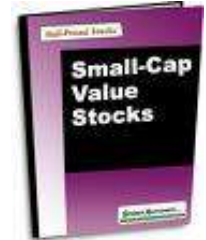


HIGH RISK - HIGH RETURNS: SMALL CAPS

High-Risk Shares Need Patience

Shows how to make unconventional, off beat but always calculated speculative investments. Contains sound financial planning and prudent investment management guidance. Explores emerging, undervalued, third-world stock markets, debt/equity swaps and reverse LBOs. Securitized assets, troubled and start-up companies, foreclosed properties and junk bonds are also included.



Investors considering small-cap funds must be prepared to make a long-term commitment. Managed funds that invest in the small companies listed on global share markets have produced big returns for investors. Since 2000, global small companies have outperformed large companies by a wide margin and, over the past few years, the best-performing funds have produced annualised average returns of 20 per cent.

However, companies with small market capitalisations, often referred to as small caps, make up a large and volatile sector of global share markets. Many global small cap funds lost up to 20 per cent over the past six months. When the US subprime mortgage crisis hit in the middle of last year, global share markets started to wobble. When the possibility of a US recession emerged late last year, the wobble turned into a correction. With the economic headwinds building, investors have been moving their money into high-quality companies with big brands.



The flight to quality has hit small companies and the funds that invest in them. Small companies are riskier than larger ones and investors expect to be compensated by higher returns. Investors thinking of moving into small-cap funds must accept that returns will be up and down more than those of large-cap funds. Anyone considering small caps must be prepared to make a long-term investment.

We the team of CapitalVia advises clients to invest according to personal risk appetite and financial stability in this small cap stocks. Small caps stock can give good returns keeping in mind the market movement and sentiments of Indian economy. The volatility in large cap stocks company's more than small caps. One should consider the investing in small caps with the long term investment motto. The return in small caps are good as they have strong fundamentals but one who have strong financial stability and do not have liquidity crises can invest in such small caps stock which we have recommended below keeping in mind focus of return in long term.



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Sr. No.	Script Name	Script Code	CMP(23-12-08)	Target
1	India Lease Development	500202	6.16	11.15
2	Rungta Irrigation	530449	15.00	23.30
3	Kachch Mineral	531778	4.30	9.13
4	Super Spinning	521180	6.45	11.16
5	Nutra plus Product	524764	4.00	7.10
6	Continental Credit	531067	3.37	6.8
7	Tutis Technology	532311	12.89	17.20
8	Lifestyle Fabrics	514446	15.45	19.24
9	Aftek Infosys	530707	13.45	17.21
10	TFL	532812	9.93	14.18
11	Hotel Leela	500193	19.95	25.30
12	ASCL	532853	15.80	21.27
13	Hind. Copper	513599	101.30	150.180
14	Timex Group	500414	9.07	14.17
15	Batliboi	522004	18.55	24.28
16	Santogen Export	511141	1.90	4.7
17	Invicta Lab	523844	6.53	9.13
18	Ganesh Forging	532643	8.80	14.18
19	CHI Investment	532969	14.35	18.20
20	Sita shree Food	532961	7.05	11.14
21	Bellary Steel	500045	2.26	4.5
22	Assam Co.	500024	9.62	12.15
23	Electro steel Casting	500128	15.96	20.23
24	Interface Finance	530519	0.42	1.2
25	HB Portfolio	532333	20.55	28.34
26	HB Stockholding	532216	13.00	16.19
27	HB Leasing	508956	4.98	7.10
28	Rajesh Export	531500	26.00	30.34
29	Webel SL	517498	122.15	156.178
30	Jupiter Bio	524826	40.40	50.58
31	S Kumar's	514304	24.45	35.44
32	Praj Ind	522205	60.75	74.88
33	KFA	532747	31.80	40.45
34	MRPL	500109	41.85	57.69
35	Surya Pharma	532516	58.10	75.88
36	Hind. Oil	500186	61.75	79.92