

Current Reco	: BUY
Previous Reco	: BUY
CMP	: INR21,650
Target Price	: INR24,000
Potential Return	: 11%

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Asiamoney Brokers' Poll 2018**✓ Vote for ANTIQUE****Voting closes on 10th August****Market data**

Sensex	:	37,888
Sector	:	Industrials
Market Cap (INRbn)	:	190.5
Market Cap (USDbn)	:	2.774
O/S Shares (m)	:	8.8
52-wk HI/LO (INR)	:	23197/12101
Avg Daily Vol ('000)	:	3
Bloomberg	:	HWA IN

Source: Bloomberg

Valuation

	FY18	FY19e	FY20e
EPS (INR)	282.5	388.7	480.0
P/E(x)	76.6	55.7	45.1
P/BV(x)	13.5	10.9	8.8
EV/EBITDA(x)	50.8	39.6	31.9
Dividend Yield (%)	0.0	0.0	0.0

Source: Bloomberg

Returns (%)

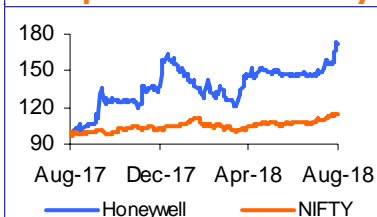
	1m	3m	6m	12m
Absolute	17	15	27	72
Relative	10	7	15	45

Source: Bloomberg

Shareholding pattern

Promoters	:	75%
Public	:	25%
Others	:	0%

Source: Bloomberg

Price performance vs Nifty

Source: Bloomberg Indexed to 100

COMPANY UPDATE

Honeywell Automation India Limited

Day in the Sun!

Honeywell Automation India (HAIL) is among the most promising industrial engineering companies in India with multi-year high growth potential. Globally, Honeywell Inc is leader in its areas of core operations, including building control and home comfort solutions, process solutions, mobility and others. High Growth Regions (HGRs) forms a key part of Honeywell Inc's global growth strategy, and it targets 'at-least' 15% CAGR in HGRs on a sustained basis. Over the years, HAIL, following the global strategic direction of the parent, has meaningfully converted itself into an 'industrial-software' company from being a pure 'industrial hardware' company, thereby further improving growth and profitability outlook. The company now derives ~45% of its revenues from export of engineering services, which has been consistently growing.

HAIL has demonstrated excellent growth in adverse business environment, posting 10% revenue, and 23% earnings growth in the past five years, supported by almost 6% EBITDA margin improvement. With improving growth and pricing environment, we expect HAIL to maintain a strong earnings CAGR of 30% over FY18-20e. Given the company's improving outlook with recovery in domestic growth and strong growth in exports, we revise our target price to INR 24,000 (INR 19,200 earlier), based on 50x (40x earlier) FY20E earnings.

Encouraging long-term growth story

Honeywell Inc's clear growth targets provide significant credence to HAIL's sustainable growth outlook. The parent has 4 strategic drivers (1) Accelerate growth organically (2) Expand margins / improve cash flow generation, (3) Become a Software-Industrial Company, and (4) More aggressive capital deployment

Organic growth accelerating

A key driver for growth is to grow aggressively in 'High Growth Regions (HGRs)'. Growth in China and India stood at 25% and 19% in CY17. The company targets to grow at-least 2X GDP growth in HGRs. HGRs include China, India, Middle-East and Latin America. Honeywell has two clear strategies for HGRs: East-for-East and East-for-Rest. This is expected to meaningfully improve growth outlook for India, both for domestic and international market.

Becoming a Software-Industrial Company

The company will leverage strong domain knowledge to build software for 'Connected' offerings. It will further build-out Honeywell Sentience platform, which will secured key customer wins across all end market segments. Globally, the company expects ~20% CAGR in software sales, significantly ahead of overall company sales. This has significant implication for HAIL. HAIL's exports account for 45% of sales, and will continue to grow profitability in the long-term.

1QFY19 result highlights

- At INR7.7bn, revenue grew 18%, ahead of our estimate of INR 7.5bn.
- EBITDA margin improved 340bps to 15.6% despite a 190bps decline in gross margin. Thus, EBITDA during the quarter jumped 51% to INR 1.2bn.
- With combination of strong operating performance and other income (up 182%), the earnings saw a sharp jump of 66% to INR 917mn, ahead of our estimate of INR 698mn.

30% Earnings CAGR

We expect HAIL to post revenue CAGR of 20% over the next two years and 30% earnings CAGR, led by EBITDA improvement to 14.7% from 13.5% in FY18. Given the growth in domestic business picking up, profitability can see upside in years to come. Balance sheet remains extremely healthy, with cash and equivalents accounting for 63% of capital employed. Yet, RoCE at 31% and RoE at 19% remain impressive, with likely upward trend.

The Power of Connected: That makes Honeywell exciting!

Honeywell Inc's clear growth targets

1. Accelerate growth organically

A key driver for growth is to grow aggressively in 'High Growth Regions (HGR)'. Growth in China and India stood at 25% and 19% in CY17. The company targets to grow at least 2X GDP growth in HGRs. HGRs include China, India, Middle-East and Latin America.

2. Expand margins / improve cash flow generation

Company will continue to focus on 'Honeywell Operating System (HOS)'. Globally, thrust is on improving working capital, eliminate stranded cost and continue fixed cost reduction.

3. Become a Software-Industrial Company

The company will leverage strong domain knowledge to build software for 'Connected' offerings. It will further build-out Honeywell Sentience platform, which will secured key customer wins across all end market segments. Globally, the company expects ~20% CAGR in software sales, significantly ahead of overall company sales.

4. More aggressive capital deployment

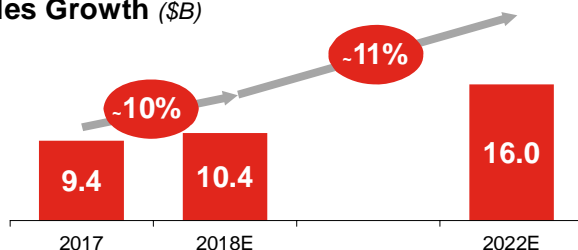
The company will continue to shift portfolio towards higher growth / higher margin end markets which drive superior cash generation.

HGR Focus on Local NPIs and Commercial Excellence

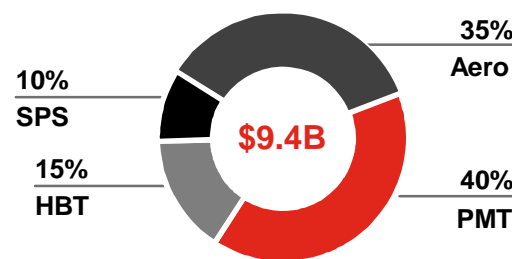
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HGR Continues to Deliver Strong Financial Performance

Sales Growth (\$B)



2017 HGR Sales by Business



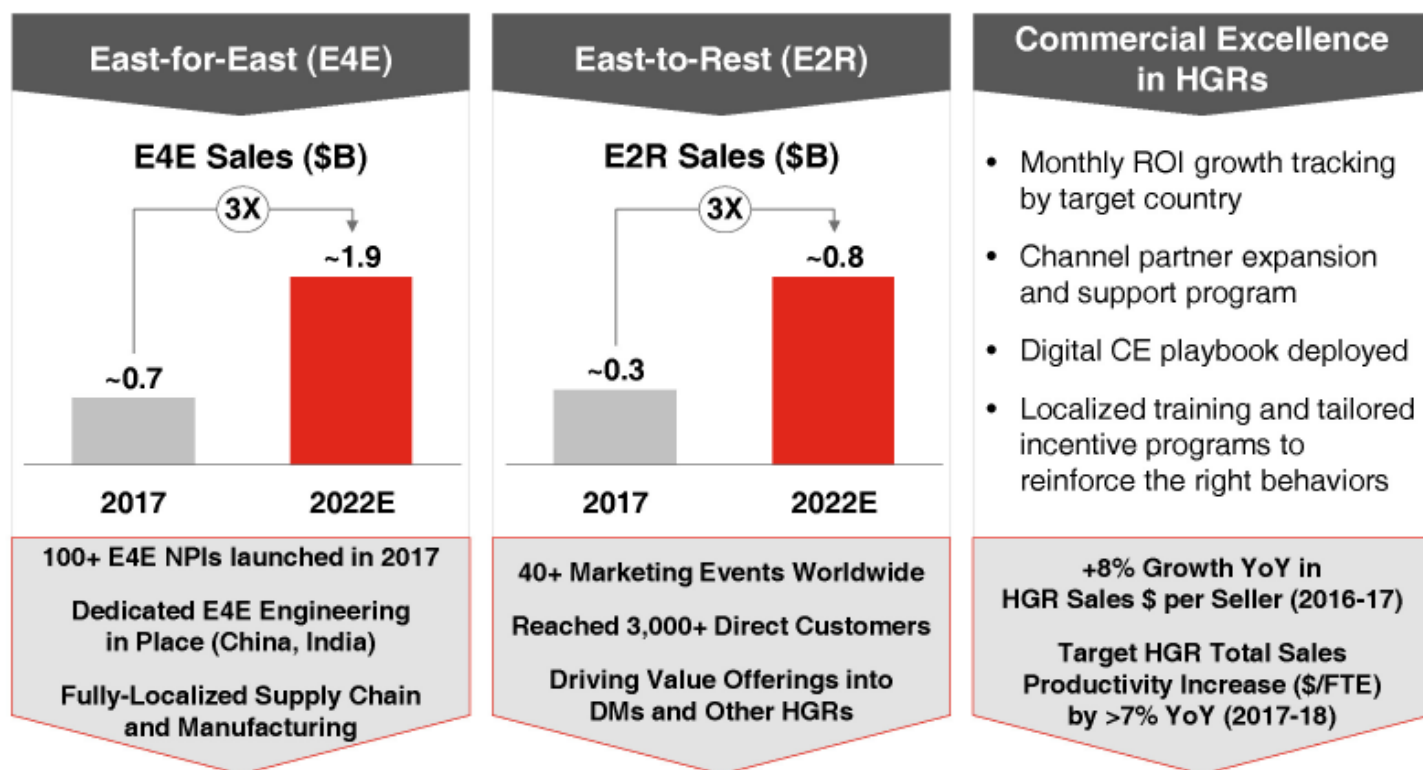
Regional Highlights

	2017 Sales (\$B)	YoY Organic Growth	2022E Sales (\$B)	2018E - 2022E Growth	
CHINA	2.9	25%	5.0	11%	Key Growth Drivers <ul style="list-style-type: none"> Government investments in "Belt and Road Initiative" "Made in China 2025" (advanced manufacturing) Industrial IoT upgrades to commercial buildings, transportation infrastructure Urban infrastructure efficiency (100 smart cities, smart meter rollouts) Sustainability regulations (auto emissions, air purification) Goods/services tax reform, digital initiatives ("India stack")
INDIA	0.8	19%	1.6	15%	
MERTA*	2.9	10%	4.5	9%	

*Middle East, Russia, Turkey and Africa

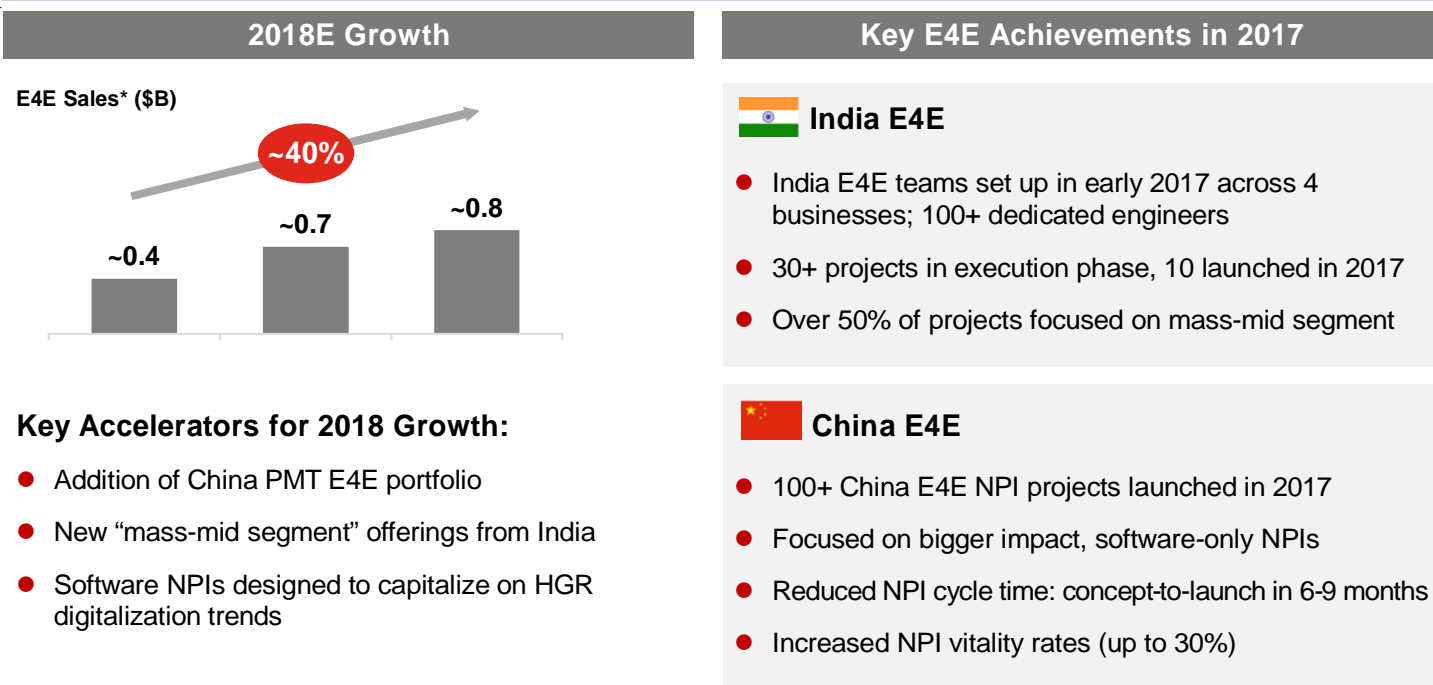
Source: Company, Antique

HGR focus on local NPIs and commercial excellence



Source: Company, Antique

East-for-East: Go bigger, faster, bolder



*Total China E4E sales from HBT (not including ADI), SPS, PMT, and TS

Source: Company, Antique

East-to-Rest: Taking it to Rest of the World

2018E Growth

E2R Sales* (\$B)

Year	E2R Sales (\$B)
2016	~0.2
2017	~0.3
2018E	~0.4

Key E2R Achievements in 2017

- More than 7,000 E2R SKUs available today
- Held 40+ marketing events worldwide, reached over 3,000 direct customers
- Expanded into more HGRs: East Africa, South America
- Validated DM market demand, e.g. with PA/VA** sales in U.S. and Germany; Fire in Japan and Korea

Key Accelerators for 2018 Growth:

- Streamlined supply chain and logistics
- Tighter integration into HON global portfolios
- Investment in destination country resources
- Proactive and focused push into DMs

Product Portfolio

- Integrated Utility Tunnel (IUT) Software
- Morley Fire Alarm Panel
- EDA 60K Handheld Scanner
- Single Cartridge Air Purifying Respirator (APR)
- Wind Energy Harness

*Total external sales in destination countries

**Public address and voice alarm systems

Source: Company, Antique

'Connected Enterprise' and Software - Major strategic thrust

The key strategic thrust of the company is to build software for 'Connected' offerings. It will further build-out Honeywell Sentience platform, which will secured key customer wins across all end market segments. Globally, the company expects ~20% CAGR in software sales, significantly ahead of overall company sales.

Connected enterprises and software across our segments

Key Business Metrics | Full Year 2017

~\$1.5B

Total Software Sales

23%

Connected Software Growth

Why We're Positioned to Win

- ✓ Delivering *Critically Connected* Solutions
- ✓ Industry Focus with Deep Domain Expertise
- ✓ Credibility with Large Install Customer Base

Key Business Breakdown for 2018

Total Software 2018E

~\$1.8B

Segment	Percentage
Home	13%
Worker / Supply Chain	6%
Aircraft / Vehicle	28%
Plant / Cyber Security	37%
Building	16%

Total Sales Mix 2018E

~\$3B

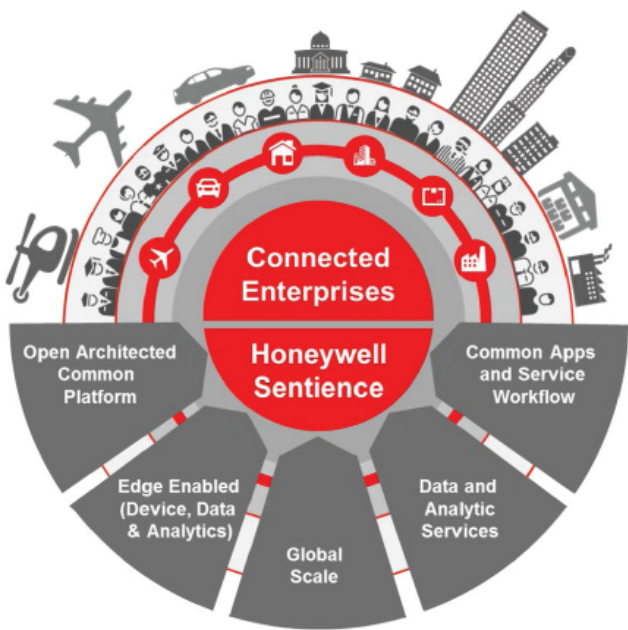
Segment	Percentage
Connected Hardware	~40%
Connected Software	~40%
Other Software	~20%

Highlights

- 75+ Software Offerings
- \$4B+ 2017 YE Pipeline
- 3X Growth in Developers
- 50PB of Identified Data

Source: Company, Antique

Connected Enterprises - Critically Connected Solutions



CONNECTED AIRCRAFT

130K TOTAL AIRCRAFT



CONNECTED BUILDING

10M GLOBAL INSTALLED BASE



CONNECTED PLANT/CYBER SECURITY

10K+ GLOBAL INSTALLED BASE



CONNECTED WORKER

550M GLOBAL PPE USERS



CONNECTED SUPPLY CHAIN

500M+ DELIVERIES ENABLED



CONNECTED DISTRIBUTION CENTER

\$6B AUTOMATION INSTALLED BASE¹

¹: Value of HON content in marketplace based on sales price

Source: Company, Antique

Software: Driving the Connected Enterprise in HGRs

HON Connected Enterprise Wins



UAE

Connected Plant solutions for enhanced asset performance and integrated IT systems across all Abu Dhabi refineries



ADNOC Refining



India

Command Control Center and proprietary surveillance software (DVM) for improved city management



Rajkot Smart City



Chile

Integrated software suite (Experion, Unisim, Sentinel, CPM) to enable large-scale remote operations center



Kairos Mining

Enabling Software Development

- Industrial Cyber Security Tech Center launched in Dubai
- Standing up 2 new software development centers in India and China
- “Software Multipliers” program to identify and groom high-output, top-caliber developers

Dubai Cyber Security Center



Acquiring Critical Capabilities

Integrating complementary technologies and new software talent via strategic acquisitions

China smart logistics and connected warehouse solution



Israel cyber security solution for industrial environments



Source: Company, Antique

The ‘HAIL’ story

Meaningful presence in India

In India, HAIL has been operating for the past 80 years. At present, the group derives revenues of over USD1bn, with staff strength of 15,000 employees (~10% of the global workforce). HAIL is headquartered in Pune with eight offices all over India. It has developed a strong channel reach in India and is amongst the top three in most areas of its operation. HAIL has an impressive 36000 sq ft. state-of-the-art manufacturing facility in Pune, and strict adherence to quality and being receptive to customer needs has helped it provide innovative solutions, high-end consulting, and engineering designs to organizations, both in India and globally.

Strong Support From Honeywell To Drive Innovation

Honeywell International Inc. Global Capabilities

Honeywell Global Product Development	Honeywell Global Acquisitions	Local Product Development (E4E)
<ul style="list-style-type: none">• Robust New Product Introductions (NPI) process• Global R&D spend at 7% of sales	<ul style="list-style-type: none">• 70+ Acquisitions Globally Since 2002• Expansion Of Product Portfolio	<ul style="list-style-type: none">• Access To HTS (Honeywell Technology Solutions) India Team Of 2,400+ Engineers• More Than A Dozen Products Developed Within Last 2-3 years
<p>Key Examples:</p> <ul style="list-style-type: none">• Attune Energy Management• Smartline Transmitters• LEAP Execution• ComfortPoint™• Orion console, Universal I/O• TruStability sensors	<p>Key Examples:</p> <ul style="list-style-type: none">• Tridium• Inncom• Movilizer• Xtralis• Elster• Intelligrated• Com Dev	<p>Key Examples:</p> <ul style="list-style-type: none">• Dynamo Operations Suite• DVM Express ®• DVM Hydra ®• Terminal Manager• Networked Operating Centers• Residential Plumbing Valves

HAIL Businesses







Source: Company, Antique

Global leader in its area of operations, diversified end market

Honeywell International (HON) is among the global leaders in its area of operations. Globally, it is the numero uno in building control and home comfort solutions, and second in process solutions. It caters to diverse end markets ranging from infrastructure, residential and commercial construction, and manufacturing. The company has a strong client base, including NTPC, Reliance Industries, Tata Steel, HCL Technologies, and ITC in the domestic market, which provide fair growth visibility.

Well diversified portfolio in automation business

HAIL

Process Solutions ⁽¹⁾ (HPS)	Building Solutions ⁽¹⁾ (HBS)	Environmental and Combustion Controls ⁽¹⁾ (ECC)	Sensing and Control ⁽¹⁾ (S&C)	Global Manufacturing ⁽¹⁾ (GM)	Global Engineering Services ⁽¹⁾ (GES)
Domestic	Domestic	Domestic	Domestic	Exports	Exports
Automation and control systems for process industries Lifecycle services Advanced solutions – simulation, optimisation Field instrumentation and solutions	Integrated Building Management Systems including HVAC, life safety and security Large, complex, integrated projects Energy saving performance contracts	Home comfort and energy solutions Building controls Field products Combustion controls	Sensors Safety and limit switches Mission critical applications	Project automation solutions: Experion and safety system Field products and solutions, pressure, temperature transmitter, flow controllers Airport solutions group	Process automation Field instrumentation and design Building automation/commercial controls Development and software engineering services
					

Source: Company

Global leader in automation

Industry	Sub-verticals served	Business segments	HON global position ⁽¹⁾
Oil and Gas	E&P, refining, supply and distribution, LNG and gas processing, gas distribution, city Gas	Process Solutions	2
Chemical / Petrochemical	Petro-chemical, bulk and speciality chemicals, cement, fertilizer	Building Controls	1
Metals and Mining	Iron ore, Steel, Aluminium, Copper, Zinc, minerals	Building Solutions	2
Infrastructure	Airports, metro, stadia	Home Comfort Controls	1
Commercial Construction	IT/ITES, datacenters, BFSI, hotels and hospitality, offices, malls, education		
Residential	Gated apartments and houses, residential retro-fit		

Source: Company

Global positioning of Honeywell in product segments

Segment	Position	Market drivers
Home comfort controls	1	Energy, savings, productivity
Building controls	1	Energy efficiency, energy legislation, safety
Residential combustion	1	Energy savings, comfort, IAQ
Sensing	3	Safety, construction, healthcare innovations
Security	1	Security, productivity, new technology adoption
Fire systems	1	Safety, codes and regulations, comm. construction
Personal protective equipment	1	Safety, codes and regulations, cost of incidents
Gas detection	1	Safety, codes and regulations, industrial production
AIDC - scanning and mobility	2	Productivity, security, new technology evolution
Process solutions	2	Safety, security and energy efficiency, installed base
Building solutions	2	Energy efficiency, sustainability, IT convergence

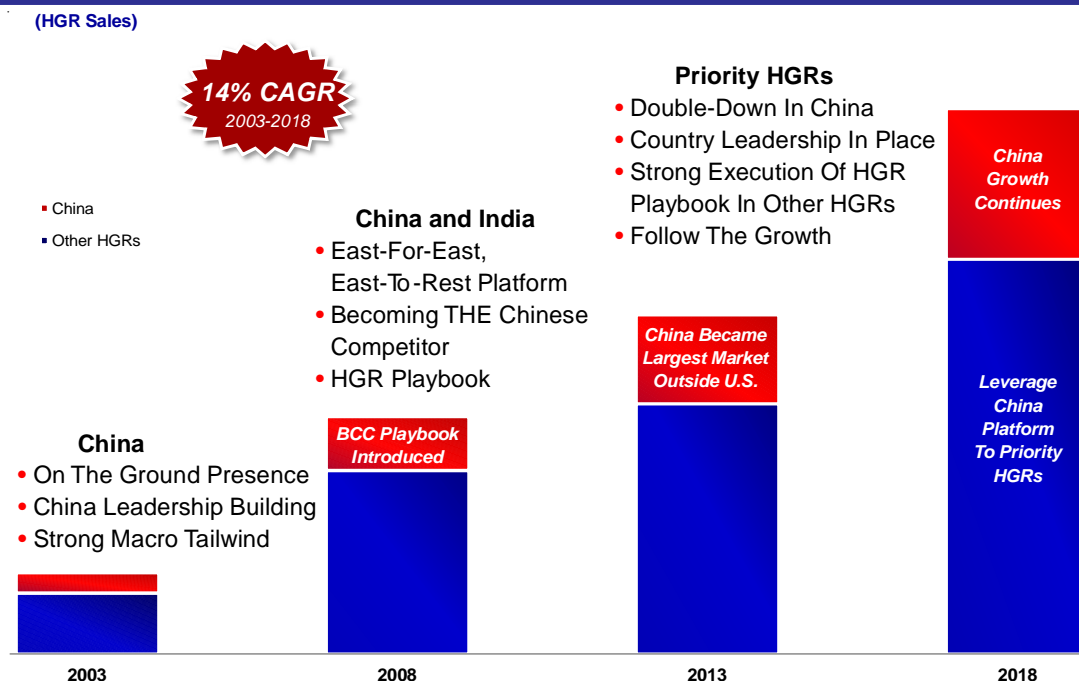
Source: Company

High growth regions (HGR) expected to drive ~50% growth over the next five years

HGR is a focused area of global growth strategy for the company. It has been progressively targeting HGR, starting with China from 2003, India from 2008, and other regions from 2012. According to company estimates, HGR is likely to contribute ~50% of sales growth over the next five years and is likely to remain the growth engine for HON. Contribution to sales from HGR is expected to increase by 10-11% over FY17-22E with India revenue expected to double from USD 0.8bn to USD 1.6bn, growing at over 15%, the fastest among HGR, led by East-for-East and East-for-Rest strategies. In India, investment towards urban infrastructure efficiency, led by 100 smart cities, smart meter rollouts along with spending due to auto emission, and air purification are expected to drive growth. In addition to this, tax reforms like GST and digital initiatives are expected to improve overall business environment.

- From 2003, Honeywell International developed its on-the-ground presence in China and has been focusing on building strong leadership in that country.
- Since 2008, the HGR strategy was expanded to both China and India, with specific focus on (i) East-for-East and East-to-Rest platform and (ii) becoming the Chinese competitor.
- Since 2012, the same was applied to new set of countries and regions such as West Asia, Russia, Brazil, Mexico, Indonesia, Turkey, South Africa, and Vietnam.

High growth region (HGR) - a key focus area for the group



Source: Company

Business-wise outlook

1. **Process Solutions business had a good year.** Its offerings include distributed control systems (DCS), transmitters, programmable logic controllers, emergency shutdown systems (ESD), quality controls systems (QCS), advanced software solutions, IIoT solutions, and comprehensive lifecycle services. As India moves to build smart cities, drive a gas-based economy, and digital infrastructure for the future, Process Solutions segment is expected to benefit meaningfully from the opportunities that will emerge in the near future.
2. **Building Solutions business continued to demonstrate strong results through the year.** The company's track record in infrastructure, transportation, 100 Smart Cities, information technology, pharmaceutical, and commercial space verticals helped expand its presence despite challenges. Building Management System business is a global leader in connected buildings space and maintains a leadership position in India with the widest range of building automation technologies.
3. The market demand for construction equipment and industrial machinery and new wins helped drive strong growth for **Sensing and Internet of Things business.** The packaged products portfolio performed well in 2017-18 with revenue upside for limit switches, construction equipment shifters, pressure switches and basic switches for vehicle body controls. The electronic sensing, and test and measurement lines of business grew on the back of strong demand for sensors. Steady demand for instruments/pollution monitoring equipment and vending machines drove growth for new gas sensor and OEM scan engine portfolios. The company maintains that it will continue to remain focused on market verticals such as industrial, transportation, military, aerospace, and medical equipment.
4. **Global Services** provides project engineering services, product customization solutions, software development, and engineering services to several global Honeywell entities. Honeywell Operating System continues to be the backbone for this business, helping drive lean operations and efficiencies. The company is also engaged in providing end-to-end project execution and delivery services to global customers. This includes complete project management, systems design, engineering, sourcing, manufacturing, and testing undertaken at its Pune facility.

New plant

The new global manufacturing facility at Fulgaon, Pune, completed four years of operations in August 2018. HAIL has completed construction of phase two on the adjacent plot where the Customer Integration Center (CIC) and warehouse were consolidated under one roof. The operations commenced in April 2018. This consolidation at Fulgaon will help improve overall operational efficiency.

AGM 2018 highlights

Industry Outlook

1. Implementation of GST caused certain business disruptions during the year, but it is expected to have a far-reaching impact on profitability and pricing, and sourcing and distribution. Government's key programs such as 100 Smart Cities, Defense modernization, Euro 6 transition, Digital India and Make in India are being actively implemented. The government continues to lead investments in infrastructure and railways. Investments in the refining and petrochemical sector provide an opportunity for the company's process solutions business. However, the slow pace of capital investments continued in most other areas that the Process Solutions business operates in. Most of the spending is taking place through operational expenditure and providing an opportunity for service, upgrades and migrations.
2. Real estate has been significantly impacted by demonetization, leading to sluggish growth in the residential sector, which is expected to continue. However, RERA and GST are expected to gradually improve investor confidence in the real estate sector in the long run.
3. Manufacturing activity in the core industrial sector is a critical driver for the company's Sensing and IOT business. Several positive drivers including the Make in India initiative and Industrial Internet of Things (IIoT) will help drive a favorable trend in the near future.

Key highlights from AGM

- The company reinforced confidence in the business as it has delivered strong performance in the past. The company saw its revenue jump 5.5x from CY05 to FY18 with CAGR of 15.2% taking the revenue from INR 4.9bn to INR 26.9bn. Similarly, HAIL increased its PBT 10x from INR 0.4bn to INR 3.8bn, with CAGR of 21.2%, during the same period. Exports have certainly helped the company achieve scale, on the back of support from its parent. It has improved exports from 19% of sales to 45% between CY05 to FY18.
- HAIL has achieved the above on the back of (1) wide and deep portfolio of products and services and (2) strong support from parent, with emphasis on innovation. The Indian entity has benefited from global product development, acquisition, local product development with access to Honeywell Technology Solution (parent's subsidiary) and strong reach in over 20 cities directly and 35 cities through distributors.
- While management did not put out specific guidance, it expressed considerable confidence in the company's manufacturing & services capabilities along with support from its parent and expects to see its sustained long-term growth. Towards this end, HAIL will continue to invest in new manufacturing as it has recently commissioned the expansion at its Fulgaon facility.

1QFY19 result highlights

- At INR7.7bn, revenue grew 18%, ahead of our estimate of INR 7.5bn.
- EBITDA margin improved 340bps to 15.6% despite a 190bps decline in gross margin. Thus, EBITDA during the quarter jumped 51% to INR 1.2bn.
- With combination of strong operating performance and other income (up 182%), the earnings saw a sharp jump of 66% to INR 917mn, ahead of our estimate of INR 698mn.

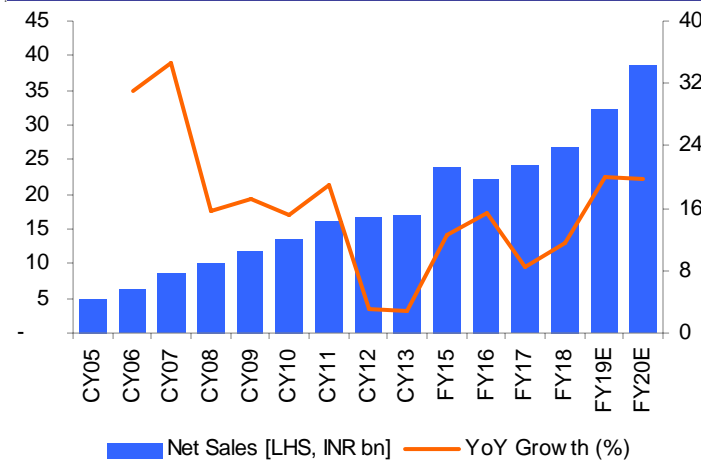
Standalone Performance

(INR m)	1QFY18	2QFY18	3QFY18	4QFY18	1QFY19	YoY (%)	QoQ (%)	FY18	FY17	YoY (%)
Revenue	6,555	6,732	7,215	6,398	7,704	18	20	26,900	24,101	12
Raw Material	3,328	3,498	3,861	3,380	4,061	22	20	14,068	13,001	8
% of Sales	50.8%	52.0%	53.5%	52.8%	52.7%			52.3%	53.9%	
Employee Cost	1,262	1,090	1,085	1,060	1,282	2	21	4,497	4,139	9
% of Sales	19.3%	16.2%	15.0%	16.6%	16.6%			16.7%	17.2%	
Other Exp	1,166	1,072	1,344	1,156	1,156	(1)	0	4,737	4,130	15
% of Sales	17.8%	15.9%	18.6%	18.1%	15.0%			17.6%	17.1%	
Total Exp	5,756	5,660	6,291	5,596	6,499	13	16	23,302	21,271	10
EBITDA	799	1,072	924	802	1,205	51	50	3,598	2,830	27
EBITDA Margin (%)	12.2%	15.9%	12.8%	12.5%	15.6%			13.4%	11.7%	
Other Income	87	91	66	125	247	182	97	369	410	(10)
Interest	-	-	-	3	-			3	3	
Depreciation	39	35	36	43	38	(2)	(10)	152	164	(7)
PBT (before exceptional)	848	1,129	954	882	1,413	67	60	3,812	3,073	24
Exceptional Items	-	-	-	-	-			-	-	
PBT (Reported)	848	1,129	954	882	1,413	67	60	3,812	3,073	24
Tax	294	391	332	298	496			1,315	1,379	
Tax rate (%)	34.7%	34.7%	34.7%	33.8%	35.1%			34.5%	44.9%	
Reported PAT	554	737	623	584	917	66	57	2,497	1,695	47
Exceptional Items	-	-	-	-	-			-	-	
Adjusted PAT	554	737	623	584	917	66	57	2,497	1,695	47
PAT Margin (%)	8.4%	11.0%	8.6%	9.1%	11.9%			9.3%	7.0%	
EPS (Rs)	62.6	83.4	70.4	66.0	103.7	66	57	282.5	191.7	47

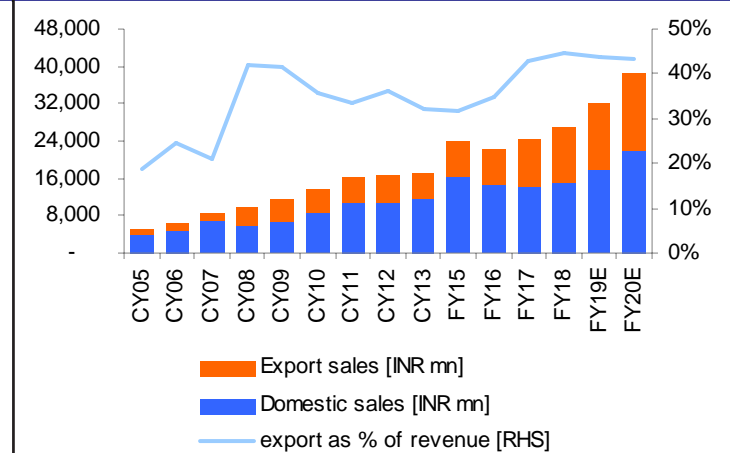
Source: Company, Antique

Financial performance has kept pace

Revenue and revenue growth trend

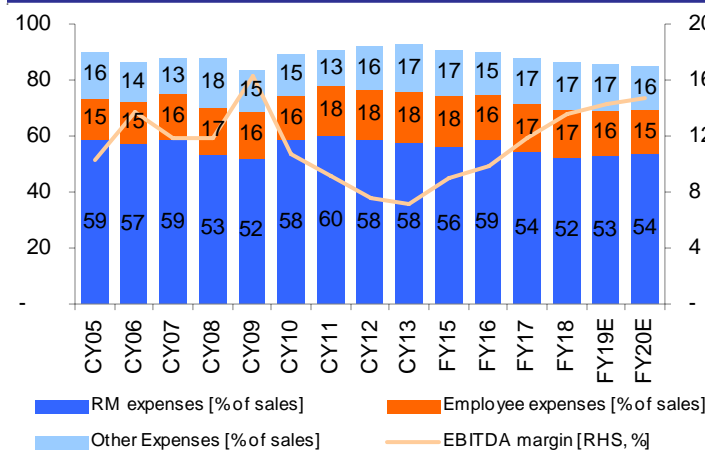


Domestic and export revenue growth trend

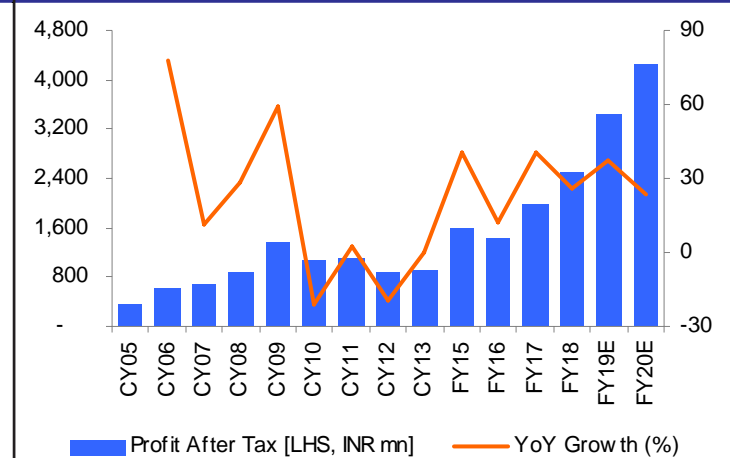


Source: Company, Antique Note: FY15 is 15-months period, growth on annualised basis

EBITDA margin uptick led by gross margin expansion



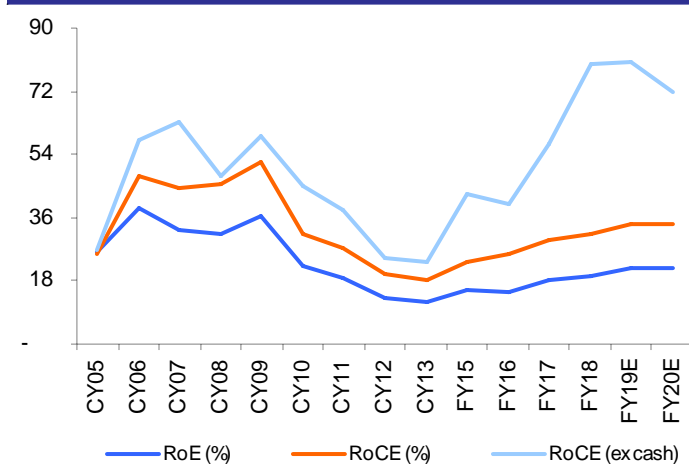
PAT and PAT growth trends



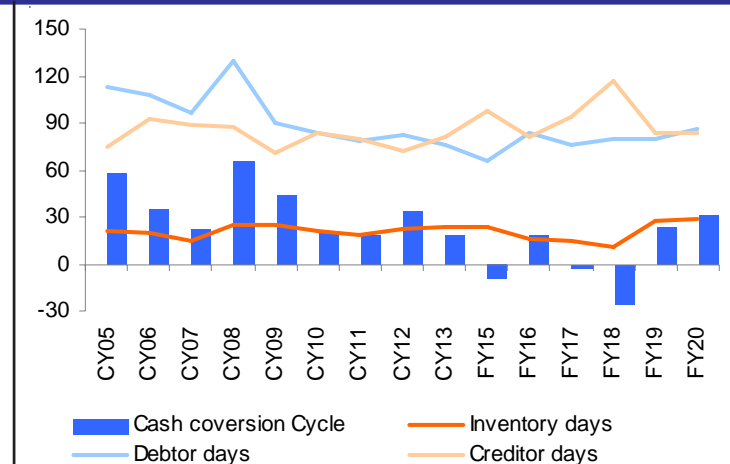
Source: Company, Antique

Note: Growth on annualised basis

Strong return ratios - RoE, RoCE, RoCE (ex cash)



Improving working capital



Source: Company, Antique,

Source: Company, Antique

Financials

Profit and loss account (INRm)

Year-ended	March 31	FY16	FY17	FY18	FY19e	FY20e
Net Revenue		22,215	24,101	26,900	32,286	38,640
Op. Expenses		20,036	21,242	23,264	27,687	32,950
EBITDA		2,180	2,859	3,636	4,599	5,690
Depreciation		154	164	152	160	164
EBIT		2,026	2,695	3,484	4,439	5,526
Other income		240	380	331	729	854
Interest Exp.		4	3	3	-	-
Extra Ordinary Items -gain/(loss)		-	(291)	-	-	-
Reported PBT		2,262	2,782	3,812	5,167	6,381
Tax		850	1,088	1,315	1,731	2,138
Reported PAT		1,412	1,695	2,497	3,436	4,243
Net Profit		1,412	1,695	2,497	3,436	4,243
Adjusted PAT		1,412	1,986	2,497	3,436	4,243
Adjusted EPS (INR)		159.7	224.6	282.5	388.7	480.0

Balance sheet (INRm)

Year-ended	March 31	FY16	FY17	FY18	FY19e	FY20e
Share Capital		88	88	88	88	88
Reserves & Surplus		10,132	11,714	14,098	17,428	21,565
Networth		10,220	11,803	14,187	17,517	21,653
Net deferred Tax liabilities		(717)	(684)	(767)	(767)	(767)
Capital Employed		9,503	11,118	13,420	16,750	20,887
Gross Fixed Assets		1,964	1,081	1,259	1,459	1,659
Accumulated Depreciation		1,124	296	421	581	744
Capital work in progress		16	27	11	11	11
Net Fixed Assets		856	813	849	889	926
Investments		789	828	778	778	778
Current Investments		789	828	778	778	778
Current Assets, Loans & Adv		15,256	17,190	21,926	25,774	31,781
Inventory		1,006	969	798	2,421	3,091
Debtors		5,053	5,003	5,911	7,103	9,080
Cash & Bank balance		3,716	5,785	8,414	9,159	11,566
Loans & advances and others		5,481	5,433	6,802	7,091	8,044
Current Liabilities & Prov		7,399	7,712	10,132	10,691	12,597
Liabilities		6,621	6,876	9,127	9,686	11,592
Provisions		778	836	1,005	1,005	1,005
Net Current Assets		7,857	9,478	11,793	15,083	19,184
Application of Funds		9,503	11,118	13,420	16,750	20,887

Per share data

Year-ended	March 31	FY16	FY17	FY18	FY19e	FY20e
No. of shares (m)		8.8	8.8	8.8	8.8	8.8
Diluted no. of shares (m)		8.8	8.8	8.8	8.8	8.8
BVPS (INR)		1,156.1	1,335.2	1,604.8	1,981.5	2,449.5
CEPS (INR)		177.1	210.2	299.7	406.8	498.5
DPS (INR)		12.5	10.0	10.0	10.0	10.0

Source: Company, Antique

Cash flow statement (INRm)

Year-ended	March 31	FY16	FY17	FY18	FY19e	FY20e
PBT		2,262	3,073	3,812	5,167	6,381
Depreciation & amortisation		154	164	152	160	164
Interest expense		4	3	3	-	-
(Inc)/Dec in working capital		80	448	314	(2,545)	(1,694)
Tax paid		(850)	(1,088)	(1,315)	(1,731)	(2,138)
Less: Int/Dividend Income Received		(103)	(188)	(210)	(250)	(300)
CF from operating activities		1,547	2,412	2,756	801	2,413
Capital expenditure		103	188	210	250	300
Inc/(Dec) in investments		(7)	872	(162)	(200)	(200)
CF from investing activities		96	1,060	49	50	100
Inc/(Dec) in share capital		123	(5)	(7)	-	-
Dividend Paid		(137)	(109)	(109)	(106)	(106)
Others		(100)	(297)	0	-	-
CF from financing activities		(114)	(411)	(116)	(106)	(106)
Net cash flow		1,529	3,061	2,689	745	2,406
Opening balance		2,187	3,716	6,777	9,466	10,211
Closing balance		3,716	6,777	9,466	10,211	12,617

Growth indicators (%)

Year-ended	March 31	FY16	FY17	FY18	FY19e	FY20e
Revenue		15.4	8.5	11.6	20.0	19.7
EBITDA		2.1	31.2	27.2	26.5	23.7
Adj PAT		12.1	40.6	25.8	37.6	23.5
Adj EPS		12.1	40.6	25.8	37.6	23.5

Valuation (x)

Year-ended	March 31	FY16	FY17	FY18	FY19e	FY20e
P/E		135.6	96.4	76.6	55.7	45.1
P/BV		18.7	16.2	13.5	10.9	8.8
EV/EBITDA		86.5	65.4	50.8	39.6	31.9
EV/Sales		848.2	775.4	686.9	564.3	469.6
Dividend Yield (%)		0.1	0.0	0.0	0.0	0.0

Financial ratios

Year-ended	March 31	FY16	FY17	FY18	FY19e	FY20e
RoE (%)		14.8	18.0	19.2	21.7	21.7
RoCE (%)		25.8	29.8	31.1	34.3	33.9
Asset/T.O (x)		3.1	3.0	2.8	2.8	2.7
EBIT/Interest (x)		596.2	1,183.0	1,362.5	-	-

Margins (%)

Year-ended	March 31	FY16	FY17	FY18	FY19e	FY20e
EBITDA Margin		9.8	11.9	13.5	14.2	14.7
EBIT Margin		9.1	11.2	13.0	13.7	14.3
PAT Margin		6.4	8.2	9.3	10.6	11.0

Source: Company, Antique

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