

Rating matrix		
Rating	:	Buy
Target	:	₹ 1880
Target Period	:	12 months
Potential Upside	:	21%

What's changed?		
Target	:	Changed from ₹ 1520 to ₹ 1880
EPS FY19E	:	Changed from ₹ 47.7 to ₹ 53.5
EPS FY20E	:	Changed from ₹ 58.4 to ₹ 62.8
Rating	:	Changed from Hold to Buy

Quarterly performance					
	Q4FY18	Q4FY17	YoY (%)	Q3FY18	QoQ (%)
Revenue	743.9	647.6	-5.1	572.2	-15.5
EBITDA	166.0	159.4	0.7	126.2	-14.2
EBITDA (%)	22.3	24.6	168 bps	22.1	43 bps
PAT	151.2	114.6	3.3	115.9	-18.8

Key financials				
₹ Crore	FY17	FY18	FY19E	FY20E
Net Sales	2,246.0	2,445.1	2,891.8	3,443.1
EBITDA	560.3	535.7	693.9	830.5
Net Profit	414.1	440.2	504.7	592.3
EPS (₹)	43.9	46.7	53.5	62.8

Valuation summary				
	FY17	FY18	FY19E	FY20E
P/E	34.2	32.1	28.0	23.9
Target P/E	34.6	32.6	28.4	24.2
EV / EBITDA	23.4	24.1	19.1	16.1
P/BV	7.5	6.5	5.6	4.8
RoNW (%)	22.1	20.2	20.0	20.2
RoCE (%)	24.1	19.7	22.9	23.5

Stock data	
Particular	Amount
Market Capitalization	₹ 14148.1 Crore
Total Debt (FY18)	₹122.9 crore
Cash and Investments (FY18)	₹ 1272 crore
EV	₹12999
52 week H/L	₹ 1702/1276
Equity capital	₹ 18.9 Crore
Face value	₹ 2

Price performance				
	1M	3M	6M	12M
Cummins India	(0.0)	9.3	36.1	104.0
Greaves Cotton	(1.1)	21.9	32.8	106.8
VA Tech Wabag	(1.1)	1.8	27.8	134.0
AIA Engineering	(2.7)	(5.7)	7.7	171.8

Research Analyst	
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## AIA Engineering (AIAENG)

₹ 1580

### Improved volumes, indicating better outlook...

- AIA Engineering reported better-than-expected Q4FY18 results. Revenues were at ₹ 743.9 crore vs. our estimate of ₹ 640.8 crore posting strong growth of 14.9% on a YoY basis. The other operating income was at ₹ 49.5 crore due to increase in treasury income and foreign gains. FY18 revenues grew 9.7% to ₹ 2374.8 crore
- During Q4FY18, AIA's volumes grew 14.3% to 66375 MT owing to robust growth in the mining segment, which grew 27% to 37591 MT. For FY18, sales volumes grew 6.6% to 228724 MT. Net realisation per tonne grew 3.9% YoY to ₹ 108.5 per kg
- EBITDA came in at ₹ 166.0 crore, higher than our estimate of ₹ 142.9 crore. EBITDA margins came in at 22.3%, in line with our estimates but declined 230 bps YoY on account of increased raw material expenses and commodity prices
- PAT came in at ₹ 151.2 crore vs. our estimate of ₹ 102.1 crore, registering robust growth of 31.9% on a YoY basis mainly on account of higher other income and lower tax outgo

#### Capacity expansion, incremental volumes in mining to boost revenue

Capacity increase from 340000 TPA to 440000 TPA in next two years by adding 50000 TPA each year to reap benefits from incremental volumes with penetrative strategy in domestic replacement mining segment along with international mining market in high chrome consumable to bring bulk of future growth. The company has already received long term order from Barrick group of 18000 TPA. The order book was at ₹ 744 crore. During the quarter, mining segment (60% of business) registered robust volume growth of 21% and is expected to continue the momentum with incremental volume sales in mining segment estimated to be in the range of 40000 to 50000 MTPA from FY19E onwards.

#### Optimistic capex plan for technical collaboration & capacity expansion

AIA has planned a cumulative capex of ₹ 800 crore towards grinding media, mill liners and wind turbine for FY18-20E of which ₹ 500 crore is in FY19 and ₹ 300 crore in FY20. As a part of its technical collaboration with EEMS, it has planned a capex of ₹ 250 crore. Further, ₹ 450 crore is for capacity expansion and maintenance capex, ₹ 100 crore for procurement of eight wind turbine generators (WTG) of 2.1 MW each to hedge power cost. AIA entered into a unique technical collaboration with EE Mill Solutions LLP, US (EEMS) for patent applications and technical know-how for products that improve performance of the mining liner mills with the objective of optimising energy efficiency in wet and dry grinding industries through redesigning mill internals and has proposed an estimated capex of ₹ 250 crore.

#### Strategic developments to reap benefits in long term; revised to BUY

Strong visibility in ramp up of the mining segment along with focus on hedging power cost indicates margin recovery from FY19E onwards. We expect revenues, PAT to grow at a CAGR of 19%, 16%, respectively, in FY18E-20E. We believe AIA could benefit significantly from the recent recovery in sales volumes in the mining segment and recent technical collaboration. We revise our target price upward to 30x FY20E to arrive at a target price of ₹ 1880. We revise our rating on AIA from HOLD to BUY.

## Variance analysis

	Q4FY18	Q4FY18E	Q4FY17 vY (Chg %)		Q3FY18 Q. (Chg %)		Comments
Sales	743.9	640.8	647.6	14.9	572.2	30.0	Volume increased by 16.3% YoY was higher than our estimates. Mining volumes grew 21% YoY. Realisations were up 4% YoY
Other Income	49.5	25.0	24.9	99.0	32.1	54.1	
Raw Materials Expenses	313.5	233.9	244.7	28.1	206.1	52.1	
Employee Cost	28.5	30.1	27.2	4.7	28.8	-1.3	
Other Expenditure	235.3	233.9	215.7	9.1	210.4	11.9	
EBITDA	166.0	142.9	159.4	4.2	126.2	31.5	
EBITDA Margin (%)	22.3	22.3	24.6	-229 bps	22.1	26 bps	EBITDA margins were in line as higher raw material costs was compensated by higher than expected volumes and realisation
Depreciation	14.0	20.0	20.9	-33.2	17.9	-21.9	
Interest	2.9	0.0	1.4	99.8	1.1	161.9	
PBT	198.7	147.9	161.9	22.7	139.4	42.6	
Taxes	47.5	45.8	47.3	0.5	23.5	102.3	
PAT	151.2	102.1	114.6	31.9	115.9	30.5	PAT was higher on account of higher other income and lower tax outgo

## Key Metrics

Volume (in tonnes)	66,375	60,861	58,290	13.9	51,392	29.2	Mining segment volumes were higher than our estimates
Net Realisation (₹/tonne)	108,561	100,000	104,451	3.9	108,264	0.3	Realisations were up 4% YoY

Source: Company, ICICI Direct Research

## Change in estimates

(₹ Crore)	FY19E			FY20E			Comments
	Old	New	% Change	Old	New	% Change	
Revenue	2,693.5	2,891.8	7.4	3,178.7	3,443.1	8.3	
EBITDA	643.6	693.9	7.8	766.8	830.5	8.3	
EBITDA Margin (%)	23.9	24.0	10 bps	24.1	24.0	-13 bps	
PAT	450.3	504.7	12.1	550.9	592.3	7.5	
EPS (₹)	47.7	53.5	12.2	58.4	62.8	7.5	

Source: Company, ICICI Direct Research

## Assumptions

	Current				Earlier		
	FY17	FY18E	FY19E	FY20E	FY19E	FY20E	
Overall Volumes (tonnes)	214,677	225,411	268,239	316,522	263,485	303,008	Better prospects have led to volumes upgrade
Mining Volumes (tonnes)	120,665	128,637	164,128	204,082	159,374	190,568	Higher penetration in gold and copper will drive mining growth
Capacity	340,000	390,000	440,000	440,000	390,000	440,000	
Net Realisations	105,627	108,475	107,982	108,780	102,531	104,904	Realisations likely to rise on back of better pricing terms with customer

Source: Company, ICICI Direct Research

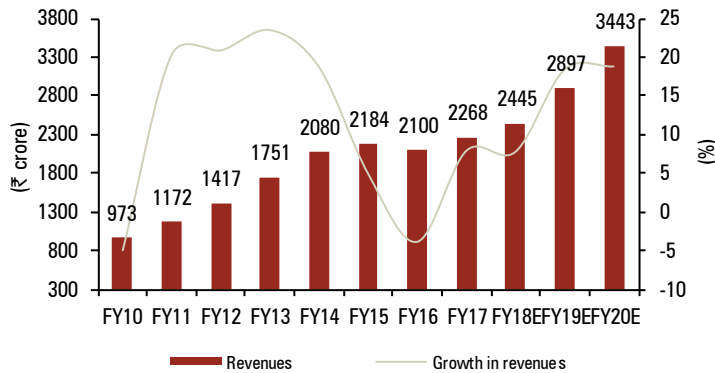
## Company Analysis

### Capacity expansion, incremental volume growth to boost revenue

The company is slated to increase its capacity from 340000 TPA to 440000 TPA over the next two years by adding 50000 TPA each year. Q4FY18 and FY18 volumes grew 14.3% and 6.6% to 66375 and 228274, respectively, with capacity utilisation of about 67%. Net realisation per tonne grew 3.9% on a YoY basis to ₹ 108.5 per kg. AIA will continue to focus on the replacement mining market where penetration of high chrome consumable is still very low. Bulk of future growth is expected to come from the international market and in the mining segment. The company has already received a long term order from the Barrick group of 18000 TPA. The order book is at ₹ 744 crore.

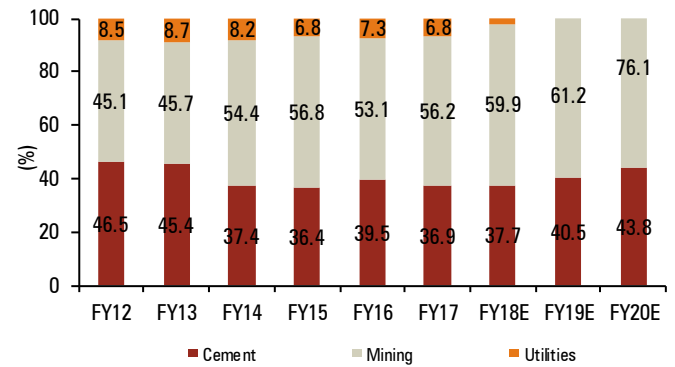
During the quarter, the mining segment (60% of business) registered robust volume growth of 21% and is expected to continue the momentum with incremental volume sales in the mining segment estimated to be in the range of 40000 to 50000 MTPA from FY19E onwards.

**Exhibit 1: Trend in revenues**



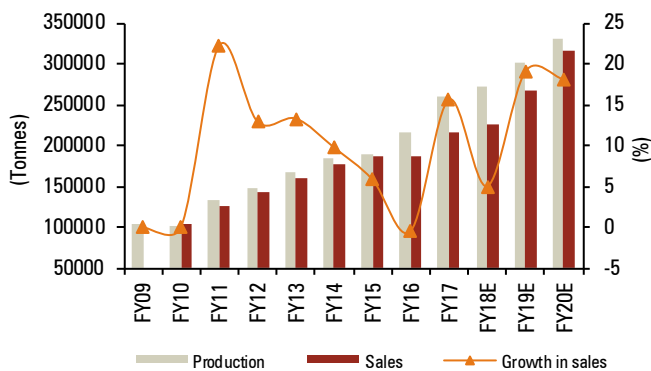
Source: Company, ICICI Direct Research

**Exhibit 2: Share of mining segment to rise to 67% by FY18E**



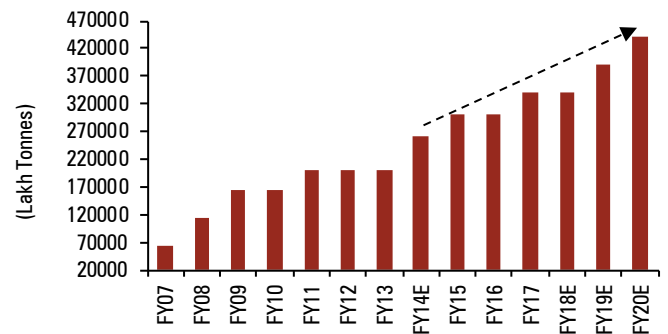
Source: Company, ICICI Direct Research

**Exhibit 3: Trend in volume growth**

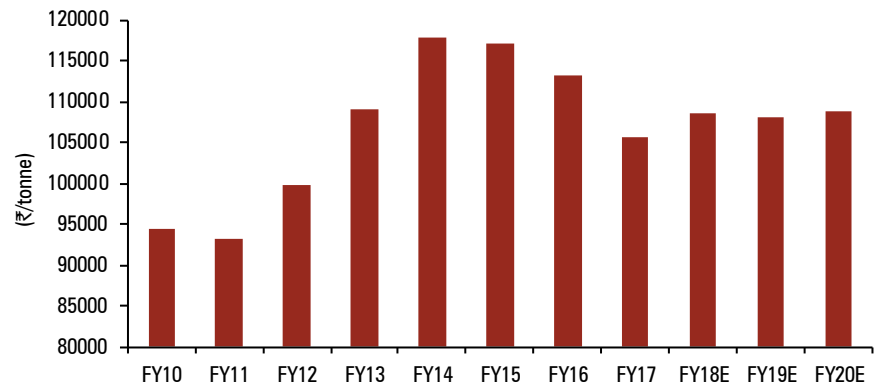


Source: Company, ICICI Direct Research

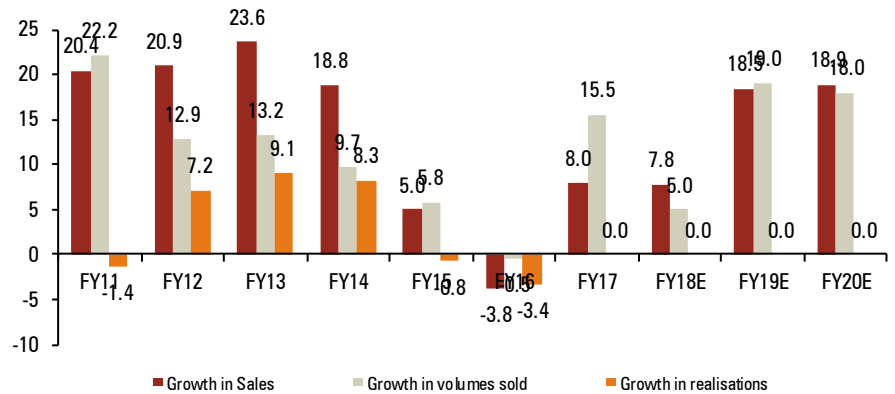
**Exhibit 4: Trend in capacity**



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

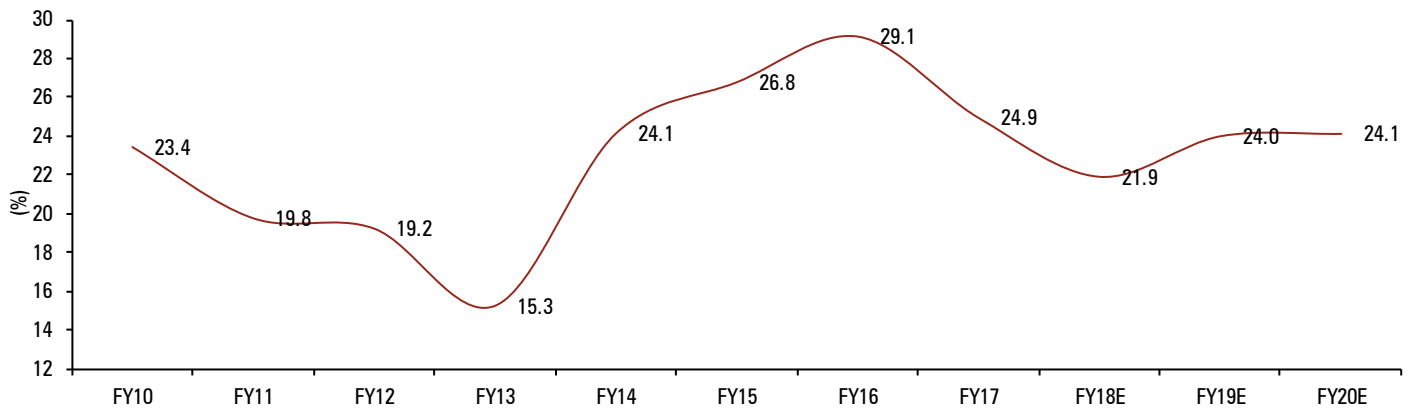
### Margins going through transition phase likely to improve from FY19E

EBITDA came in at ₹ 166.0 crore, which was higher than our estimate of ₹ 142.9 crore. EBITDA margins came in at 22.3%, in line with our estimates but declined 230 bps on a YoY basis on account of a sharp increase in raw material expenses and increase in commodity prices.

However, robust incremental volume growth, focus on hedging of power cost in coming years will contribute to margins. EBITDA margins are estimated to improve from 21.9% in FY18 to 24.1% in FY20E.

Aggressive marketing of new capacity, volatile input costs 21.9%, was in line with our estimates. Going ahead, with focus on increasing utilisation, penetrating new clients, expected robust volume growth in mining segment would help improve margins over the next two years.

**Exhibit 7: Trend in EBITDA margins**

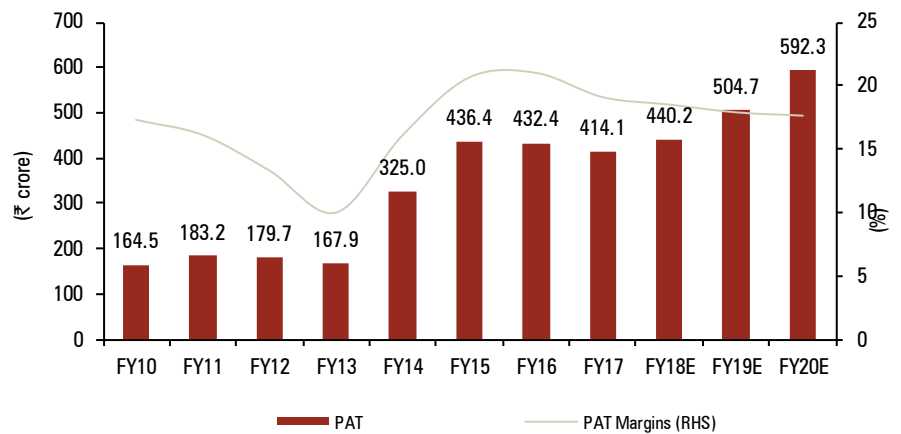


Source: Company, ICICI Direct Research

### PAT to rebound at 16% CAGR in FY18-20E

AIA's FY19E and FY20E PAT are estimated to grow 14.7% and 17.4% YoY to ₹ 504.7 crore and ₹ 592.3 crore, respectively, backed by an expected strong pick-up in mining volumes and revival of margins from FY19E onwards.

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



Source: Company, ICICI Direct Research

### Capacity expansion along with robust incremental volume growth in mining segment to boost revenue growth, going forward

AIA plans to increase its capacity from 340000 TPA to 440000 TPA over next two years by adding 50000 TPA each year. Q4FY18 and FY18 volumes grew 14.3% and 6.6% to 66375 and 228274, respectively, with capacity utilisation of about 67%. The net realisation per tonne grew 3.9% on a YoY basis to ₹ 108.5 per kg. AIA will continue to focus on the replacement mining market where penetration of high chrome consumable is still very low. Bulk of future growth is expected to come from the international market and the mining segment. The company has already received long term order from the Barrick group of 18000 TPA. The order book is at ₹ 744 crore.

During the quarter, mining segment (60% of business) registered robust volume growth of 21% and is expected to continue the momentum with incremental volume sales in the mining segment estimated to be in the range of 40000 to 50000 MTPA from FY19E onwards.

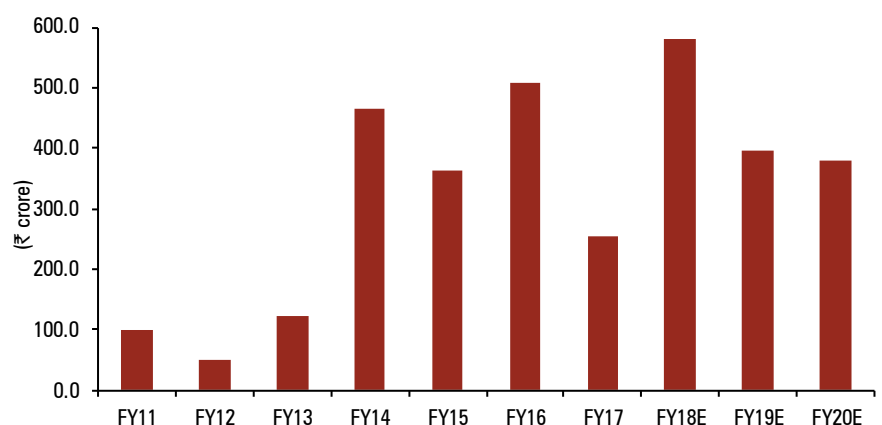
### Planned capex of ₹ 800 crore in FY18-20E

AIA has planned a cumulative capex of ₹ 800 crore towards grinding media, mill liners and wind turbine for FY18-20E of which ₹ 500 crore is in FY19 and ₹ 300 crore in FY20. As a part of its technical collaboration with EEMS for patent applications and technical know-how, the company has planned a capex of ₹ 250 crore towards building a dedicated plant for mining mill optimisation products.

The company has planned ₹ 450 crore capex towards capacity expansion and maintenance capex for mining liner mills. The capacity is slated to increase from the present 340000 TPA to 440000 TPA by FY20E with capacity expansion of 100000 TPA. The company has so far spent ₹ 138 crore towards capacity expansion in FY18.

Further ₹ 100 crore will be invested toward procurement of eight wind turbine generators (WTG) of 2.1 MW each. The company has already ordered two WTGs. The aim is to develop in-house power capabilities and hedge power cost over the next few years.

**Exhibit 9: Trend in cash flows**



Source: Company, ICICI Direct Research

#### **Technical collaboration with EEMS to be long term game changer**

AIA entered into a technical collaboration agreement with EE Mill Solutions LLP, US (EEMS) for patent applications and to give technical know-how assistance for the products and improve the performance of mining liner mills. EEMS has special knowledge of optimising energy efficiency and output of grinding equipment (know-how) like AG/SAG Ball mills in wet and dry grinding industries through re-designing of mill internals like head and shell liners, grate liners, grate liners etc. The company proposes to set up a dedicated plant for these products at an estimated capex of ₹ 250 crore. This collaboration is very unique in nature with EEMS providing patent technology to AIA to produce cost optimisation grinding mill products and to provide energy efficiency solutions to existing consumable grinding liner mill customers in mining segment leveraging its position in the market being one stop solution providers to Grinding liner mills customers.

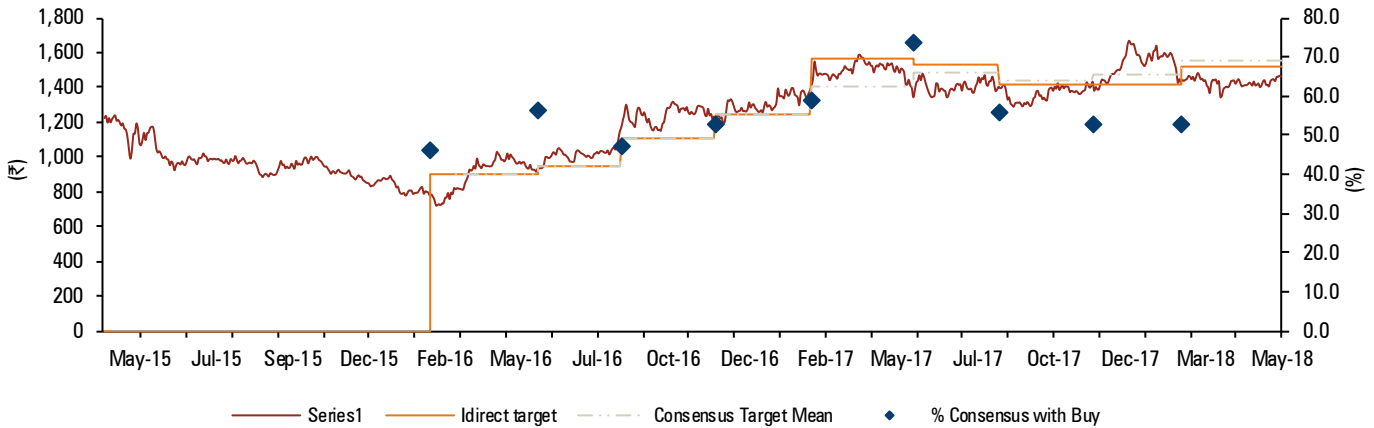
## Outlook and Valuation

### Strategic developments to reap benefits in long term; revised to BUY

Strong visibility in ramp up of mining segment along with focus on hedging power cost indicates a margin recovery from FY19E onwards. We expect revenues, PAT to grow at a CAGR of 19%, 16%, respectively in FY18E-20E. We believe AIA could benefit significantly from the recent recovery in sales volumes in the mining segment and recent technical collaboration. We revise our target price upward to 30x FY20E and arrive at a target price of ₹ 1880. We revise our rating from HOLD to **BUY**.



## 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)	6-Apr-18	58.4	55.1	-3.0
2	Nalanda Capital Pte Ltd	31-Dec-17	9.7	9.1	0.0
3	Matthews International Capital Management, L.L.C.	31-Dec-17	3.6	3.4	0.0
4	HDFC Asset Management Co., Ltd.	31-Dec-17	2.5	2.4	0.4
5	SBI Funds Management Pvt. Ltd.	31-Dec-17	1.9	1.8	0.8
6	Goldman Sachs Asset Management International	31-Mar-18	1.9	1.8	0.0
7	PineBridge Investments Asset Management Company (Inc)	31-Dec-17	1.8	1.7	-0.4
8	L&T Investment Management Limited	31-Mar-18	1.6	1.5	0.0
9	ICICI Prudential Asset Management Co. Ltd.	31-Dec-17	1.3	1.3	0.0
10	The Vanguard Group, Inc.	31-Mar-18	1.1	1.0	-0.1

## Shareholding Pattern

(in %)	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18
Promoter	61.7	61.7	61.7	61.7	61.7
FII	27.8	26.5	26.0	23.9	23.1
DII	5.4	6.5	7.2	9.4	10.6
Others	5.1	5.4	5.2	5.0	4.7

Source: Reuters, ICICI Direct Research

## Recent Activity

Buys			Sells		
Investor name	Value	Shares	Investor name	Value	Shares
SBI Funds Management Pvt. Ltd.	+20.35M	+0.84M	Shah (Bhadresh K)	-65.19M	-3.00M
HDFC Asset Management Co., Ltd.	+9.24M	+0.38M	PineBridge Investments Asset Management Company (India) Pri	-9.47M	-0.39M
Royce & Associates, LP	+3.61M	+0.16M	Mirae Asset Global Investments (India) Pvt. Ltd.	-4.63M	-0.21M
DSP BlackRock Investment Managers Pvt. Ltd.	+2.26M	+0.10M	Grandeur Peak Global Advisors, LLC	-2.10M	-0.10M
Goldman Sachs Asset Management International	+1.04M	+0.05M	Axis Asset Management Company Limited	-2.17M	-0.10M

Source: Reuters, ICICI Direct Research

## Financial summary

Profit and loss statement					₹ Crore				
(Year-end March)	FY17	FY18E	FY19E	FY20E					
Total operating Income	2,246.0	2,445.1	2,891.8	3,443.1					
Growth (%)	7.0	8.9	18.3	19.1					
Raw Material Expenses	726.9	964.4	1,031.2	1,225.8					
Employee Expenses	106.7	113.2	139.2	165.5					
Other expenses	852.1	831.9	1,027.4	1,221.3					
Total Operating Expenditure	1,685.8	1,909.4	2,197.8	2,612.6					
EBITDA	560.3	535.7	693.9	830.5					
Growth (%)	-8.4	-4.4	29.5	19.7					
Depreciation	72.5	76.0	83.0	106.2					
Interest	4.5	0.0	0.0	0.0					
Other Income	104.4	121.8	115.0	132.0					
PBT	587.7	581.6	725.9	856.3					
Others	0.0	0.0	0.0	0.0					
Total Tax	173.7	141.4	221.2	264.0					
PAT	414.1	440.2	504.7	592.3					
Growth (%)	-4.2	6.3	14.7	17.4					
EPS (₹)	43.9	46.7	53.5	62.8					

Source: Company, ICICI Direct Research

Cash flow statement					₹ Crore				
(Year-end March)	FY17	FY18E	FY19E	FY20E					
Profit after Tax	414.1	440.2	504.7	592.3					
Add: Depreciation	72.5	76.0	83.0	106.2					
(Inc)/dec in Current Assets	-258.5	81.6	-247.3	-359.0					
Inc/(dec) in CL and Provisions	26.4	-16.6	54.1	40.0					
Others	3.3	3.0	5.0	5.0					
CF from operating activities	254.5	581.1	394.5	379.6					
(Inc)/dec in Investments	-1.0	0.0	0.0	0.0					
(Inc)/dec in Fixed Assets	-75.0	-270.7	-565.0	-350.0					
Others	0.0	0.0	0.0	0.0					
CF from investing activities	-105.0	-360.7	-358.0	-230.0					
Issue/(Buy back) of Equity	0.0	0.0	0.0	0.0					
Inc/(dec) in loan funds	-43.6	0.0	0.0	0.0					
Dividend paid & dividend tax	-82.0	-136.2	-158.9	-181.5					
Inc/(dec) in Sec. premium	0.0	0.0	0.0	0.0					
Others	0.0	7.6	0.0	0.0					
CF from financing activities	85.4	-136.2	-158.9	-181.5					
Net Cash flow	234.9	84.3	-122.3	-31.9					
Opening Cash	-12.1	222.8	307.0	184.7					
Closing Cash	222.8	307.0	184.7	152.8					

Source: Company, ICICI Direct Research

Balance sheet					₹ Crore				
(Year-end March)	FY17	FY18E	FY19E	FY20E					
Liabilities									
Equity Capital	18.9	18.9	18.9	18.9					
Reserve and Surplus	1,857.5	2,161.5	2,507.4	2,918.1					
Total Shareholders funds	1,876.4	2,180.4	2,526.2	2,937.0					
Total Debt	140.2	140.2	140.2	140.2					
Deferred Tax Liability	71.2	71.2	71.2	71.2					
Minority Interest / Others	0.0	0.0	0.0	0.0					
Total Liabilities	2,095.8	2,409.8	2,762.7	3,193.4					
Assets									
Gross Block	931.1	1,094.4	1,459.4	1,809.4					
Less: Acc Depreciation	374.2	450.2	533.2	639.4					
Net Block	556.9	644.2	926.2	1,170.0					
Capital WIP	42.6	150.0	350.0	350.0					
Total Fixed Assets	599.5	794.2	1,276.2	1,520.0					
Investments	958.6	1,058.6	858.6	758.6					
Inventory	534.1	454.9	548.3	646.7					
Debtors	494.8	488.0	578.7	689.4					
Loans and Advances	213.4	214.0	264.8	406.2					
Other Current Assets	26.5	30.5	42.8	51.2					
Cash	222.8	307.0	184.7	152.8					
Total Current Assets	1,491.6	1,494.4	1,619.3	1,946.3					
Creditors	189.4	169.2	200.6	220.6					
Provisions	64.0	67.7	90.3	110.3					
Total Current Liabilities	253.4	236.8	290.9	330.9					
Net Current Assets	1,238.2	1,257.5	1,328.4	1,615.4					
Others Assets	0.0	0.0	0.0	0.0					
Application of Funds	2,095.8	2,409.8	2,762.7	3,193.4					

Source: Company, ICICI Direct Research

Key ratios									
(Year-end March)	FY17	FY18E	FY19E	FY20E					
Per share data (₹)									
EPS	43.9	46.7	53.5	62.8					
Cash EPS	51.6	54.7	62.3	74.1					
BV	198.9	231.2	267.8	311.4					
DPS	8.0	12.0	0.0	0.0					
Cash Per Share	23.6	32.6	19.6	16.2					
Operating Ratios (%)									
EBITDA Margin	24.9	21.9	24.0	24.1					
PBT / Total Operating income	27.1	24.5	25.8	25.5					
PAT Margin	18.4	18.0	17.5	17.2					
Inventory days	77.8	76.0	65.0	65.0					
Debtor days	83.4	75.0	75.0	75.0					
Creditor days	31.9	26.0	26.0	24.0					
Return Ratios (%)									
RoE	22.1	20.2	20.0	20.2					
RoCE	24.1	19.7	22.9	23.5					
RoIC	30.5	28.4	29.2	27.3					
Valuation Ratios (x)									
P/E	34.2	32.1	28.0	23.9					
EV / EBITDA	23.4	24.1	19.1	16.1					
EV / Net Sales	6.1	5.4	4.7	4.0					
Market Cap / Sales	6.5	6.0	5.0	4.2					
Price to Book Value	7.5	6.5	5.6	4.8					
Solvency Ratios									
Debt/EBITDA	0.3	0.3	0.2	0.2					
Debt / Equity	0.1	0.1	0.1	0.0					
Current Ratio	5.9	6.3	5.6	5.9					
Quick Ratio	5.0	5.0	4.9	5.4					

Source: Company, ICICI Direct Research

## ICICI Direct coverage universe (Capital Goods)

	CMP			M Cap	EPS (₹)			P/E (x)			RoCE (%)			RoE (%)		
	(₹)	TP(₹)	Rating		FY18E	FY19E	FY20E	FY18E	FY19E	FY20E	FY18E	FY19E	FY20E	FY18E	FY19E	FY20E
L&T (LARTOU)	1380	1,700	Buy	191820	39.9	45.9	53.5	34.6	30.1	25.8	11.6	12.8	14.1	12.7	13.8	14.9
Bhel (BHEL)	80	81	Hold	41608	1.2	1.7	4.8	64.5	48.1	16.7	0.6	-0.2	3.1	1.3	1.8	5.0
AIA Engineering	1580	1,880	Buy	14536	46.7	53.5	62.8	33.9	29.5	25.2	19.7	22.9	23.5	20.2	20.0	20.2
Thermax (THERMA)	1180	1,335	Buy	10223	22.2	33.7	40.0	53.1	35.0	29.5	10.8	15.0	16.0	9.5	13.0	13.4
KEC International (KECIN)	385	450	Buy	8100	17.8	20.5	24.0	21.6	18.8	16.0	18.8	20.2	20.9	20.0	19.0	19.5
Kalpataru Power(KALPOW)	490	600	Buy	7522	21.0	25.8	31.1	23.4	19.0	15.7	14.6	16.1	17.1	11.4	12.5	11.5
Greaves Cotton (GREAVE)	138	145	Hold	3367	8.5	8.5	8.9	16.2	16.2	15.5	28.7	28.2	32.0	21.2	19.9	22.9
Bharat Electronics (BHAELE)	120	155	Hold	34621	6.5	7.4	8.2	23.2	20.4	18.3	23.8	23.1	22.9	17.2	17.4	17.2
Engineers India (ENGIND)	145	195	Buy	13141	6.1	6.4	7.7	28.8	27.5	22.8	18.9	18.5	20.3	13.2	13.1	14.6
VaTech Wabag (VATWAB)	456	670	Buy	3638	34.1	40.1	47.9	16.4	14.0	11.7	26.1	26.3	27.2	17.4	18.1	19.1
Cochin Shipyard (COCSHI)	525	725	Buy	8,213	28.1	31.1	32.9	18.7	16.9	15.9	15.1	15.0	14.3	11.9	12.2	11.9
SKF (SKFIND)	1800	2,225	Buy	11733	57.6	64.8	69.8	31.2	27.8	25.8	23.7	23.6	22.7	16.1	15.9	15.2
Timken India (TATTIM)	670	880	Hold	5983	14.5	18.6	22.3	56.1	43.9	36.6	20.9	22.9	23.6	14.4	16.1	16.8
NRB Bearing (NRBBEA)	162	215	Buy	2084	7.4	8.7	9.9	23.0	19.6	17.2	20.5	21.5	21.9	19.6	19.7	19.2
Grindwell Norton (GRINOR)	520	560	Buy	6200	12.9	14.3	16.5	38.7	34.9	30.3	21.7	22.1	22.9	14.7	14.8	15.4

Source: Company, ICICI Direct Research

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