

Dec 15, 2016

Buy Around:	1288
SL:	1210
Target:	1430
Upside:	11%
Horizon:	1 Month

VALUE PARAMETERS

Price (₹)	1268.30
52 W H/L(₹)	1355.00/700.00
Mkt. Cap.(₹ Cr)	11960.07
Latest Equity(Subscribed)	18.86
Latest Reserve (cons.)	2263.40
Latest EPS (cons.) -Unit Curr.	47.64
Latest P/E Ratio -cons	26.62
Latest Bookvalue (cons.) -Unit Curr.	268.78
Latest P/BV - cons	4.72
Dividend Yield -%	1.42
Face Value	2

STOCK DATA

BSE Code	532683
NSE Symbol	AIA ENG
Reuters	AIAE.BO
Bloomberg	AIAE IN

SHARE HOLDING PATTERN (%)

Description as on	% of Holding 30/09/2016
Foreign	28.52
Institutions	5.39
Govt Holding	0.00
Non Promoter Corp. Hold.	2.31
Promoters	61.65
Public & Others	2.13

The management of the company expects decent volume growth in coming fiscal year. The confidence for volume growth for current fiscal comes from happening of new opportunities. Developmental activities of new mines in several key locations in full swing. The company targets an incremental volume growth of 120000 MT over next 3 years. Greenfield expansion at GIDC Kerala, Phase II that envisage a capacity addition of 100000 TPA taking the total installed capacity of the company to 440000 TPA is expected to be commissioned by Oct 2017. The total capex cost is Rs 350 crore.

BUSINESS PROFILE

AIA Engineering specialises in the design, development, manufacture, installation and servicing of high chromium wear, corrosion and abrasion resistant castings used in the cement, mining and thermal power generation industries.

INVESTMENT RATIONALE

- During Q2Fy17, it has reported 8% fall in its consolidated revenue to Rs 500.45 crore for the quarter ended June 2016. However aided by 220 bps expansion in operating profit margin and lower tax incidence the de-growth at net profit (after minority interest) was restricted at 1% to Rs 108.99 crore. Spurred by higher other comprehensive income of Rs 6.32 crore for the quarter compared to mere Rs 0.19 crore in the corresponding previous period, the total comprehensive income was up by 4% to Rs 115.32 crore.
- It has two project GIDC Kerala Greenfield Phase-I and Trichy Brownfield which would lead to increase the production capacity of the company and for this it has already set the capex of Rs.350 crore.
- For the first time, the company is marking its presence into china for VSMS high chrome mill internal parts and expected to move further for good growth.

TECHNICAL TRENDS



We recommend a buy in the stock of AIA ENGINEERING for a short-term perspective. The stock is trading at its good support level with good fundamental records and is expected to move up from this level. It made a 52 week low Rs700.00 and 52 week high of Rs 1355.00. Buy around at 1288 with a closing below stop loss of Rs.1210 levels for the target of Rs.1430. We recommend a buy in the stock of AIA ENGINEERING for a short-term perspective. The stock is trading at its good support level with good fundamental records and is expected to move up from this level. It made a 52 week low Rs700.00 and 52 week high of Rs 1355.00. Buy around at 1288 with a closing below stop loss of Rs.1210 levels for the target of Rs.1430.

Note:

- Follow Strict Stop Loss.

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