

AIA Engineering (AIAENG)

Mining volumes improve....

- AIA Engineering reported revenues of ₹ 726.4 crore (below our estimate of ₹ 757.5 crore), posting strong growth of 27% YoY. Sales volumes were at 59235 MT, up 15.3% YoY while production volumes grew 34.4% to 74619MT YoY. Net realisation per tonne grew 9.3% YoY to ₹ 118.2 per kg owing to foreign exchange gains
- EBITDA came in at ₹ 165.2 crore, above our estimate of ₹158.3 crore. However, EBITDA margins came in at 22.7% with an improvement of 70 bps YoY (above our estimate of 20.9%) on account of lower-than-expected increase in raw material expenses and employee expenses
- PAT came in at ₹ 129.2 crore vs. our estimate of ₹ 124.4 crore posting growth of 11.5% YoY aided by better operating performance during the quarter. The other income was at ₹ 28.9 crore vs. estimate of ₹ 42 crore. Effective tax rate came in at 24.2% vs. 16.9% in Q3FY18

Incremental volume contribution to aid revenue growth over FY18-21E:

During the quarter, sales volumes were at 59235 MT, posting growth of 15.3% while production volumes grew 34.4% to 74619 MT YoY. Mining segment sales volume grew 23.9% to 40084 MT while other segment remained flat at 19151 MT. Mining segment is expected to rebound with incremental volume sales estimated to be in the range of 0 to 45000 MTPA from FY19E onwards. The net realisation per tonne grew 9.3% YoY to ₹ 118.2 per kg and likely to remain stable. Sales volume for 9MFY19 grew 14.0% to 185141 MT.

AIA will continue to focus on the replacement mining market estimated at around 3 MTPA with penetration of high chrome consumable still very low. AIA will focus on maximum number of mine conversions and maximum market share.

Substantial capex towards capacity expansion over FY18-21E:

AIA has planned total cumulative capex of ₹ 800 crore towards grinding media, mill liners and wind turbine for FY18-20E. The company has revised the capex guideline to ₹ 230 crore (from ₹ 300 crore earlier) in FY19 because of some delays on equipment supplier side while around ₹ 400 crore of capex will be done in FY20E. The management expects a spill over of ₹ 60-70 crore capex to FY21E. Capex incurred till 9MFY19 was at ₹ 156 crore, out of which ₹ 130 crore is towards capacity expansion and ₹ 20 crore towards wind turbine. AIA has planned a capex of ₹ 250 crore towards building dedicated plant for mining mill optimisation products for EEMS collaboration. Grinding media capacity is going to increase from present 340000 TPA to 440000 TPA by Q1FY21E.

Strategic developments, volumes growth to benefit, maintain BUY

Strong visibility ramp up of mining segment along with focus on building in-house power capabilities to hedge power cost indicates margin recovery from FY19E onwards. We expect overall revenues and PAT to grow at a CAGR of 19.0% and 16.1%, respectively, in FY18E-21E. We believe that AIA could benefit significantly from expected incremental sales volumes contribution from mining segment, technical collaboration with EEMS and recovery in non-mining segment. We revise our target price to ₹ 1890/share (30x FY20E EPS) with **BUY** rating.

Rating matrix		
Rating	:	Buy
Target	:	₹ 1890
Target Period	:	12 months
Potential Upside	:	13%

What's changed?	
Target	Changed from ₹ 1910 to ₹ 1890
EPS FY20E	Changed from ₹ 63.7 to ₹ 63.0
EPS FY21E	Introduced at ₹ 73.7
Rating	Unchanged

Quarterly performance					
	Q3FY19	Q3FY18	YoY (%)	Q2FY19	QoQ (%)
Revenue	726.4	572.2	27.0	740.6	-1.9
EBITDA	165.2	126.2	30.9	147.7	11.8
EBITDA (%)	22.7	22.1	(20) bps	19.9	(180) bps
PAT	129.2	115.9	11.5	121.5	6.4

Key financials				
₹ Crore	FY18	FY19E	FY20E	FY21E
Net Sales	2,445.1	2,929.4	3,523.8	4,123.6
EBITDA	535.7	647.0	807.9	970.3
Net Profit	443.6	483.8	594.3	694.7
EPS (₹)	47.0	51.3	63.0	73.7

Valuation summary				
	FY18	FY19E	FY20E	FY21E
P/E	35.5	32.5	26.5	22.7
Target P/E	40.2	36.8	30.0	25.7
EV / EBITDA	27.1	22.2	17.8	14.8
P/BV	5.2	4.6	4.1	3.7
RoNW (%)	14.7	14.2	15.7	16.4
RoCE (%)	18.4	19.2	21.3	22.3

Stock data	
Particular	Amount
Market Capitalization	₹ 15742.1 Crore
Total Debt (FY18)	₹ 123.3 Crore
Cash and Investments (FY18)	₹ 1356.1 Crore
EV	₹ 14509.3 Crore
52 week H/L	₹ 1887/1325
Equity capital	₹ 18.9 Crore
Face value	₹ 2

Price performance				
	1M	3M	6M	12M
AIA Engineering Ltd	(0.5)	(6.6)	(6.5)	14.7
Cummins India	(16.2)	(6.5)	11.5	(11.2)
Greaves Cotton	(0.8)	(1.0)	(22.5)	(8.2)

Research Analyst	
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Variance analysis

	Q3FY19	Q3FY19E	Q3FY18	YoY (Chg %)	Q2FY19	QoQ (Chg %)	Comments
Sales	726.4	757.5	572.2	27.0	740.6	-1.9	Volume increased 15.3% YoY below our estimates. Mining volumes grew 23.9% YoY
Other Income	28.9	42.0	32.1	-10.0	48.2	-40.0	
Raw Materials Expenses	253.5	297.7	206.1	23.0	307.2	-17.5	
Employee Cost	32.3	32.6	28.8	11.9	31.0	4.2	
Other Expenditure	275.5	268.9	210.4	31.0	254.1	8.4	
EBITDA	165.2	158.3	126.2	30.9	147.7	11.8	
EBITDA Margin (%)	22.7	20.9	22.1	68 bps	19.9	280 bps	EBITDA margins improved YoY
Depreciation	21.6	18.7	17.9	20.7	18.1	19.6	
Interest	2.0	0.0	1.1	86.8	1.7	19.4	
PBT	170.5	181.6	139.4	22.4	176.2	-3.2	
Taxes	41.3	57.2	23.5	75.9	54.7	-24.5	Effective tax rate at 24.4% was slightly higher on a YoY basis mainly due to rebate received in corresponding quarter making low base
PAT	129.2	124.4	115.9	11.5	121.5	6.4	

Key Metrics

Volume (in tonnes)	59,235	64,430	51,392	15.3	61,695	-4.0	Sales volumes below our estimates
Net Realisation (₹/tonne)	118,208	114,000	108,264	9.2	115,938	2.0	Realisations were up 9.2% YoY, due to forex gains

Source: Company, ICICI Direct Research

Change in estimates

(₹ Crore)	FY19E			FY20E			FY21E		
	Old	New	% Change	Old	New	% Change	Old	New	% Change
Revenue	3,039.1	2,929.4	-3.6	3,562.0	3,523.8	-1.1	-	4,123.6	-
EBITDA	674.8	647.0	-4.1	847.1	807.9	-4.6	-	970.3	-
EBITDA Margin (%)	22.2	22.1	-12 bps	23.8	22.9	-85 bps	-	23.5	-
PAT	508.0	483.8	-4.8	600.9	594.3	-1.1	-	694.7	-
EPS (₹)	53.9	51.3	-4.8	63.7	63.0	-1.1	-	73.7	-

Source: Company, ICICI Direct Research

Assumptions

	Current				Earlier		
	FY18	FY19E	FY20E	FY21E	FY19E	FY20E	
Overall Volumes (tonnes)	228,725	246,451	290,812	337,633	262,795	311,412	Marginal cut in sales volume estimates
Mining Volumes (tonnes)	138,398	149,303	185,892	224,319	162,218	202,788	Higher penetration in gold and copper will drive mining growth
Capacity	340,000	390,000	440,000	440,000	440,000	440,000	
Net Realisations	106,903	118,863	121,171	122,132	116,180	114,383	Realisations likely to rise on back of better pricing terms with customer and higher foreign exchange gains

Source: Company, ICICI Direct Research

Company Analysis

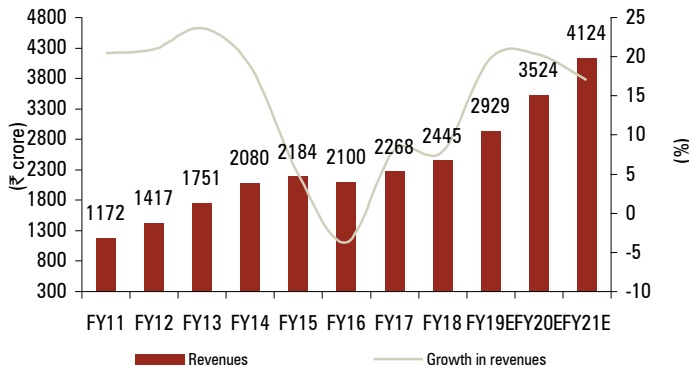
Incremental volume contribution to aid revenue growth over FY18-21E

The company is going to increase its capacity from 340000 TPA to 440000 TPA over the next two years by adding 50000 TPA each year. However, the management mentioned that a failure of delivery from moulding line supplier, which had delayed first phase capacity expansion by few months to April/May 2019 and second phase expansion to July 2020. The mining liner plant is likely to be commissioned by March-July 2020.

During the quarter, sales volumes came in at 59235 MT, posting growth of 15.3% while production volumes grew 34.4% to 74619 MT YoY. Mining segment sales volume grew 23.9% to 40084 MT while other segment remained flat at 19151 MT. The mining segment is expected to rebound with incremental volume estimated in the range of 40000 to 45000 MTPA from FY19E onwards. The net realisation per tonne grew by 9.3% on YoY basis to ₹ 118.2 per kg owing to product mix. The sales volume for 9MFY19 grew 14.0% to 185141 MT. The key to lower than expected volumes during the quarter was a result of lag of sales behind production owing to delayed off-take by few customers, which has led to inventory built-up to the tune of 25000-30000 MT as on 9MFY19 and is likely to normalise over the next six months.

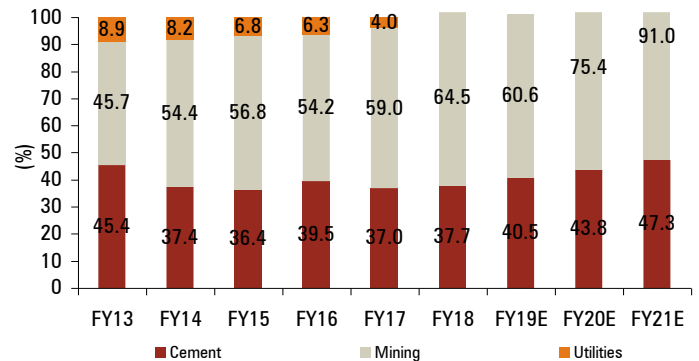
AIA plans to focus on maximum number of mine conversions and maximum market share in replacement mining market estimated at around 3 MTPA with penetration of high chrome consumable still very low. AIA may start full supply of Barrick group order of 18000 per annum from Q4FY19 onwards. As of Q3FY19, order book is at ₹ 668 crore.

Exhibit 1: Trend in revenues



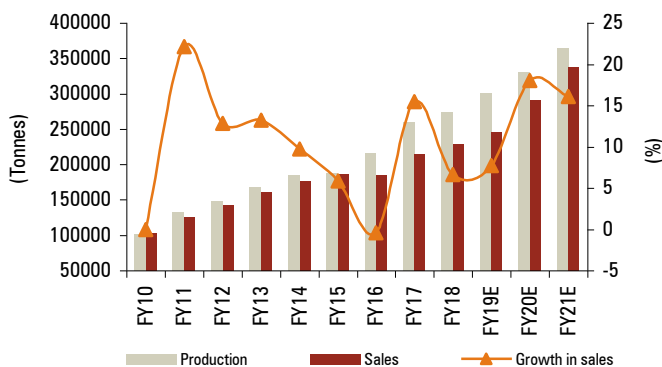
Source: Company, ICICI Direct Research

Exhibit 2: Share of mining segment to rise gradually



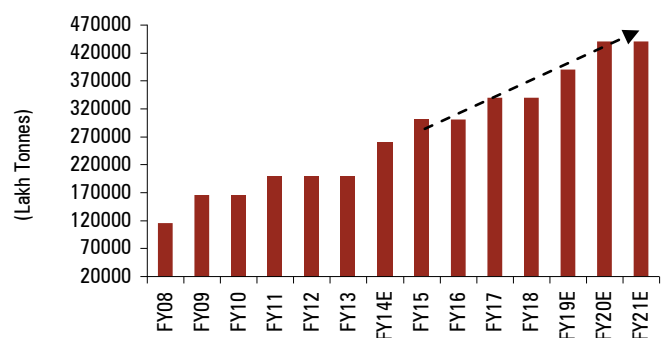
Source: Company, ICICI Direct Research

Exhibit 3: Trend in volume growth



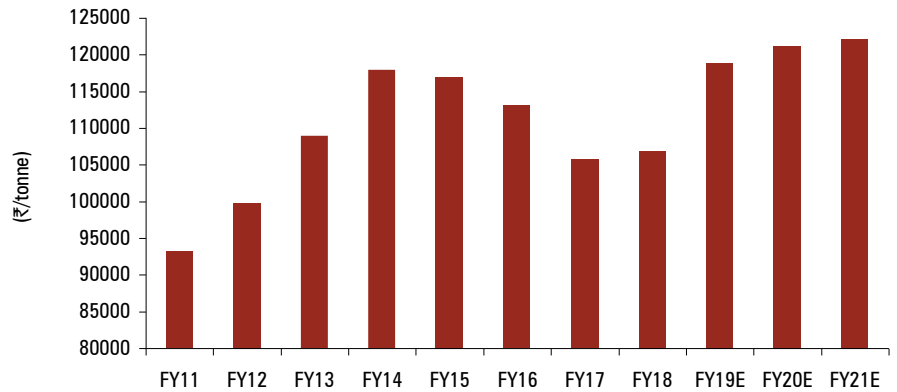
Source: Company, ICICI Direct Research

Exhibit 4: Trend in capacity



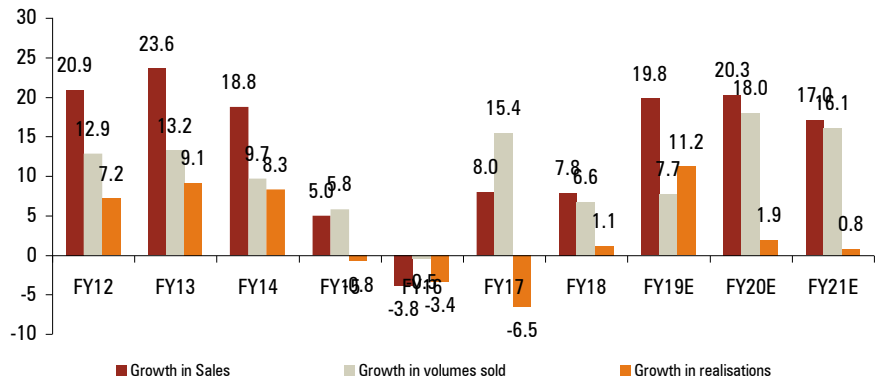
Source: Company, ICICI Direct Research

Exhibit 5: Trend in realisation



Source: Company, ICICI Direct Research

Exhibit 6: Volume growth to lead revenue CAGR for AIA over next couple of years



Source: Company, ICICI Direct Research

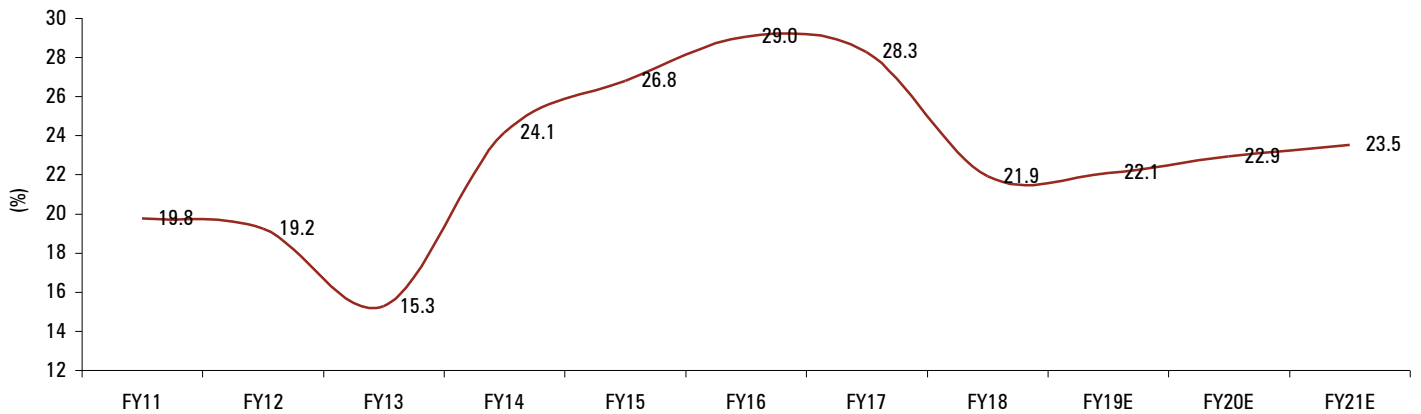
Margins in transition phase; likely to improve from FY19E onwards

For Q3FY19, EBITDA came in at ₹ 165.2 crore, which was above our estimate of ₹ 158.3 crore. However, EBITDA margins came in at 22.7% with an improvement of 70 bps YoY (above our estimate of 20.9%) on account of lower-than-expected increase in raw material expenses and employee expenses. However, margins are expected to improve in coming quarters as raw material cost is likely stabilised.

Also, gradual incremental volume growth, focus on reducing power cost in coming years will contribute to margins. EBITDA margins are estimated to improve from 21.9% in FY18 to 23.5 % in FY21E.

Going ahead, with focus on increasing utilisation, penetrating new clients, aggressive marketing of new capacity, and volume growth rebound in mining segment would help improve margins over next two years.

Exhibit 7: Trend in EBITDA margins

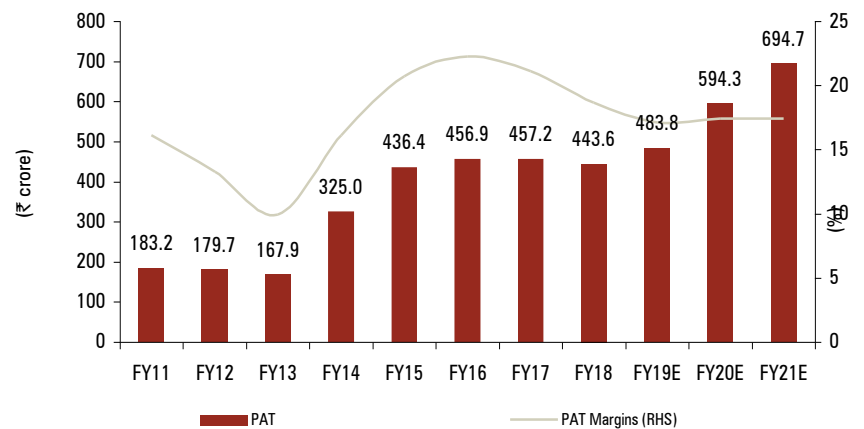


Source: Company, ICICI Direct Research

PAT to rebound at 16.1% CAGR over FY18-21E

AIA’s FY19E and FY20E PAT is estimated to grow 9.1% and 22.8% YoY to ₹ 483.8 crore and ₹ 594.3 crore, respectively, backed by expected pick-up in mining segment and resurrection of margins from FY9E onwards.

Exhibit 8: PAT to rise on back of strong volume and margins



Source: Company, ICICI Direct Research

EEMS technical collaboration to start market development activities

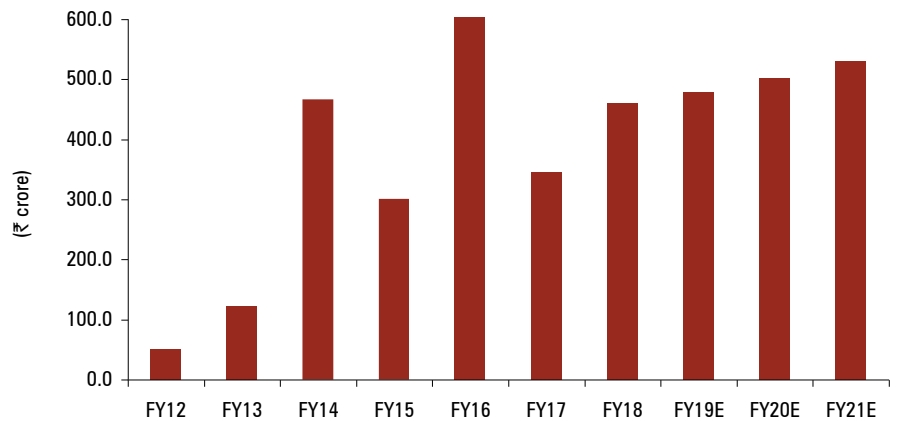
This pioneer technology in mill lining and grind media will improve production at mines. Post technical collaboration with EEMS, AIA has started market development activities related to mining liner and expected to receive further work orders in coming quarters. AIA proposes to set up a dedicated plant for these products at an estimated capex of ₹ 250 crore.

Substantial capex towards capacity expansion over FY18-21E

AIA has planned a total cumulative capex of ₹ 800 crore towards grinding media, mill liners and wind turbine for FY18-20E. The company has revised the capex guideline to ₹ 230 crore (from ₹ 300 crore earlier) in FY19 because of some delays on equipment supplier side and around ₹ 400 crore of capex will be done in FY20E. The management expects a spillover of ₹ 60-70 crore capex to FY21E. Capex incurred till 9MFY19 was at ₹ 156 crore, out of which ₹ 130 crore towards capacity expansion and ₹ 20 crore towards wind turbine. As a part of its technical collaboration with EEMS for patent applications and technical know-how, AIA has planned capex of ₹ 250 crore towards building dedicated plant for mining mill optimisation products. Grinding media capacity is going to increase from present 340000 TPA to 440000 TPA by Q1FY21E.

AIA has already installed four wind turbine generators (WTG) of 2.1 MW each with an aim is to develop in-house power capabilities and hedge power cost over next few years. The company is likely to install remaining 4 WTGs over the next three to six months.

Exhibit 9: Trend in cash flows

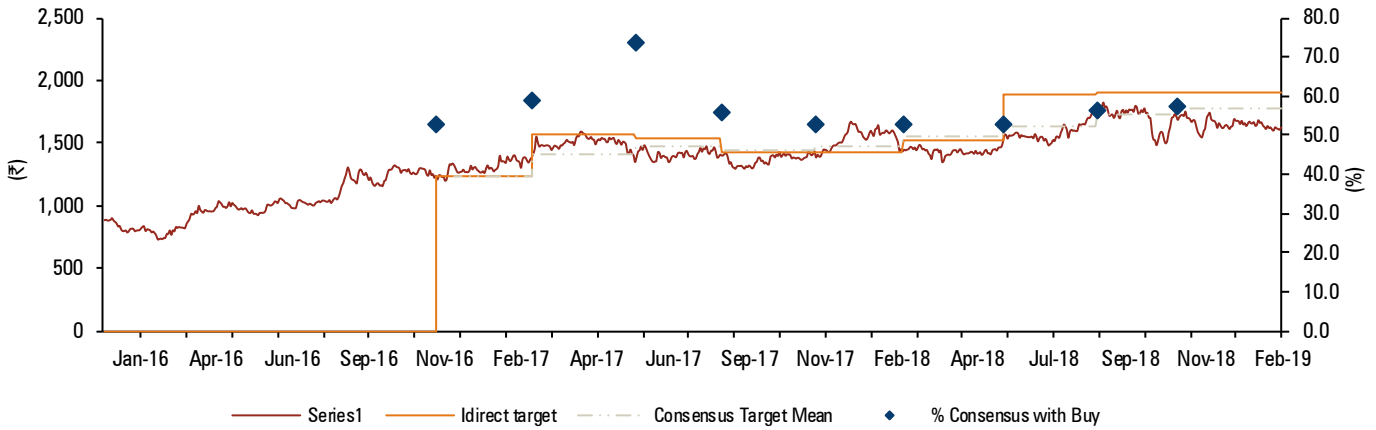


Source: Company, ICICI Direct Research

Outlook and Valuation

Strong visibility in ramp up of mining segment along with focus on building in-house power capabilities to hedge power cost indicates margin recovery from FY19E onwards. We expect overall revenues and PAT to grow at a CAGR of 19.0% and 16.1%, respectively, in FY18E-21E. We believe that AIA could benefit significantly from expected incremental sales volumes contribution from mining segment, technical collaboration with EEMS and recovery in non-mining segment. We revise our target price to ₹ 1890/share (30x FY20E EPS) with **BUY** rating.

Recommendation History vs. Consensus



Source: Company, ICICI Direct Research

Company snapshot

Date	Event
Mar-12	Though AIA witnesses traction in mining volumes at the cost of pricing as an entry strategy, consequently, EBITDA margins took a plunge from 26% in FY11 to 22.8% in FY12
Sep-12	AIA suffers its worst ever margins of 12% in Q3FY13 as the mining share had risen to 50% in overall volumes
Dec-13	AIA's financial performance witnesses turnaround as of 9MFY14. It claws back to its normalised margin range of 22-23%, coupled with more than 50% share of mining volumes
Jan-14	AIA announces aggressive capex plans of ₹ 600 crore for setting up a greenfield capacity of 180000 tonnes. AIA plans to have a capacity of 440000 tonnes by FY16E. On commissioning the same, AIA would be the world's largest player in the HCMI segment by FY16E
Apr-14	AIA commissions 60000 tonnes of brownfield capacity, thereby taking the total capacity to 260000 tonnes
Jan-14	AIA announces aggressive capex plans of ₹ 600 crore for setting up a greenfield capacity of 180000 tonnes. AIA plans to have a capacity of 440000 tonnes by FY16E. On commissioning the same, AIA would be the world's largest player in the HCMI segment by FY16E
Apr-14	AIA commissions 60000 tonnes of brownfield capacity, thereby taking the total capacity to 260000 tonnes
Mar-15	AIA records volume growth of 5.8% YoY to 186500 tonnes of HCMI whereas revenues and PAT were at ₹ 2183.6 crore and ₹ 413 crore, respectively
Mar-16	AIA recorded flattish volume growth YoY at 185800 tonnes of HCMI whereas revenues and PAT was at ₹ 2100 crore and ₹ 417 crore, respectively
Mar-17	AIA records volume growth of 5.8% YoY to 186500 tonnes of HCMI whereas revenues and PAT were at ₹ 2183.6 and ₹ 413 crore, respectively

Source: Bloomberg, Company, ICICI Direct Research

Top 10 Shareholders

Rank	Name	Latest Filing Date	% O/S	Position (m)	Change (m)
1	Shah (Bhadresh K)	31-Dec-18	58.4	55.1	0.0
2	Nalanda Capital Pte Ltd	31-Dec-18	9.7	9.1	0.0
3	HDFC Asset Management Co., Ltd.	31-Dec-18	2.9	2.8	-0.1
4	Matthews International Capital Management, L.L.C.	30-Sep-18	2.2	2.1	-0.4
5	Goldman Sachs Asset Management International	31-Dec-18	1.9	1.8	0.0
6	SBI Funds Management Pvt. Ltd.	31-Dec-18	1.9	1.8	0.0
7	L&T Investment Management Limited	31-Dec-18	1.9	1.7	0.1
8	PineBridge India Private Limited	31-Dec-18	1.5	1.4	0.0
9	Kotak Mahindra Asset Management Company Ltd.	31-Dec-18	1.4	1.4	0.3
10	The Vanguard Group, Inc.	31-Dec-18	1.3	1.2	0.0

Shareholding Pattern

(in %)	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18
Promoter	61.7	61.7	58.5	58.5	58.5
FII	23.9	23.1	23.0	22.5	21.6
DII	9.4	10.6	13.5	14.0	14.5
Others	5.0	4.7	5.0	5.1	5.4

Source: Reuters, ICICI Direct Research

Recent Activity

Buys			Sells		
Investor name	Value	Shares	Investor name	Value	Shares
Kotak Mahindra Asset Management Company Ltd.	+6.63M	+0.28M	Matthews International Capital Management, L.L.C.	-8.85M	-0.36M
L&T Investment Management Limited	+2.73M	+0.11M	HDFC Asset Management Co., Ltd.	-2.41M	-0.10M
IDFC Asset Management Company Private Limited	+0.64M	+0.03M	Invesco Asset Management (India) Private Limited	-1.80M	-0.07M
Royce & Associates, LP	+0.47M	+0.02M	Goldman Sachs Asset Management International	-0.84M	-0.03M
The Vanguard Group, Inc.	+0.27M	+0.01M	J.P. Morgan Asset Management (Hong Kong) Ltd.	-0.59M	-0.02M

Source: Reuters, ICICI Direct Research

Financial summary

Profit and loss statement		₹ Crore			
(Year-end March)	FY18	FY19E	FY20E	FY21E	
Total operating Income	2,445.1	2,929.4	3,523.8	4,123.6	
Growth (%)	8.9	19.8	20.3	17.0	
Raw Material Expenses	964.4	1,136.3	1,309.5	1,507.5	
Employee Expenses	113.2	127.7	163.7	191.5	
Other expenses	831.9	1,018.5	1,242.7	1,454.2	
Total Operating Expenditure	1,909.4	2,282.4	2,715.8	3,153.3	
EBITDA	535.7	647.0	807.9	970.3	
Growth (%)	-15.6	20.8	24.9	20.1	
Depreciation	65.6	83.6	104.9	125.9	
Interest	6.9	7.5	7.7	8.0	
Other Income	121.8	137.0	164.8	170.0	
PBT	585.0	692.8	860.0	1,006.5	
Others	0.0	0.0	0.0	0.0	
Total Tax	141.4	209.0	265.7	311.7	
PAT	443.6	483.8	594.3	694.7	
Growth (%)	-3.0	9.1	22.8	16.9	
EPS (₹)	47.0	51.3	63.0	73.7	

Source: Company, ICICI Direct Research

Cash flow statement		₹ Crore			
(Year-end March)	FY18	FY19E	FY20E	FY21E	
Profit after Tax	443.6	483.8	594.3	694.7	
Add: Depreciation	65.6	83.6	104.9	125.9	
(Inc)/dec in Current Assets	-138.3	-158.2	-286.0	-351.0	
Inc/(dec) in CL and Provisions	89.4	70.0	88.8	60.9	
Others	3.3	3.0	5.0	5.0	
CF from operating activities	460.3	479.3	502.0	530.6	
(Inc)/dec in Investments	0.1	0.0	0.0	0.0	
(Inc)/dec in Fixed Assets	-120.9	-243.2	-275.0	-250.0	
Others	0.0	0.0	0.0	0.0	
CF from investing activities	-352.3	-293.7	-322.2	-281.1	
Issue/(Buy back) of Equity	0.0	0.0	0.0	0.0	
Inc/(dec) in loan funds	-16.9	35.0	35.0	35.0	
Dividend paid & dividend tax	-133.1	-155.0	-177.2	-199.3	
Inc/(dec) in Sec. premium	1.9	0.0	0.0	0.0	
Others	0.0	7.6	0.0	0.0	
CF from financing activities	-168.5	-53.9	-167.2	-229.3	
Net Cash flow	-60.5	131.7	12.6	20.2	
Opening Cash	241.7	181.2	312.9	325.5	
Closing Cash	181.2	312.9	325.5	345.7	

Source: Company, ICICI Direct Research

Balance sheet		₹ Crore			
(Year-end March)	FY18	FY19E	FY20E	FY21E	
Liabilities					
Equity Capital	18.9	18.9	18.9	18.9	
Reserve and Surplus	2,990.3	3,385.2	3,777.4	4,207.8	
Total Shareholders funds	3,009.2	3,404.1	3,796.3	4,226.7	
Total Debt	123.3	158.3	193.3	228.3	
Deferred Tax Liability	73.5	78.5	83.5	88.5	
Minority Interest / Others	0.0	0.0	0.0	0.0	
Total Liabilities	3,223.4	3,650.4	4,083.6	4,555.0	
Assets					
Gross Block	882.2	1,097.2	1,347.2	1,597.2	
Less: Acc Depreciation	233.0	316.0	420.3	545.5	
Net Block	649.2	781.2	926.9	1,051.6	
Capital WIP	96.8	125.0	150.0	150.0	
Total Fixed Assets	745.9	906.2	1,076.9	1,201.6	
Investments	1,174.8	1,209.8	1,234.8	1,259.8	
Inventory	553.4	624.3	777.4	904.6	
Debtors	600.2	681.8	784.9	928.4	
Loans and Advances	4.5	5.7	8.0	8.0	
Other Current Assets	183.0	187.5	215.0	295.3	
Cash	181.2	312.9	325.5	345.7	
Total Current Assets	1,522.4	1,812.2	2,110.8	2,482.0	
Creditors	163.3	193.7	233.6	262.1	
Provisions	16.5	27.1	35.0	39.3	
Total Current Liabilities	335.0	405.0	493.8	554.7	
Net Current Assets	1,187.4	1,407.2	1,617.1	1,927.3	
Others Assets	0.0	0.0	0.0	0.0	
Application of Funds	3,223.4	3,650.4	4,083.6	4,555.0	

Source: Company, ICICI Direct Research

Key ratios					
(Year-end March)	FY18	FY19E	FY20E	FY21E	
Per share data (₹)					
EPS	47.0	51.3	63.0	73.7	
Cash EPS	54.0	60.2	74.1	87.0	
BV	319.0	360.9	402.5	448.1	
DPS	12.0	14.0	16.0	18.0	
Cash Per Share	19.2	33.2	34.5	36.7	
Operating Ratios (%)					
EBITDA Margin	21.9	22.1	22.9	23.5	
PBT / Total Operating income	24.6	24.5	25.2	25.2	
PAT Margin	18.7	17.1	17.4	17.4	
Inventory days	83.6	76.0	75.0	77.0	
Debtor days	92.3	88.0	84.0	85.0	
Creditor days	25.1	25.0	25.0	24.0	
Return Ratios (%)					
RoE	14.7	14.2	15.7	16.4	
RoCE	18.4	19.2	21.3	22.3	
RoC	28.4	30.0	31.7	32.1	
Valuation Ratios (x)					
P/E	35.5	32.5	26.5	22.7	
EV / EBITDA	27.1	22.2	17.8	14.8	
EV / Net Sales	6.1	5.1	4.2	3.6	
Market Cap / Sales	6.6	5.6	4.6	3.9	
Price to Book Value	5.2	4.6	4.1	3.7	
Solvency Ratios					
Debt/EBITDA	0.2	0.2	0.2	0.2	
Debt / Equity	0.0	0.0	0.1	0.1	
Current Ratio	4.0	3.7	3.6	3.9	
Quick Ratio	2.4	2.2	2.0	2.2	

Source: Company, ICICI Direct Research

ICICI Direct coverage universe (Capital Goods)

	CMP			M Cap (₹ Cr)	EPS (₹)			P/E (x)			RoCE (%)			RoE (%)		
	(₹)	TP(₹)	Rating		FY18	FY19E	FY20E	FY18	FY19E	FY20E	FY18	FY19E	FY20E	FY18	FY19E	FY20E
1 L&T (LARTOU)	1246	1,655	Buy	172864	38.8	52.1	57.3	33.9	25.2	22.9	10.6	12.2	12.9	11.0	13.3	13.3
2 Bhel (BHEL)	63	60	Hold	23129	3.3	2.5	3.9	18.2	24.3	15.6	5.6	4.8	6.5	2.5	2.8	4.3
3 AIA Engineering (AIAENG)	1669	1,890	Buy	15742	47.0	51.3	63.0	35.5	32.5	26.5	18.4	19.2	21.3	14.7	14.2	15.7
4 Thermax (THERMA)	1058	1,315	Buy	12607	20.0	24.0	37.5	58.0	48.3	31.0	11.5	12.2	17.0	9.3	10.5	14.7
5 KEC International (KECIN)	250	265	Hold	6428	17.9	19.0	23.0	13.6	12.8	10.6	24.9	25.0	25.7	23.1	20.1	19.7
6 Kalpataru Power(KALPOW)	359	430	Buy	5509	21.0	25.6	30.0	17.4	14.2	12.2	17.0	17.4	17.8	11.6	12.0	12.3
7 Greaves Cotton (GREAVE)	122	140	Buy	2979	8.3	7.5	8.8	16.9	18.6	15.9	18.0	12.6	13.4	21.1	18.0	20.3
8 Elgi Equipment (ELGEQU)	240	310	Buy	3803	6.1	6.3	9.1	38.8	38.0	26.3	14.3	13.9	17.9	14.1	13.3	16.6
9 ABB India (ABB)	1232	1,460	Buy	30939	19.8	23.5	27.8	64.6	54.5	46.1	23.2	24.9	24.5	11.6	12.5	13.4
10 Bharat Electronics (BHAELE)	77	110	Buy	26803	5.7	7.3	7.3	14.8	11.6	11.6	24.9	28.1	25.6	18.0	20.0	17.8
11 Engineers India (ENGIND)	109	110	Hold	7413	6.0	5.9	6.9	17.9	18.1	15.4	23.2	21.7	23.7	16.7	16.3	18.7
12 VaTech Wabag (VATWAB)	273	300	Hold	1575	16.9	16.7	24.1	17.1	17.4	12.1	20.7	24.8	22.0	10.1	9.4	12.3
13 Cochin Shipyard (COCSHI)	350	520	Buy	5,891	29.2	33.6	31.6	13.4	11.6	12.3	13.4	13.9	12.0	12.2	13.1	11.6
14 SKF (SKFIND)	1921	2,050	Hold	10810	57.6	66.4	75.0	33.5	29.1	25.7	23.7	24.5	24.2	16.1	16.3	16.0
15 Timken India (TIMIND)	560	660	Buy	4487	13.5	16.7	20.1	41.8	33.7	28.1	18.9	14.2	15.8	13.1	10.1	10.9
16 NRB Bearing (NRBBEA)	183	215	Buy	2084	9.4	10.4	12.0	19.9	17.8	15.5	26.7	24.8	24.3	24.0	22.8	22.4
17 Grindwell Norton (GRINOR)	505	625	Buy	5868	13.5	16.0	18.1	39.2	33.1	29.3	22.2	24.3	24.8	15.1	16.3	16.8

Source: Company, ICICI Direct Research

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