund and can go for it.

Preferred horizon: 3 years or more.

Snapshot:

Offer period	Apr 9, 2007 to Apr 30, 2007
Offer price	Rs.10
Scheme type	Equity (open-ended)
Plans offered	Growth and dividend
Min. investment	Rs.5,000
Entry load	2.25% (for investments less than Rs. 5 crores) Nil (for investments above Rs. 5 crores)
Exit load	1% (if redeemed within 6 months from the date of investment)
Fund Manager	Mr. Rajesh Singh & Mr. Leng Ng

Source: Fidelity AMC

Insurance

Mahalife

Mahalife is a whole life assurance plan from Tata AIG Life Insurance Company Limited.

Unique Selling Proposition

- Limited premium payment for first 12 policy years.
- Guaranteed annual coupon of 5% of sum assured, every year from 12th policy year onwards. Non-guaranteed yearly cash dividends from 6th policy anniversary onwards.

Policy Benefit

On death of life assured or at maturity at age of 100 years, entire sum assured is payable.

Eligibility parameters

Entry age: min.-0 years; max.-60 years.

Policy maturity age: 100 years

Policy term: 100 years less entry age

Sum assured: minimum – Rs.50,000

Annual premium: minimum – Rs.5,000

Premium payment frequency: annual, semi-annual, quarterly and monthly.

Riders available:

- Disability benefit rider
- Accident benefit rider
- Term benefit rider
- Waiver of premium rider
- Critical illness benefit (lump sum benefit or accelerated benefit) rider

Indicative premium

Annual premium (payable for first 12 years only) for Rs.10 lakhs policy for a 30 year old male is Rs.67,500

Tax Benefits

Premium payable under the plan is eligible for deduction under Section 80C of the Income Tax Act, 1961. Also, the policy benefits are exempt under Section 10(10D) of the Act.

Personal Finance

Nuts & bolts of PFP

Revision



We are back with an idea on Derivatives as discussed last week. A derivative is a financial instrument that is derived from an underlying asset's value. Here market participants enter into an agreement to exchange money or assets at some future date based on the underlying asset. It can be based on different types of assets such as commodities, equities, interest rates, etc. Options/futures and swaps are among the most common type of derivative.

For example, farmers can sell futures contracts on a crop to a speculator before the harvest. The farmer offloads (or hedges) the risk that the price will rise or fall, and the speculator accepts the risk with the possibility of a large reward. The farmer knows for certain the revenue he will get for the crop that he will grow; the speculator will make a profit if the price rises, but also risks making a loss if the price falls.

PFP Classroom

Under cutting the Volatility... Continued

Continuing the idea of 'Under cutting the volatility', this week we will discuss the first method and that is Rupee-cost averaging through a regular or periodic investment. This means regularly investing in a security or a fund on a particular day, say 1st of every month would invest Rs. 10,000 in Tata Steel. Let's do it with an illustration.

Tata Steel bought every month from April 06 to March 07, investing Rs. 10,000 every month.					
Date	Price	No of shares	Date	Price	No of shares
Apr-06	543.1	18.41	Oct-06	535.65	18.67
May-06	645.85	15.48	Nov-06	489.9	20.41
Jun-06	488.95	20.45	Dec-06	468.15	21.36
Jul-06	533.65	18.74	Jan-07	482.25	20.74
Aug-06	496.4	20.15	Feb-07	457.4	21.86
Sep-06	501.85	19.93	Mar-07	451.1	22.17

Under this scheme: Total amount invested Rs. 1,20,000, Units : 238 equity shares, Current value: Rs. 1,21,805, **Profit: Rs. 1,806.**

One time buying in April 06: Total amount invested: Rs.1,20,000, Units: 221 shares, Current value: Rs.1,12,907, **Loss: Rs.7,903.** This shows that even after Tata Steel falling significantly initially you would gain out of this proposition.

PFP at KARVY

Preparation of the financial plan

As we have discussed Financial planning is the process of meeting your life goals through the proper management of your finances. Life goals can include buying a home, saving for your child's education or planning for retirement. The financial planning process as described by CFP Board consists of six steps that help you take a "big picture" look at where you are financially. Using these six steps, you can work out where you are now, what you may need in the future and what you must do to reach your goals.

The six steps are following:

1. Establishing and defining the client-planner relationship
2. Gathering client data, including goals
3. Analyzing and evaluating your financial status
4. Developing and presenting financial planning recommendations and/or alternatives
5. Implementing the financial planning recommendations
6. Monitoring the financial planning recommendations

We will discuss the benefits of this exercise in forth coming issue.

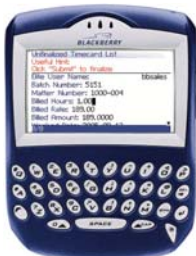
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IPO update

Hilton Metal Forging Limited

Business Overview

Hilton Metal Forging Ltd. (HMFL) is a leading manufacturer and exporter of forged components for international markets. HMFL has a total installed capacity of 11,100 metric tonnes (MT) per annum and can execute orders for a wide range of forged items weighing from 0.5 kg (1.10 lbs) to 750 kg (1650 lbs) for the oil and gas sector, petrochemical, pharmaceutical, automobile industries and is entering into the field of other Original Equipment Manufacturers (OEMs).

HMFL manufactures pipe fittings, screwed fittings, valves and fittings and various other components as per the customers' requirement in all types of alloys for various industries.

Investment rationale

- The company intends to expand for oil and gas sector, as the demand for this sector is rapidly increasing in developed countries such as Netherlands, U.K., Canada, U.S.A. and Germany. Therefore, the company's products will have greater demand world wide.
- The company is in multi-product segment

Key Information on the Issue

Book Run & LM Registrars	Centrum Capital Limited and SREI Capital Limited Sharex Dynamic (India) Private Limited
Shares On Offer	Net Issue of up to [o] Equity Shares of Rs. 10 each.
Price Band	Rs.70
Issue open/close	Apr. 18 to Apr. 24, 2007
Appl. Details	Min. Application 80 shares in multiples of [o] thereafter.
Issue Objectives	1. Expansion of its existing capacity from 11100 MTA to 24900 MTA by installing additional Plant & Machinery. 2. Setting up new building i.e in house die shop/tool rooms, heat treatment and Laboratory to manufacture the large size components like front axle beam, Forged Valves, Bodies, multithrough crank shaft large size connecting rod & cam shaft for marine diesel engine. 3. To meet the Working Capital Requirement 4. To meet the Public Issue expenses 5. To list the equity shares of the Company on the SE

Source: Draft Prospectus & Karvy

and it is not depending on few products. Therefore, the company has opportunity for continuous growth.

- Existing profit making company with experienced promoters who have significant understanding of the forging industry.
- Established business relationships with leading buyers from Europe and U.S.A
- Large manufacturing capacity with most modern infrastructure facilities for economic scale of operations.
- Catering 95% to oil and gas sector which is most profitable as compared to automobile sectors.
- Certifications are very critical to the industry as very high pressures are to be handled by flanges. Apart from ISO certifications, the company has received certifications from respective standardization agencies of various countries like the U.K., the U.S.A. Holland and Canada. This has increased acceptability of its products and company has become an "Assured Supplier" to various reputed distributors and original equipment manufacturers.
- The Promoters are experienced in the forgings business and have achieved major milestones and are operating in a niche market

catering mainly to the oil and gas sectors. They enjoy good reputation with their suppliers as well as with their buyer. The company has recently received award for excellence from EEPC for the year 2005.

- The company is one of the two Indian forging companies to have the US approval for 0.60%

import duty as against anti-dumping duty of 160% imposed on other units. This has opened a very big market for the company.

Risk factors

- The present installed capacity of the company stands at 11100 MT; against which actual utilization of capacity for FY 2006 was 15.12 %. With the proposed expansion, there will be substantial increase in capacity to 24,900 MT and as such, the profitability of the company will depend on efficient utilization of capacity.
- Both the plants of the company are located in Wada, Thane. As a result, if there is any localized social unrest, natural disaster or breakdown of services and utilities, it may affect the business of the company.
- A major part of the revenues of the company are derived from exports. Fluctuation in the exchange rates may affect the profitability of the company.
- The company's products are 'made to order' and in case of rejection from the buyer, there is no general market for the said products.
- The company is mostly depended on oil & gas industry and any slowdown in the industry will adversely affect it revenues and profitability and has to find other user industries.
- The company run's as family business and as such, there is low level of professionalism. Any separation of promoters from the company may adversely effect its operations.

Valuation

Companies	EPS (Rs.)	NAV %	PE (X)	RoNW (%)
Hilton Metal Forging (Weighted Average)	6.2	[o]	[o]	47.3
Bharat Forge	8.8	52.4	31.1	36.7
Shree Ganesh Forging	3.8	23.9	9.1	34.2
Ramakrishna Forging	5.7	39.7	15.6	33.5

Source: Draft Prospectus

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