

ACE

Action Construction Equipment Limited

**IPO Price band
Rs. 110 - Rs. 130**

Hurryup!!!

Issues closes on
September 7, 2006

Atlanta Limited

**IPO Price band
Rs. 130 - Rs. 150**

Soul mate in your **Financial Journey** - the **Financial Planner**

The role of a financial planner is to identify and help the client accomplish his/her financial objectives. A financial planner provides you with valuable assistance in planning for your future. A financial planner helps you to:

- ❖ Develop an investment strategy that meets your needs
- ❖ Select a portfolio of investments
- ❖ Review your Statement of Advice and investments regularly to ensure they continue to provide you with the income, growth and financial security you require

A "financial planner" is a less clear role. Most people understand that the role of a financial planner is to develop financial plans for their clients. This would include examining the client's financial situation, goals and time horizon. The financial planner would then recommend a financial plan, including suggested investment alternatives.

There are several stages to developing a financial plan, including determination of current financial condition, goals and objectives, and constraints, executing the financial plan, and then providing ongoing monitoring of the plan to ensure that it continues to meet the objectives

The financial planner clarifies the client's present situation by collecting and assessing all relevant financial information, including:



- ❖ Cash flow statement
- ❖ Insurance policies
- ❖ Tax returns
- ❖ Investment portfolio and transactions
- ❖ Retirement planning

Essentially this step summarizes where the client is today. An individual's current situation is a result of the cumulative effects of all of the financial decisions and transactions that have occurred in the past up until the current time.

Equity Recommendations

FUNDAMENTAL RECOMMENDATIONS

Scrip	Action	CMP(Rs.)	Entry(Rs.)	Stop Loss(Rs.)	Target(Rs.)	Time Frame
Cadila Healthcare Ltd.	Buy	660	-	-	790	12months

Cadila Healthcare Ltd. (Rs.660)

Recommendation : Out Performer

Target Price : Rs790

Cadila Healthcare is the flagship of Zydus Cadila group. The company is engaged in pharmaceuticals (human formulations, veterinary formulations and bulkdrugs), diagnostics, herbal products, skin care products and OTC products.

We expect the net sales of the company to be Rs17, 815mn for the current year and

Rs20, 432mn for FY2008E. The net profit for the company is expected to be Rs2, 075mn for FY2007E and Rs2, 742mn for FY2008E. At the current market price the shares of the company are trading at 18.8X FY2007E EPS and 14.2X FY2008E EPS.

US business gaining traction: Tie-up with Mallinckrodt will have is a win-win deal as Mallinckrodt has got presence in non - narcotic based segments and Cadila will have an opportunity to scale up in the US generics market. Cadila is expecting 12 approvals in FY 2007E and 15 approvals in

FY 2008E which would lead to a product basket of 25-28 products on shelf in FY 2008E.

ROW, French business and to pan out: The company's French business is expected to move up from Euro 10 mn in FY 2006 to Euro 16 mn in FY 2008. This business is expected to breakeven in FY 2007. Aggressive ramp up in product basket and volumes will enable scale up in this business. Emerging markets would be another revenue driver on the back of scale up in Brazil and Rest of the World (ROW) business segments.

Customs Manufacturing: This business is expected to show traction with 11 contract manufacturing deals expected to pan out from FY 2006 and peaking out in FY 2008. This would enable the company to de-risk its reliance on the Altana JV going forward.

Insurance Corner - Bajaj Allianz 'Health Guard' Plan

Human being as a social animal faces a number of risks, both to his/her individual life as well as to the life of the near and dear ones. One of these predominant risks is that of falling ill or meeting with an accident. And, as the cost of medicines, hospitalization and medical treatment sky rockets, the danger of these moving out of ones financial reach and resources, increases.

Health insurance, popularly known as Mediclaim, is the most novel means of insuring against the financial stress one would have to face in case of an illness or occurrence of an accident.

In this regard, Health Guard a unique health insurance policy from Bajaj Allianz General Insurance Company covers the various medical expenses in relation to the occurrence of an accident or illness.

The main features of the policy are:

Cashless hospitalization facility - in all the hospitals empanelled with the insurance company.

In case the insured person is admitted to a hospital that falls outside the above network of hospitals, the hospitalization expenses incurred will be reimbursed within 14 days from submission of documents for reimbursement claim. In this regard, 10% of the admissible claim is to be paid by the insured.

Pre and post hospitalization expenses reimbursement - policy covers the relevant expenses incurred 60 days prior to and 90 days after hospitalization.

Ambulance expenses - incurred in case of an emergency are covered, subject to a maximum limit of Rs.1000.

126 daycare procedures - are covered under the policy subject to terms and conditions.

Inbuilt E-opinion rider cover - available for sum insured of Rs.5 lacs, Rs.7.5 lacs and Rs.10 lacs.

Cumulative bonus - of 5% of the sum insured is available in respect every claims free year.

Family discount - of 10% is available when health insurance cover is taken for the entire family.

Health check up - is provided for at the designated Bajaj Allianz Diagnostic Centers or the expenses upto Rs.1000/- are reimbursement, at the end of continuous four claims free years.

Basic plan parameters :

- ❖ Eligibility age 5 years to 55 years (maximum)
- ❖ Children below 5 years can be insured if the parents are concurrently insured with the company.
- ❖ Maximum sum insured Rs.7.5 lacs and Rs.10 lacs for persons aged upto 40 years (subject to clean proposal form and medical tests); Rs.3 lacs for persons above 50 years of age.

Tax Benefits - are available under Section 80 D of the Income tax Act, in respect of the premiums paid under the policy.

The policy exclusions are :

- ❖ All diseases/injuries existing at the time of proposing for the insurance cover.
- ❖ Any disease contracted during the first 30 days of commencement of the policy
- ❖ Certain diseases such as hernia, piles, cataract (liability restricted upto 10% of sum insured, maximum upto Rs.25,000), sinusitis shall be covered after a waiting period of 2 years
- ❖ Non Allopathic medicine
- ❖ Congenital diseases
- ❖ All expenses arising from AIDS and related diseases
- ❖ Cosmetic, aesthetic or related treatment
- ❖ Use of intoxicating drugs, alcohol
- ❖ Joint replacement surgery (other than due to accidents shall have a waiting period of four years).

Equity Corner - IPO - ATLANTA Ltd.

Key Information on the Issue	
Book Running & Lead Mgr.	Karvy Investor Services Ltd., UTI Securities Ltd., SREI Capital Markets Ltd.
Registrars	Karvy Computershare Pvt. Ltd.
Shares On Offer	4,300,000 Equity shares of Rs 10 each, net issue of 4,100,000 to public, through 100% book building process
Price Band	RS 130 - Rs.150 per share
Application Details	Minimum Application 45 shares in multiples of 45 thereafter, Maximum Retail Bid Amount Rs 100,000.
Issue Objectives	To meet the investment Requirements of Nagpur-Kondhali BOT Project. Purchase of plant & machinery for mining, construction & real estate business. Repayment of High Cost Debt and Working Capital Requirements.

Investment Rationale

Impressive Track Record

The company has a strong track record of completing projects in the stipulated time schedule. It has completed many construction projects awarded by reputed organizations like Public Works Department, Airport Authority of India, National Highway Authority of India, and Municipal Corporations. The company boasts of over 30 years of experience in the Infrastructure sector and over a decade's experience in real estate and mining business.

Increasing Profitability

The turnover has grown at a CAGR of 24% in the past five years with Net Profit growth of over 47% in the same time. As a result, the company has been able to give a much better return to the stakeholders. In FY 06, the RONW and ROCE stood at 23.7% and 13.6% respectively.

Highly Growing Construction Industry

Atlanta Ltd. stands to benefit from the large spend being planned for the infrastructure development projects by the government of India. Over 60,000 crores of investment is expected to be made in key infrastructure sectors like roads, railways, ports, power plants etc. in the next 4-5 years. This gives a clear visibility to the company's earnings in the times to come.

Risk Factors

- ❖ Major portion of company's revenues in the mining segment are dependent on one company, Mahanadi Ltd.
- ❖ Construction companies are highly dependent on timely supply of requisite raw materials. Also the prices of key raw materials like cement, firming up may have an adverse impact on the profitability of the company.

*Read the offer document carefully

Mutual Fund Corner - Recommendations

Recommended schemes to invest		Historical returns as on August 30 (%)			Crisil Ranking for qtr end June - 06
		6 months (abs)	1 year	3 year (ann)	
Aggressive(Equity)	DSP ML Opportunities	8.55	46.16	51.14	2
	Tata Infrastructure	11.24	49.61	N.A.	-
	Reliance Growth	5.98	32.43	62.17	1
	Sundaram Select Midcap	18.23	56.88	68.61	1
Moderate(Equity)	Fidelity Equity Fund	6.94	37.02	N.A.	-
	HDFC Equity	9.66	53.02	50.79	2
	Reliance Equity	N.A.	N.A.	N.A.	-
	SBI Magnum Contra	11.89	46.93	73.88	1
Conservative(Equity)	DSP ML Top 100	11.18	51.72	47.25	3
	Sundaram India Leadership	2.10	37.55	N.A.	2
	Franklin India Bluechip	9.35	46.46	47.10	4
	Templeton India Equity Income	N.A.	N.A.	N.A.	-
ELSS	Franklin India Taxshield	1.19	29.62	46.08	3
	HDFC Tax saver	8.33	34.40	62.09	2
	SBI Magnum Tax Gain	8.40	32.78	80.95	1
Balanced	DSP ML Balanced	7.08	34.03	33.89	3
	HDFC Prudence	9.85	35.08	39.41	1
	Kotak Balance	4.28	32.37	38.41	2

Equity Corner - IPO - ACTION CONSTRUCTION EQUIPMENTS Ltd.

Key Information on the Issue	
Book Running & Lead Mgr.	Karvy Investor Services Ltd.
Registrars	Karvy Computershare Private Ltd.
Shares On Offer	4,600,000 Equity shares of Rs 10 each with net issue to public of 4,500,000 Equity Shares of Rs. 10 each.
Price Band	11 times on the upper band and 13 times on the lower band of issue i.e. Rs. 110-Rs.130.
Application Details	Minimum Application 50 shares in multiples of 50 thereafter, Maximum Retail Bid Amount Rs. 100,000
Issue Objective	To set up a new manufacturing plant for Loaders, Higher capacity Tower cranes and Construction Equipments. To Expand and Modernise the existing Capacities and Facilities. To fund Acquisitions and Investments. To provide additional working capital and Set up Corporate office and R&D centre.

Investment Rationale

High Growth Prospects

Construction equipment industry is growing at 25%. In India since past few years Real Estate and Construction industries are booming and are expected to continue so with government spending increasing. This acts as a revenue driver as construction equipments demand is likely to rise.

Advantage over Competition.

Firstly, purchasing power is greater than that of competition. The overheads are lower than competition due to higher productivity. The product line is also more diversified than competition.

To serve 50% Requirement

The annual requirement of cranes in the country is 4000 units and the company plans to meet half of the total requirements.

Risk Factors

- ❖ The major raw material is MS Steel. Metal prices are highly volatile and also very sensitive to international factors. Any big fluctuations can affect profitability substantially.
- ❖ The company has not yet obtained registration of trademarks, though it has applied for the same. The products of the Company are branded and marketed under the name 'ACE' and it is important for the Company to obtain registration of this name.

*Read the offer document carefully

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