



Avanceon Company

Balance sheet

(In Million Rs)	Jun-13	Dec-12
Paid up	755.0	400.0
Non Current Assets	652.33	636.90
Current Assets	964.54	1,076.00
Non Current Liabilities	46.05	52.21
Current Liabilities	599.02	779.10
Investment in Subsidiary Companies	473.67	473.67

P&L

(In Million Rs)	Jun-13	Dec-12
Sales	525.57	1,098.88
Gross Profit	185.67	454.22
Finance cost	9.17	32.38
PBT	106.21	538.08
NPAT	88.42	509.31
EPS - adjusted	1.17	12.73

Source: Company prospectus

Avanceon Ltd... Another Engro feather - subscribe

Innovative Automation & Engineering Limited (IAEL) was incepted in 1989 in Pakistan **deals in the business of designing, development and implementation of automation process control, system integration, propriety energy management solutions and support services.**

In 2003, Engro Corporation acquired 62.67% of IAEL, and later on Engro Corporation acquired 70% stake in Advanced Automation Associates and then both companies were merged and rebranded as Avanceon.

Company specializes in providing the real time performance management systems for the major manufacturing industries in Pakistan. Currently Avanceon is providing its support and software services to big business giants e.g Engro Group, Nishat group and other big manufacturing companies.

Primary market offering

Currently company has announced the issue of 25.166 million Ordinary shares (25% of total Post IPO paid up capital) of Rs 10 each for cash at a price of Rs 14 per share.

18.874 million Shares (75% of total Issue size) will be made through book building process at a floor price of Rs. 14 (including share premium of Rs 4 per share). Application from institutions and HNW investors for book building process will be entertained from November 27 to 28, 2013.

Remaining 6.292 million ordinary shares (25% of total size) will be offered to general public through Initial Public Offering (IPO) at Strike price which will be determined through the Book Building Process. The dates for IPO is not announced till yet but soon will be announced.

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Company has reported noncurrent and current assets as of Rs 652.33mn and Rs 964.54mn as on June 2013. In the debt portion of the company has current liability of Rs 599mn and noncurrent liability of Rs 46mn which we feel is minimal.

Company has investment of Rs 473mn in fully owned subsidiary company Avanceon FZE, which also paid interim dividend of Rs 170mn and net gain of Rs 53million on restructuring arrangement during the CY12 reported in other income segments, which we feel is a good omen.

Given good prospects of the company which is having good clientele in trade and industry – we encourage investors to subscribe the issue.

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