

**39<sup>th</sup> Annual General Meeting of Honeywell Automation India Limited**  
**Held on 10<sup>th</sup> August 2023**

- **Dr. Ganesh Natarajan – Independent Director & Non-Executive Chairman, Honeywell Automation India Limited:**
- Dear Shareholders, good afternoon and regret the small delay in starting this meeting because of a technical error. I am Dr. Ganesh Natarajan - Independent Director and Non-Executive Chairman of the Board and Chairman of the Audit Committee. I am attending this meeting through video conference from Pune. I welcome and thank all of you for joining this 39<sup>th</sup> Annual General Meeting of the Company. The Annual General Meeting is being held through video conferencing in compliance with the applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations. The Company Secretary informs me that the members present form the necessary quorum and the meeting is properly constituted. I now call the meeting to order. Before I proceed further, I would like to invite all the directors who have joined this meeting through video conference to introduce themselves and also confirm the location from where they are attending the meeting.
- **Dr. Ganesh Natarajan – Independent Director & Non-Executive Chairman, Honeywell Automation India Limited:**
- Ms. Neera Saggi.
- **Ms. Neera Saggi – Independent Director, Honeywell Automation India Limited:**
- I am Neera Saggi - Independent Director and Chairperson of the Nomination and Remuneration Committee. I am attending this meeting through video conference from Pune. Thank you.
- **Dr. Ganesh Natarajan – Independent Director & Non-Executive Chairman, Honeywell Automation India Limited:**
- Mr. Ashish Modi
- **Mr. Ashish Modi – Non-Executive Director, Honeywell Automation India Limited:**
- Hi, I am Ashish Modi – Non-Executive Director & Chairman of the Stakeholders’ Relationship Committee. I am attending this meeting through video conference from Bangalore. Thank you.
- **Dr. Ganesh Natarajan – Independent Director & Non-Executive Chairman, Honeywell Automation India Limited:**
- Mr. Atul Pai.

- **Mr. Atul Pai – Non – Executive Director, Honeywell Automation India Limited:**
- Good afternoon, I am Atul Pai – Non-Executive Director and Chairman of the Corporate Social Responsibility Committee. I am attending this meeting through video conference from Pune. Thank you.
- **Dr. Ganesh Natarajan – Independent Director & Non-Executive Chairman, Honeywell Automation India Limited:**
- Mr. Brian Rudick
- **Mr. Brian S. Rudick – Non – Executive Director, Honeywell Automation India Limited:**
- I am Brian Rudick- Non-Executive Director of the Company. I am attending this meeting through video conference from Pune. Thank you.
- **Dr. Ganesh Natarajan – Independent Director & Non-Executive Chairman, Honeywell Automation India Limited:**
- With me present on the dais is Mr. Ashish Gaikwad to my left, who is the Managing Director & Chairman of the Risk Management Committee.
- Mr. Pulkit Goyal – Chief Financial Officer of the Company and
- Ms. Indu Daryani, the Company Secretary.
- We also have our senior management team, representatives of the Statutory Auditors - Deloitte Haskins and Sells LLP, Secretarial Auditors - J.B. Bhavé & Co., Company Secretaries joining this meeting through video conference. We welcome them to this meeting.
- Also, on behalf of the board I would like to place on record our appreciation of the valuable contribution made by Dr. Akshay Bellare, Mr. Rajesh Rege, Ms. Nisha Gupta and Ms. Farah Irani during their respective tenure with the Company.
- I hereby request the Company Secretary to familiarize you with some of the general instructions as regards participation and voting at this meeting.
- **Ms. Indu Daryani – Company Secretary, Honeywell Automation India Limited:**
- Thank you, Sir. Good afternoon shareholders. I Indu Daryani, Company Secretary of Honeywell Automation India Limited, welcome all of you to our 39<sup>th</sup> Annual General Meeting of the Company. Since this meeting is being conducted virtually without presence of members in person, the requirement of appointment of proxy is not applicable. An electronic copy of the register of directors and KMP and their shareholdings and register of contracts or arrangements in which Directors are interested are available for inspection.

- As required under the Companies Act and the SEBI Listing Regulations, the Company has provided to all the shareholders the facility to cast their vote electronically through the e-voting system administered by NSDL. The e-voting facility is also provided to shareholders present virtually at this AGM. The shareholders may please visit the e-voting page of NSDL website and cast their vote in case they have not already done so during the remote e-voting period while the proceedings of this meeting are on.
- Since the meeting is held through VC and resolutions set forth in the notice have already been put to vote through remote voting there would not be proposing and seconding of the resolutions. Ms. Amruta Bilgi of M/S. Bokil Punde & Associates, Company Secretaries, has been appointed as the scrutinizer for the remote e-voting and e-voting to be conducted at the AGM.
- While most of you are already aware of the process of participation and e-voting at the AGMs through video conferencing I would like to briefly explain the technical aspects for the benefit of first-time participants.
  - The facility to join this meeting is made available to all the members on first come first basis.
  - All members who have joined this meeting are by default kept on mute and their videos are turned off by the host to avoid any disturbances arising from background noise.
  - Once the Q & A sessions begins the Chairman will sequentially announce the name of the shareholders who have registered their names to speak at this meeting.
  - When the Chairman calls out the name, microphone or speaking facility for such holder will be unmuted by the host.
  - Once the speaker is unmuted, he/she is required to turn the video button on which is optional and start speaking after mentioning the name and location from where they are joining the meeting.
  - If he/ she is unable to join through video for any reason, the speaker may speak using the audio mode.
  - If there is any connectivity problem at the speakers end, we will request the next speaker to join, and once normal connectivity is restored the earlier speaker will be requested again to speak after the other pre-registered speakers.
  - We request speaker shareholders to be brief and specific to the business of the meeting and to limit their speech to up to 3 minutes. Also, in case any of your questions get answered during the course of presentation by our MD and CFO request to please exclude asking these again when your turn comes up.
  - Pursuant to the provisions of section 108 of the Companies Act and related rules all the members of the Company have been given the opportunity to cast their vote by way of remote e-voting. The cut-off date for the same was Thursday, August 3<sup>rd</sup> and voting window was open from Monday, August 7<sup>th</sup> from 9:00 a.m. IST to Wednesday, August 9<sup>th</sup> till 5 p.m. IST. Those who are members as on cut-off date are eligible to cast their votes.

- Members who have not cast their votes by remote e-voting can cast their vote at the AGM.
  - Those members who have cast their vote through remote e-voting can participate at the meeting but cannot vote again.
  - Voting window is open during the meeting and will also be available for another 15 minutes after the closure of the meeting.
- With this I request the Chairman to take forward the meeting.
  - **Dr. Ganesh Natarajan – Independent Director & Non-Executive Chairman, Honeywell Automation India Limited:**
  - Thank you, Indu. Since the notice pertaining to this AGM was already circulated to the shareholders, I take the same as received and read. The statutory Auditors of the Company, Deloitte Haskins and Sells LLP and the Secretarial Auditor of the Company, Jayavant B. Bhavé of JB Bhavé and Company, Company Secretaries have submitted their respective reports for the financial year ended 31<sup>st</sup> March 2023. Since there are no qualifications, reservations or adverse remarks in their respective reports and the Annual Report has been published and available on the website of BSE, NSE, NSDL and the Company, I take these reports as read. I would like to share with you the performance of the Company during the financial year 22-23 and the general outlook of the economy.
  - Dear shareholders, I am delighted to address you today as the Chairman of your Company and present to you the 39<sup>th</sup> Annual report for the financial year 2022-23. I am thankful to you for your continued trust and confidence in your Company's capabilities in its continuous journey and growth. In the last financial year, India has emerged as the most resilient and one of the fastest growing economies in the world despite significant challenges in the global environment including continuing disruptions of supply chain following the rise in geopolitical tensions, the synchronized tightening of global monetary policies and inflationary pressures. India's economy bounced back after the pandemic in FY2021-22 with the GDP growing 7.2% in FY 2022-23. The Government of India continues to strengthen the key sectors of the Indian economy with Capex and policy initiatives to drive long term sustainable growth. The fundamentals of the Indian Economy remain strong. Your Company is committed to leading energy transition and shaping a sustainable tomorrow. Honeywell Automation India Limited is dedicated in playing a lead role in the Country's transformation to a sustainable future and is well on its way to delivering on its commitment to make all its facilities and operations Carbon neutral by 2025.
  - Another focus area for your Company is digital transformation. Your Company has a long experience in process control, cyber security and managed performance and is geared to cater to the requirement of the shareholders and help them optimize operations, provide remote visibility and drive safety, reliability and efficiency. Through the integration of sustainability and industrial visualization into its core business strategy your Company aims to achieve long-term value for all shareholders.

- Your Company's CSR activities, environmental initiatives and ethical corporate governance are focused on fulfilling our ESG - Environment, Social and Governance responsibilities. I am proud of the progress your Company has made so far in providing sustainable solutions for all stakeholders around health care, education, infrastructure and community development.
- Your Company will continue to work further and make a further impact on its people, families and the communities itself. Your Company has constantly invested in state-of-the-art facilities, cutting-edge technologies, and highly skilled personnel. This has enabled it to deliver superior quality products and services to customers, meet international standards and surpass expectations. The industries which your Company serve include process solutions, building solutions, IOT, Global manufacturing and Engineering Services and the Company is well positioned for continuing global growth.
- On behalf of the Management and Board of Directors of Honeywell Automation India Limited, I want to thank you for your trust, confidence, and support. We look forward to your continuing support as we drive the Company forward for future growth.
- I would now hand it over to the Managing Director Mr. Ashish Gaikwad to give a brief overview of the operations of the Company and a summary of the business results.
- **Mr. Ashish Gaikwad - Managing Director, Honeywell Automation India Limited:**
- Thank you, Mr. Chairman and good afternoon, to all dear shareholders. As you have heard from our Chairman, how our Company is geared up to participate in the growing Indian economy, I would like to share with you some of the glimpses of the past year i.e., financial year 2022- 23. Next slide please.
- Alright as we say here at Honeywell Automation India that safety is our first, second and third priority and on this particular chart that is exactly what I am trying to convey to all of you. If you see on the left-hand side top corner that shows average safety observation numbers that each one of us at the Company is expected to contribute, which means that every time we are at home or at work or at customer locations, we look for any possible issues that may compromise the safety and that number is consistently 5 or above. What it indicates is that we are creating a culture of observing your surroundings all the time whether at home or in the community or at your workplace so that we are continuously avoiding any hazardous situation or safety issues.
- The second is about then taking that from our employees to our customers, to our contractors, to our partners and also in society at large. And that's what is our mission. We will continue to work on this and therefore make sure that not only within our own premises but everywhere we take our business we operate safely.
- Then on the right-hand side at the top you actually see nothing, which is good news. You see zero for 2021,2022 and 2023. This essentially is the total case incident rate which means that we have not recorded any serious case or incident that would have

compromised the safety or the health of our employees or our partners. We want to keep this record going and therefore with your support we want to continue to focus on safety first. Next slide please.

- As you know all our teams, our engineers, our technicians they work at various sites, either in site which are infrastructure sites like airports or metro stations or commercial buildings or at the industrial sites where you have the refineries or petrochemical complexes or pulp and paper machines or any other. All of these are areas where there could be safety issues and because we are aware of our surroundings, and we want to spread the safety culture we have been recognized by our customers. What you see on the screen here is a small representation of multiple recognition, awards, and accreditations that your Company has got on the subject of Health, safety and Environment. We also have received a golden peacock award in the previous financial year, and we are very proud of receiving this award. Next slide please.
- While we are looking at safety and building a safety culture, we are also very proud to run our Corporate Social Responsibility programs and what you see on the screen here in front of you is a charter that drives us. This is essentially divided into 3 focus areas that we have embarked upon.
  - The first one is Holistic and Sustainable Community Development. This is all those areas or places which are near our factory or in the vicinity of where we work. Where we have either villages or under privileged societies, we want to go there, we want to make sure that we develop these communities in terms of education, in terms of sanitation, in terms of access to energy, healthcare and that's what we would continue to spend as the spending of our CSR funding.
  - The second area is around education – Education, Skills and Research and Development. So, in this particular aspect we have been engaged for now several years with a specific girl's education society called "Avasara" near Pune and there we fund that particular institute by providing them with the STEM Education – STEM stands for Science, Technology, Engineering and Mathematics. As you know Honeywell is a technology company, and we would like to bring that expertise from the Company to society and therefore ignite young minds. And especially those who are under privileged children. Here in this program, we are specifically focusing on the underprivileged girl children.
  - The third bucket that you see there is about caring about the plant, and this is essentially to support the climate change problem that everyone is battling with and wants to try and solve. Under this program we are planting trees and we are making sure that these plants are looked after to become tree and therefore help in the environment protection.

- We will continue to do these programs under the CSR chart. Next slide please.
- And so, as we know that all the good work gets recognized, here is a sample of some of the recognitions we have received based on our Corporate Social Responsibility work that your Company has embarked upon.
- The first one is the National CSR Award. It was for 2020, but the announcement happened in 2022 and therefore we are delighted to share that with all of you shareholders.
- The second one is a Mahatma Award for 2022. This was essentially given by the government and the industry dignitaries to your Company, and this was mainly for the work that your Company had done in supporting the communities during the pandemic peak times. And therefore, supplying medicines, food, and some of the other facilities to them. I am very proud that our teams have been able to do this good work and also get recognized for this work. Next slide please.
- Now we will come to the Business updates, but I jump into the business numbers I want to make sure that I thank all of you, the shareholders for supporting us through the 2 tough years that we experienced pandemic. They were indeed trying times and you stood by us, and I cannot thank you enough. I also would like to share with you that together with your support we have posted the highest revenues ever for the financial year 2022 – 23, this is INR 3,448 crores and this is about 17% year on year growth. I think we are showing that we are coming out of that tranche that we went through in the pandemic years, and we are now getting back on to the growth path. The net profit we posted is also very good. It is in the range of about 22% year-on-year growth, and we will talk about those numbers in the subsequent slides.
- We will also review some of the macro indicators. I think our Chairman touched upon some of those macro trends and we will talk about that in the slides to come. And we believe that your Company is in an environment where these macro trends which are driving the GDP of the nation are going to be very important.
- Lastly, I would like to make sure that I take this opportunity to thank each and every employee of your Company. They all contributed to this particular business result that I am sharing with you. They have worked in difficult times, they have shown their commitment, they have put in hard work, and it is the result of all these employees, our partners, all the customers who have supported us through thick and thin and I would like to make sure that we thank them at this AGM. Next slide please.
- So, before we get into some of the Company related macro-economic trends let's look at the economic indicators for our country. We have been looking at these in every AGM in the last few years.
- The first and foremost is of course the Gross Domestic Product and we see that the gross domestic product of 2022-23 was about 7.2%. I think this year looking at various reports we tend to believe that it will be slightly lower than what we saw in the last year. But still, I think it is above 5 and therefore still provides a good environment for us for growth.

- The second one is about Fiscal deficit. As all of us know that as the Fiscal deficit increases, governments will have to borrow more and therefore it will have an impact on interest rates, it will have an impact on the ability to borrow more capital for the private industry and the fact that the Fiscal deficit is seemingly going down and is coming under control is a good indication for us and we see this as a good economic indicator for our Company.
- The third one is inflation. When we witnessed the war in Europe and also some of the other geopolitical tensions around the world this led to certain energy-related crises and therefore the inflation. And we see that inflation is kind of easing out right now in the country. What you see there are the numbers of CPI or consumer price index and as it goes down that will augur well for every business.
- The next one is of course Interest rates. They have gone up and they are around 6.5% as you see for the current year. And we are hoping that since they have stabilized and are not going up, we should be able to deal with that particular economic indicator and therefore adjust ourselves. We would still like to have it lower than going higher.
- And the last but important one is about the Crude Oil Price. As we know that in India, we have to import almost about 80 plus % of our oil and natural gas and therefore the price of oil and natural gas makes a big impact on the business environment. We have seen that the oil prices have steadied. What you see there is an average indicated price which is in the range of about 80\$ per barrel and because it is not going up or at least we have seen so in the historical trend we believe that this is also going to be a helpful economic indicator for us. So overall I think it is a mixed set of parameters as you see on the slide, and we obviously will do our best to make your Company's results continue to go forward in this environment. Next slide please.
- So here you can see the 2 important business results for the financial year 2022-23. On the left-hand side, you see the revenues and on the right-hand side you see the profit after tax. The revenues as I mentioned to you earlier are Indian rupees 3,448/- crores, now this is the highest revenue you have ever printed. And we are really proud of the achievement that everyone has achieved. This is about 17% growth from the previous year i.e. FY 21-22. If you look at it in terms of the GDP, then it will be about 2.36 times of that of the GDP growth. If you take GDP growth at about 7.2%. So that is something which is good.
- On the right-hand side you see Profit after Tax and that also from the previous year has gone up by 29%. So, from 339 crores in FY 21-22 it is 438 crores in FY 22-23. And so again something that we are proud of and what it means is that we have been able to generate that profit by leveraging the fixed cost and therefore increasing the revenue which I talked about you are converting a lot of that increased revenue into the profit.
- I would also like to spend a couple of minutes on the macro growth vectors in India. And I would like to talk about a few that really matter for your Company. First and foremost is the infrastructure development that the country is going through and when I talk about infrastructure I am talking about new airports, I am talking about the new metro lines, I am talking about the hospitals the new facilities which are getting built



and that infrastructure needs building automation and that is something that your Company has a portfolio to support.

- Second such trend or a growth vector that we see is around the manufacturing push that you see in the Indian Economy. And what it means is that there are going to be new facilities that are going to come up in terms of either the chemical industry manufacturing new chemicals or the discreet manufacturing that is coming up and is building the factories for solar panels, the batteries that go into EV's or also the batch chemical type of industries which are mostly towards pharmaceutical, life sciences etc. All of these facilities that are coming up in the manufacturing sector will need again process automation and many other products and solutions and services that your Company provides.
- The third one is about the digitalization in the industries. This is a trend that got accelerated during pandemic and all of us are aware of it and we believe that we have good solutions that can support the digitalization of industries for increasing productivity of these industries.
- The next one which the Chairman also touched upon is the energy transition. All of us know that to save the planet and to fight climate change we need to shift from fossil fuels to renewables. And that means that a lot of industries will come up which will help this energy transition. There are multiple such solutions that we have in your Company Honeywell Automation India that also can contribute to this energy transition. There are other new fuels that are being talked about such as the hydrogen or the use of hydrogen as fuel or the pipelines that will transfer the hydrogen from its generation points to its consumption points. And also there are other fuels like ethanol which are getting blended into the petrol or gasoline. So all of these, when need to be deployed, will need automation and again, that is something which is a good growth vector for our economy. So, I just wanted to share with you some of these growth vectors that we are focused on.
- This is a chart that we have consistently shown you in every AGM. It shows 2005 when we started Honeywell Automation India and we then take it to the current year and we express the trend in terms of the compounded annual growth rate which you can see for the revenue or the sales on the left hand side is at 11% for the top-line or the revenue. And on the right hand side, for the earnings before interest and tax, it is 15% compounded annual growth rate. The point that we want to show to you is that this is something that we would like to continue to drive and make best efforts to print results like this for your Company.
- This is another chart that we have been consistently showing to you. On the left hand side you see a pie chart which is indicating the numbers for 2005. At that point in time, it shows 19% exports revenue and 81% domestic revenue. And for the year that we are discussing, the year that went by FY 2022-2023, we had 41% exports and 59% domestic. Now, I know that this pie has been changing a little bit depending on each year and I wanted to share with you in that context that when we look at the exports versus the domestic, the exports revenue to your Company comes from the different economies in the world, different countries in the world and those economies, depending on which region you are talking about, can be high or low.

But when it comes to domestic market right now, as we see the GDP and the overall environment in India, there is a lot of opportunity that your Company can engage with and therefore this pie of domestic revenue has opportunities to increase. I just wanted to make that point and share that point with you. And the reason this is important is, when we look at your Company's business model, it is mostly to do projects which get installations into the same customers for new facilities or new customers for new facilities. And once that installed base is created for automation, we can go and provide lifecycle services on top of that installation. And so, currently, we are in that phase of building the installed base in the domestic market.

- So, those were the points I wanted to cover with you. We will come back again in the question and answer session. But for now, thank you again for patiently listening to me and I would like to hand it back to Mr. Chairman.
- **Dr. Ganesh Natarajan – Independent Director & Non-Executive Chairman, Honeywell Automation India Limited:**
- Thank you very much Ashish, for that very comprehensive presentation. May I now open the floor for members who have registered themselves as speakers to pose their questions? Members may please note that after raising the questions, they shall be placed on mute. We would request speaker shareholders to keep their questions brief and specific to the business of the meeting and to limit their speech up to three minutes so that other shareholders have a fair chance to speak.
- I now request participation from the following speakers. First, Mr. Jonas Bhutta, representative, Aditya Birla Mutual Fund.
- **Mr. Jonas Bhutta – Representative, Aditya Birla Mutual Fund:**
- Thank you, gentlemen. So, a couple of questions and a few suggestions from our side. We will start with the top down. First is, the parent entity, when we look at their commentary, they consider India as a high growth market. But if we see the listed entity, the HAIL sales growth for the last 5 years, it's merely grown at about 2% CAGR. So, we would appreciate some articulation around if the parent thinks India is a high growth market, why has the Indian listed entity not benefited? Have other entities of the group sort of gained from this? A joint question to this was on the export side. So, exports, while they have grown 28% year-over-year, at 1400, they are largely flat between now and fiscal 2019, that is pre-COVID. So, despite no material deterioration in the parent entity's outlook for its HPS segment, which is one of the key drivers for exports for us, what has led to this underperformance?
- Thirdly, the growth in orders from non-Honeywell customers has sort of reduced, because I remember in fiscal 2022 we had mentioned that this order book had grown is up 30%, while that in FY23 is up just 12%. So, what has led to this sort of slower growth in our non-Honeywell business in terms of orders? Fourthly, there is a line item called purchase of traded goods, roughly Rs. 380 crores, accounting for about 11% of sales. This is the highest level it has been in terms of absolute rupee crores for the past 8 or 10 years. What is leading to this increase in traded goods?

Which segment do you attribute it to? Fifth, procurement from Chinese group entities has sharply increased in FY23. Is this project specific or there is a structural change in our supply chain?

- Sixth, in the MD's comments, he mentioned that he expects the domestic pie of revenue to have a better outlook. Historically, we have seen that when domestic sales outpace export sales, the operating profit of the Company does not grow as fast as its sales. Can you just elaborate on what is the outlook, if such a scenario does play out, where domestic sales outpace exports, what would be the impact on our EBITDA margins? Lastly, we have written to the Company separately, but wanted to again reiterate that we would really appreciate as shareholders and stakeholders, that the Company hosts at least one analyst meet, which is a regular practice now by every listed entity, be it multinational or a domestic company, and this is probably in line with even our parent's intent to be an investor friendly company. And lastly, we would really appreciate articulation of the key drivers. While Mr. Gaikwad did mention the growth vectors, but really articulation about if this energy transition were to happen, what are the key segments of our or key product lines of our Company that actually gain? If digitization was to happen, how does that really benefit the Company? Because we see a complete lack of articulation, at least at a granular level. We would really appreciate if the Company does sort of improve on this. This really helps not just in us understanding the Company better, but just creates far greater transparency amongst shareholders and stakeholders. Thank you.
- **Dr. Ganesh Natarajan – Independent Director & Non-Executive Chairman, Honeywell Automation India Limited:**
- Thank you, Mr. Bhutta. May I now request Mr. Nihar Shah, representative of ENAM Securities Private Limited?
- **Mr. Nihar Shah – Representative, ENAM Securities Private Limited:**
- So, I had a few questions. First is, the management has time and again spoken about maintaining a growth rate which is 1.5x to 2x of the GDP of the country. With the GDP expected to slow down, are we confident of maintaining a double digit growth rate going forward? And in context of that, repeating from the previous participant that we've seen our non-Honeywell orders decline from...the growth has reduced from about 30% plus to about 12%. What is driving the lower growth rate compared to the earlier years? Second question is, we have seen an increased focus on new verticals like pharma, life sciences, sensing IoT. Can you talk a bit more in detail about what does Honeywell exactly provide in these industries and what differentiates us from competitors to be able to win in this segment?
- Third question is, our gross margins have materially been lower compared to our FY19, FY20 levels? This is despite the share of services moving from about 31% to 35% plus. Can you talk about the factors that have led to a negative impact on cross functions and how do you expect these to pan out going forward? Also, what we have seen is your number of employees at Honeywell Automation India roughly the same as what they were in FY16. Can you talk about what is helping the Company

grow in terms of revenue despite maintaining the similar level of employee base? And in that context, in the recent quarter result that we have just declared, we have seen a 15% growth in employee expenses. So, is that a function of hiring of more employees or is that a function of just salary hikes given to employees?

- And also, could you talk about what has led to the stark growth in other expenses in the quarter one result? For Honeywell operating system, have we reached the gold level for any of our plants? And if yes, could you mention the product lines that we are doing if we have reached there and if not, what is the next step for us to be able to reach to that level? Thank you.
- **Dr. Ganesh Natarajan – Independent Director & Non-Executive Chairman, Honeywell Automation India Limited:**
- Thank you, Mr. Shah. May I now request Mr. Mahesh Bendre, representative of the LIC Mutual Fund Asset Management Limited?
- **Mr. Mahesh Bendre – Representative, LIC Mutual Fund Asset Management Limited:**
- Hi sir. Thank you so much for the opportunity. So, first and foremost, today only we have declared first quarterly numbers. We have fairly good sales growth but our profit has remained flat. So, why margins are down on Y-o-Y and Q-o-Q basis? If you could explain that that will give us a good insight. Secondly, the broad outlook for India business and export business, I heard the management on television talking about the domestic business outlook, more orders are coming from various sectors. So apart from oil and gas, which are the sectors which are actually driving the growth for us. What is the outlook for the coming and next year?
- On the export side, Honeywell Group has seen a lot of high profile appointments in last 6 to 9 months. There has been a very aggressive sales growth and target set up by the parent, and in that context, India has given lot more preference. So in the context, what is the outlook for the Indian operations as a whole? Third is, what is the current order book as of now at the end of quarter one. Secondly, last year what was the contribution from oil and gas business to our total sales? The rest of the questions have already been asked to you by my colleagues. So just a suggestion. Honeywell Automation is a fairly large company and we are a part of every index now in India, probably. So, from a transparency viewpoint it is very important that you conduct at least one analyst meet every year. If it is not possible, then at least upload some kind of press release or presentation so that as the shareholders we will get a fair idea about what is happening inside the company. Because otherwise once in year AGM we are completely unaware about what is happening inside the company. That is all from my side. Thank you sir.
- **Dr. Ganesh Natarajan – Independent Director & Non-Executive Chairman, Honeywell Automation India Limited:**
- Thank you Mr. Bendre. Next, may I request Mr. Ravi Kumar Naredi?

- **Moderator:**
- Mr. Ravi has not joined the meeting, sir. We may move on to the next speaker shareholder.
- **Dr. Ganesh Natarajan – Independent Director & Non-Executive Chairman, Honeywell Automation India Limited:**
- Okay. In that case, can I request Mr. Himanshu Upadhyay?
- **Mr. Himanshu Upadhyay – Shareholder:**
- I have written the questions and sent to you, but I will just repeat few of them and one observation is there. The first is, what are the top three priorities for senior management for FY24 and 25? Secondly, what initiatives are we taking to gain more market share in the business we are present? Third, our revenues have crossed the previous peak, but the margins are still nearly 3% away from the peak. What is the reason for it? Has there been a significant product mix change, high inflation, increased competition etc.? Some of your insights on that will be highly helpful.
- Fourth, the expected credit loss allowance has increased quite materially in FY23. Can you please explain the reason for it? Fifth is, the new orders from new non-Honeywell customers is up only 12%, which seems to be quite muted in respect to what we have seen for some other capital goods companies. How should we understand it? Sixth is, we are seeing many competitors coming in the space of automation and sensing. To win in this market, how important is to have in-house manufacturing to be cost competitive versus importing and dependent on imports for the winning orders?
- Seven, what percentage of revenues for us would be from products and services we have introduced in last 5 years? How do you track the innovation index at the India entity level? Eighth is, our domestic business has not grown from FY19, which is very unlike other capital goods. Can you please explain what the challenges you are facing and how worried as an investor we should be from a company who is as transparent as Honeywell can be? Ninth, are we balancing growth with margins or we are too focused on margins leading to low growth in our domestic business? And last on is an observation, especially with Chairman Sir and Ashish ji. You took around twenty minutes to talk about safety CSR and again the macro trends. It would be highly appreciated if you would give some of your insights on the business competition and what are you doing to make and grow your profits so that we can do more on safety CSR and contribute to the growth of the country. Ten minutes were spent on your financials. I think is it not very lopsided and are we not taking things to the other extreme? Thanks. I hope you can understand the grievances of the shareholders.
- **Dr. Ganesh Natarajan – Independent Director & Non-Executive Chairman, Honeywell Automation India Limited:**
- Thank you Mr. Upadhyay. May I now request Mr. Sadhanand Shastri?

- **Moderator:**
- Mr. Sadhanand Shastri and Mr. Mahesh Kumar have not joined the meeting, sir. We may move on to the last speaker shareholder.
- **Dr. Ganesh Natarajan – Independent Director & Non-Executive Chairman, Honeywell Automation India Limited:**
- Okay. So, may I now request Mr. Rahul Modi, representative of Nippon India?
- **Mr. Rahul Modi – Representative, Nippon India:**
- *(distorted audio)*
- **Dr. Ganesh Natarajan – Independent Director & Non-Executive Chairman, Honeywell Automation India Limited:**
- Sir, your audio is a little poor. Can you please readjust? Can't hear you.
- **Mr. Rahul Modi – Representative, Nippon India:**
- *(distorted audio)*
- **Moderator:**
- He seem to be facing some technical difficulty.
- **Dr. Ganesh Natarajan – Independent Director & Non-Executive Chairman, Honeywell Automation India Limited:**
- Yes. Maybe we can try and address his difficulty. But in the meantime, maybe I should ask MD - Mr. Ashish Gaikwad and CFO - Mr. Pulkit Goyal to answer the other queries, because there's a whole comprehensive list of queries. And then we'll come back to Mr. Modi at the end in case we are able to maintain the connection. Ashish.
- **Mr. Ashish Gaikwad – Managing Director, Honeywell Automation India Limited:**
- Thank you, Mr. Chairman. Maybe we will start with the questions that Mr. Jonas Bhutta asked from Aditya Birla Mutual Funds. I think the first question that you asked was about the parent Honeywell considers India as high growth region for the past few years, but sales have grown only 2% CAGR from FY19 to FY23. Where else has this growth been and is it captured elsewhere in the group? I would like my CFO, Mr. Pulkit Goyal to take that question.
- **Mr. Pulkit Goyal – Chief Financial Officer, Honeywell Automation India Limited:**
- So, thanks for that question, Mr. Bhutta, and thanks Ashish too. With reference to that question, let me kind of try clarify that Honeywell is a diverse industrial conglomerate and whenever Honeywell speaks of the HGR or high growth region, specifically India in this context, we have to keep it in mind that HAIL has a part of

the Honeywell's portfolio inside and some of the high growth rate that Honeywell speaks of is sitting also in the other legal entities that are kind of independently operating within India. And that's why the high growth region growth may not be exactly comparable to HAIL's growth directly. I hope it answers the question.

- **Mr. Ashish Gaikwad – Managing Director, Honeywell Automation India Limited:**

- All right, let's go to the next question that was asked. It is, the growth in orders from non-Honeywell customers has reduced from 31% in FY22 to 11.9% in FY23. What led to this slow growth? I think, this, I had explained in the earlier interactions as well. A bigger portion of your Company has what is called as the long cycle projects business. And, you book the projects which turn the revenue over maybe 12 months to 18 months, to sometimes even 24 months, right? And so if the backlog goes down, then to build that backlog takes time and therefore then the revenue starts coming back up again. What we saw in specifically the 2 years that were affected by pandemic, that the number of opportunities in the market had gone down and therefore the backlog was burned from the previous years and now we are in the phase of building that backlog. That's how you see the growth rates in the order bookings that we have shared with you. And as we go along, you will see that the backlog that is being generated will turn into the revenue.
- Then you had asked about what role can HAIL play in automation and digitization in renewable projects? Any anecdotal projects etc. etc.? And basically you are saying what the space that we work in is. I think it's a good question and it gives me an opportunity to further elaborate on what I talked about in my presentation earlier. Let's talk about the energy transition in India. This is exactly what you are asking when you talk about renewable projects because renewable energy projects are associated with the energy transition. There is a move for sure from the conventional fossil fuels to the solar energy, wind energy and also more use of natural gas, ethanol that gets produced from the biomass or from the agricultural waste. There is a lot of talk about the green hydrogen and hydrogen being used as a fuel. So in all of these your Company, Honeywell Automation India, has some play or the other, and let me explain that to you what I mean by that. When it comes to the solar plants or the wind farms that are producing energy, they produce energy only when the sun is shining or when the wind is blowing, whereas the requirement of this electrical energy is round the clock. And therefore to augment the energy produced by these sectors, you need what is called as the battery storage, which is also connected in conjunction with the solar and the wind and therefore we have a solution which we call as the battery energy storage system – BESS and your Company has offerings that go into this sector as an example.
- When it comes to the LNG or the natural gas, this gas comes from outside and it comes in the form of liquid. It needs to be regasified, it needs to be pumped through the pipelines and taken to the points of consumption. And so it needs a lot of automation along the way where you are converting the liquid LNG back into gas. So gasification, it needs to be a very highly controlled system because it is hazardous to handle such a gas which is highly inflammable and therefore your Company has

solutions that can control it well. And when it comes through the pipeline, how do you manage the pipeline, how do you make sure that the pipeline operations are properly done, there is an automation piece there. Also when it goes into the city gas distribution, where the gas reaches industries or households, there is a certain distribution system which needs controls and we have solutions there.

- Then there is a new industry which is coming up, it is ethanol industry. We are blending 10% of ethanol into our petrol and it is going to go right up to 20%. And beyond that, there is a lot of talk about ethanol directly getting used as fuel or ethanol getting converted into other usable fuels. And so all of these processes and industries are going to need the kind of automation that your Company has in its portfolio so we can play in that economy as well. Hydrogen, I talked about. When hydrogen is getting produced using the renewable energy, it basically is using an electrolyser which splits water into hydrogen and oxygen as we all know. And when you do that through this electrolyser, it needs what are called as programmable logic controllers or PLCs and again, that is there in our portfolio. And when hydrogen is either stored or transported, it needs automation and control and we provide that in that sector as well.
- Overall, when the renewable sector is getting created, it needs factories that will produce the photovoltaic cells, the PV cells, the batteries that go into EV. All of these factories that will either produce batteries or the PV cells will need automation, they will need the building controls, they will need climate controls, access control, the CCTV surveillance and stuff like that. So all of this is again, a part of the overall portfolio. And also as a part of Honeywell Automation India, we have a certain portfolio of sensors that go into EV manufacturing, that go into medical devices, that go into transportation systems and all of these will therefore be important in this entire energy transition that you referred to.
- I am taking a little bit more time because some of you had this grievance that we did not talk much about our exact solutions that go into the market. So I just spent some more time on this particular question.
- You talked about the HAIL exports revenue of about Rs. 14 billion is flat versus FY19 and despite no material deterioration in the parent's outlook etc., I would like my colleague and my CFO, Pulkit Goyal to take that question.
- **Mr. Pulkit Goyal – Chief Financial Officer – Honeywell Automation India Limited:**
- Sure. Thank you, Ashish and thank you once again, Aditya Birla Mutual Fund for the question. As you may know and we have reported it in our annual report already, that Honeywell has one reportable segment that is automation and control system. All our numbers are reported as per that accounting standards requirement and we won't be able to provide any sectoral information. As far as export revenue related details are concerned, they have kind of already been shared. And maybe if I can just add a few more sentences to what Ashish just mentioned about the growth in the export market, as you have seen in the macroeconomic indicators, we see a lot of opportunities in the Indian market to grow and capture the business. So we will



continue to kind of focus on the domestic market and the opportunities and see that how we also, while stabilize the export business, but at the same time also grow the domestic industry.

- **Mr. Ashish Gaikwad · Managing Director, Honeywell Automation India Limited:**
- Okay, thanks Pulkit. There is another question that was asked from Aditya Birla team. How is HAIL positioned in building automation segments in terms of capability compared to its peers, are there any major product gaps, etc.? Absolutely, no, there are no product gaps, we are very well positioned. And we also are continuing to look for more solutions that we can provide in that particular space.
- There was another question which I will quickly address. I think there was a statement that procurement from Chinese group entities sharply increased in FY23. Is this project specific or there are structural changes? Not really, I don't think we have the same data as what you're looking at. It could be one of the specific projects that may be coming with the Chinese investment in India. There are some Chinese investments in India that have come in. There is one in the fertilizer sector as well. But other than that, we typically look at the sourcing mostly from India, or from our Honeywell factories in the affiliate companies that we have, and therefore we don't see that as a major concern.
- The last question I will take from Aditya Birla was about what is HAIL's market share in relevant solutions in data centers and does data centers count for greater than 10% in domestic sales? So, I would like Pulkit to take that question, please.
- **Mr. Pulkit Goyal - Chief Financial Officer, Honeywell Automation India Limited:**
- Sure. Thank you, Ashish and thanks once again to Aditya Birla Mutual Fund for the question. As I mentioned earlier, so it has only one reportable segment that is automation and control system. And we do not capture the specific data on the market share as HAIL is also a diversified industrial company. And all of our reporting is done as per that reportable segment. And unfortunately, we won't be able to provide for the sectoral information.
- **Mr. Ashish Gaikwad · Managing Director, Honeywell Automation India Limited:**
- All right. Okay, I think then, we should move on to the questions that were asked by Mr. Shah from ENAM Securities. The first question that I noted was management has spoken about maintaining a growth rate of 2x the GDP growth, and therefore, with non-Honeywell orders growing at 12% in the last year, and how confident are we to maintain the stated growth rate, etc.? Well, again, like always, we do not want to be speculating, we do not want to predict anything that we may or may not have knowledge of from the future. So, what we do is, we, of course, always want to set a target for ourselves, and we will try drive that target. So that's where we always give this indicator of number of growing faster than the GDP growth. And that's why this nomenclature of two times the GDP growth. However, it depends on multiple factors, as you know, and therefore, your Company, and all the colleagues that we

have with me, will try to do it. We will absolutely do our best, but there is no assurance that we will always be meeting that target.

- The second thing that you have asked is about the number of employees at HAIL, and they have remained kind of flattish from FY16. Well, it's a good news because what we are doing is we are growing the revenues as you can see, but we are maintaining the headcount, but equipping them with more skills, with more competencies, and also driving productivity through digitization and some of the other initiatives that we have, and we are able to grow the revenues with kind of a flattish headcount that we have by using more and more productivity tools, technology, etc.
- Then another question that you asked was Safety and Sensing Technology is a new vertical. Well, it is not a new vertical. We have just recently changed the previous name of that business globally. Earlier, it was called as Advanced Sensing Technology. And now it is called a Safety and Sensing Technology and that's what is called as SST, right. So just a clarification there.
- Then you asked about Honeywell operating system and gold standards for the operating system. We no longer use the term Honeywell operating system. We have graduated that and enhanced a system which we call as Honeywell accelerator, you know, that's what is the new system that we use. And essentially what it is, is, it's a repository and a way of conducting Honeywell's businesses in all the countries that we do that business making sure that all the best practices are available to everybody working for Honeywell. And therefore, by virtue of that, your Company also has access to this very valuable resource and we absolutely leverage that. And for the Honeywell accelerator, there are no such denominations of a bronze or silver or gold, right. So, it's a new system which is evolving and therefore we would keep you posted as we go along. But this is something which is really exciting for us to use these best practices.
- Then, you had asked about the increased focus on pharma and life sciences, and what solutions has Honeywell got to serve this industry? Well, there are multiple solutions. First of all, we provide what is called as the solutions for safety, fire detection and fire suppression, security, etc., to this particular industry of pharma and life sciences. It is also an industry that consumes a lot of energy. So, we have energy management solutions that we provide to this industry. These are typically batch automation industry. So, the automation that is required to make the perfect batches of the pharmaceuticals that they produced, we have automation for that. Then they need to maintain what are called as electronic batch records for the regulatory authorities to come and get the results and therefore, verify those results. Honeywell Automation has a solution that we can help them with to maintain these electronic batch records, which are tamper proof and the regulating authorities can trust those records. Then we provide them Quality Management System, in this particular industry of life sciences, pharmaceuticals, quality is utmost important. And we have solutions that will serve this industry. And apart from that the regular field

instrumentation, the regular distributed control systems, PLCs, all of these are part of our portfolio, right.

- And then the last question from ENAM, asked by Mr. Shah, the gross margins are materially lower than FY20. I think many questions came in that particular theme. I would like Pulkit Goyal to take that question, please.

- **Mr. Pulkit Goyal - Chief Financial Officer, Honeywell Automation India Limited:**

- Sure, thanks Ashish and thanks also from my side ENAM Investments for asking that question. So, I mean, I think the basic question was to kind of know the factors which are causing this decline and let me try to dissect it into three parts. So, your Company operates in a competitive marketplace and that I would say couple of factors which really put pressure on our margins, and one of which, which Ashish had mentioned in his business update, is the mix to business. And Honeywell Automation India Limited has a mix of Projects, Project business, product business, solution business as well as service business. And this mix indeed plays a lot of role in, how our profitability is kind of legitimized. And as we are building our installed bases, which typically are falling under Project business will always come at a much lower margin than what you would get in the service business and as you also called out in our investments, this becomes one very critical factor which impacts profitability directly.

- The second element or the factor, which is also connected to the mix, but it is more of, I would say, the Regional Business mix that we have. While, and that was by the way also shown in our business update slides, that are mix of business from international markets as well as domestic market has undergone a lot of change in last 15 to 20 years. And while on one hand, we have stabilized our exports, on the other hand, our growth in the Indian market in line with the GDP growth is also increasing our domestic market share. So, this mix also plays a lot of a role in our profitability. And as you may know that our domestic market is more competitive than the other international markets.

- And third, and the last is the inflation, which puts pressure on our input costs, especially in the last one and a half years because of geopolitical situation. Not only our supply chain has come under pressure, but also the inflation has indeed put pressure on our input cost, which goes into majority of our product businesses.

- **Mr. Ashish Gaikwad · Managing Director, Honeywell Automation India Limited:**

- Okay, thanks, Pulkit. That was indeed important because there are several questions on the margins there. Let's move on. I would like to then take some of the questions that were presented by Mr. Mahesh Bendre of LIC Mutual Funds. Thank you for those questions. Again, one question that you asked was around margins and you just heard from Pulkit about where these margins are getting impacted, Apart from that you asked, we are more known as a company that plays in oil and gas sector which are the other sectors that we play in. Of course, you must realize that there is a large portion of your Company's portfolio that is in building automation and

control. So, we have solutions that have gone into all airports, metro stations, smart cities, hospitals, malls, you name it commercial buildings. So, there is a large sector, which let's call it as the buildings or infrastructure sector. We are definitely just now talked about the pharma and life sciences. Apart from that, we also have our play in the speciality chemicals, bulk chemicals, etc. We also participate in the automation of Giga factories which are coming up, you know, the battery manufacturing factories or the PV solar cell manufacturing factories. Pulp and paper is another area where we play. Minerals, metals, mining, these are other sectors that we play in. Power generation industry again, where we play in. So, it's not just oil and gas, it is many other sectors. But since you asked about the oil and gas share, we normally don't disclose that and it's not constant because we look at the opportunities and not just the sectors. And since the portfolio is generically applicable to many multiple sectors, we go where the opportunities take us.

- Then you also had mentioned about creating more transparency and the analyst meet, the request that has come from other share owners as well. We certainly will take it back, you know, mull over that point, understand where we are not, sharing with you enough. I'm sure you know, there is more that we can do and that's what is your feedback. So, we will come back to you on that.
- Moving on from there to our next shareholder, I think Mr. Himanshu, thank you, sir, for asking all the specific questions. I will try to cover those which I have not already answered, because there are some repeated questions as well. What are the top three priorities for senior management for FY 24-25? That's a good question and I would say at a high level, as I mentioned, which probably you also commented upon, that safety is something that is really at the top of our priority always, because of the nature of our business. We work at hazardous places, and therefore, safety is our number one, number two, number three priority, if you will. But of course, apart from that, we are focused on organic profitable growth that is always on the top of the mind. And how do we do all round business performance, not just in one sector, but leveraging the growth vectors that I mentioned earlier, which is on infrastructure development, manufacturing push, which is coming in India, the industrial digitalization where we have good solutions, and also the energy transition, which is happening. So, these are some of the priorities for us.
- The second question that you had asked was, what initiatives are we taking, to gain more market share in the business we represent? Okay. Well, I guess, we talked about the growth vectors. Now we convert that growth vector study that we do into a strategic plan for which looks at opportunities for over next three to five years. And then that is the strategic plan that we convert into actions that will drive specific projects in the growth vectors that we talked about. And the last point I want to mention here, what are we doing to gain more and more is about the talent attraction and talent management skills that are relevant skills and competencies that will take us to the new future and I think that's what we will be focused on.
- Then you asked about the question on our revenues were crossed, have crossed the previous peak, but the margins are still nearly 3%. I think Pulkit sufficiently answered

that question in my opinion. He talked about the mix that plays a strong role there. We are also participating in the Indian economy where the domestic growth is coming in. We have to leverage that growth so that we can create the installed base and then in the medium to long term we can go and serve our customers on that installed base.

- Then you asked a question, which is about the new orders from non-Honeywell customers is a smaller number, twelve percent you mentioned, which seems to be quite muted and with respect to that, what have we seen for some other capital goods companies, how should we understand it? Well, I think, again, to be completely transparent with all of you, there will be opportunities that will come up. It's easy to grow, if you don't look at the balance between the top line revenue and the bottom-line profits. And I think we have to do that balance, it's a very delicate balance most of the times, and we will do proper selection of such capital goods, opportunities, new capacities getting built, or new infrastructure coming in, and weigh our options, and then select those properly for your Company so that when we execute those projects, we are not stuck, or we are, you know, giving the right results to you as the share owners. So, I think that's the philosophy of balancing with careful selection of such opportunities, which is what we do. And so, therefore, you will not see us wanting to go completely reckless on that.
- The other one that you asked about is we are seeing many competitors coming in the space of automation and sensing to win in this market, how important is to have the in-house manufacturing? Well, as you know, your Company already has a fairly significant factory near Pune, at a place called Fulgaon, and we have steadily increased the production in that factory, you can see that. Also, we will continue to explore opportunities if they come in the future. And the philosophy for us is that as much as we can manufacture logically in terms of the commercial viability, supply chain, all of that, we will always look at that option and we will continue to do that. And it is important to your question, that if we manufacture it here, it can give us a certain advantage in the marketplace, right. So therefore, we will evaluate those options.
- The other question that you had asked was, are we balancing growth with margins? I think I already covered that sufficiently in the previous answer that I gave. There are two more questions that you asked which I would like to take help of my colleague Pulkit. Pulkit, would you like to answer the question around the credit loss allowances?
- **Mr. Pulkit Goyal - Chief Financial Officer, Honeywell Automation India Limited:**
- Sure. So, thanks, Ashish, and thanks Mr. Upadhyay for that question. I think if I remember the question was on the ECL or Expected Credit Allowance, I mean, how it has increased and this increase is quite significant in the last fiscal year 23 and what are the reasons for it? Let me take couple of steps back to kind of let you know how this expected credit loss reserve is created in the books it's done as per Indian accounting standards. And it is computed based on the provision matrix, which is

basis on our judgment conceding also the past experiences. While the reserve has indeed gone up as you rightly pointed out, however, I would also like to mention that our accounts receivable itself has gone up significantly from around 670 crores a year before to 940 crores as of 31st March 2023. As Ashish had mentioned, a few minutes ago, we had the record turnover in the last fiscal year. So, from our perspective, it is in line with the accounting standard and also the growth that we have seen.

- **Mr. Ashish Gaikwad · Managing Director, Honeywell Automation India Limited:**
- Okay, excellent. I think we have covered most of the questions, Mr. Himanshu that you asked. And, again, take the note of your comment around the time that we spent on the CSR safety versus the business, we will try and do more the next time.
- **Mr. Pulkit Goyal - Chief Financial Officer, Honeywell Automation India Limited:**
- And Ashish you can add to what you just said, and we take of course, those feedback quite seriously and they are important for us. In addition to, working on your feedback Mr. Upadhyay I would also like to once again call out that we have a dedicated email account that is [sale.investorservices@honeywell.com](mailto:sale.investorservices@honeywell.com) and if you have any questions around our financial performance, please write to us and we respond as per our turnaround time. Back to you Ashish.
- **Mr. Ashish Gaikwad · Managing Director, Honeywell Automation India Limited:**
- Thanks, Pulkit. Then this is the last set of questions that that I had noted down, this was from Mr. Rahul Modi and he's the representative from Nippon India. Thank you for your questions, Rahul. I think some of them we probably have already answered. So, I'm going to just skim over them. How is the outlook of exports business for both product supply and especially the services category and are we seeing any slowdown given the global growth being impacted? Well, again, I don't want to be overly speculative about it. We all know about the global economy the way it is going right now. And our exports business comes from that global economy or the countries that participate. It depends also, on various types of capital goods, projects, that are, one in different parts of the world. We remain cautiously optimistic about it. And we will continue to make that healthy mix and bring that healthy mix so that we do the best that we can. And so, I don't think we will be able to give you an exact number or any growth rate that you were looking for. But having a diverse mix, even within the exports can help because not all countries are, you know, facing headwinds. Some countries are facing headwinds, some countries may be doing well. So having a mix of, you know, possibility to give services to these different countries can give you a hedge in that respect as well.
- The second question that you asked was, how is the outlook of exports business? Sorry, that was already done. How has the performance been over the few years and expected in the next few years, in terms of diversification of end user industries, especially in healthcare sector, and which new sector is seeing good growth, etc.? Okay, I think I already covered some of that I talked about pharma, etc., etc. so, I'm

not going to repeat that it's not just oil and gas, once again, I want to emphasize. Coming back to specifically healthcare sector, in the healthcare sector, our play is into mainly the sensors that go into medical equipment, and that's what your Company has in the portfolio. And to the extent that that market grows, we will be able to serve that market, but it's a smallish sort of part of the overall business at Honeywell Automation India.

- Then your question was, how is the semiconductor, and the supply chain issues holding up in the current situation? Well, I think we have you seen a tremendous improvement in supply chain in general, I think the constraints are easing. And we see, you know, we coming back to a little bit of what was called as normal supply chain, not yet there, I must say, but the trends are really positive and we are getting there. So, we don't see, too much of a concern, I would say, because of the trends that you've seen in the historical supplies that we are getting.
- Then you asked about, do we expect margin recovery, etc.? We have again, talked a lot about that. So, no need to answer that repeatedly. And then the last question was, how has the competition been across the segment, segment of strength and is there any pricing pressure seeing that is due? Okay, it's, I think it basically means do we see any pricing pressure? Well, India is a competitive marketplace and many international and domestic players play in that. So, there is a fair bit of competition in the market and we frankly want that competition, because through that competition, the best comes out. And we certainly believe that we will do our best so that we are able to withstand that type of a competition, we are able to participate in this market. It is growing as we know, and it will also keep us on our toes so that we continue to innovate and continue to make sure that for your Company, we try and bring a healthy business going forward.
- So, I think these are the questions that were submitted by some of you. I'm sure there are more questions that you may have in your mind. Pulkit has already pointed you to an email, you could send emails on that ID, and we will do our best to communicate the answers to you.
- With that, thank you very much, once again, all the shareholders, we really appreciate your constructive feedback, also your criticism, and your praise, and we will try to do our best, continue to do our best to make your Company go forward. And I'll hand it back over to Mr. Chairman.
- **Dr. Ganesh Natarajan – Independent Director & Non-Executive Chairman, Honeywell Automation India Limited:**
- Thank you, Ashish and thank you Pulkit. I think that was a very comprehensive set of responses to all the queries raised to this forum. I just like to add that today, if you look at the two mega trends in the world, we all know that it is ongoing digital transformation, which as Ashish said, was accelerated during COVID and continues to sustain to this day. And the second of course, is sustainability. And I think what you've heard is a global company, Honeywell, and our own company, Honeywell Automation India Limited, which has the products, the services, the capabilities to

really lead in these. So, I think I'm personally really excited about the opportunities for India, both in digital as well as in sustainability. We all know, the tremendous success of Digital India. And of course, sustainability is an area we have just started. But that will again open up tremendous opportunities. So, I'm sure with your support Honeywell Automation India Limited, will continue to do well and gain strength to strength.

- I now authorize Ms. Indu Daryani, the Company Secretary to conduct the voting procedure and conclude this meeting. I further authorize the Company Secretary to accept, acknowledge and countersign the scrutinizers report and declare the consolidated voting results on receipt of this scrutinizer report. As I mentioned to you earlier, the e-voting facilities available during this meeting will remain open for the next 15 minutes to enable the members to cast their votes. The results will be announced within the stipulated timelines and shared with the stock exchanges and uploaded on the websites of the Company and NSDL.
- I thank all shareholders for attending this meeting and for your continued support. With your consent, myself and the other board members and the management would like to take your leave. Thank you very much for being with us.
- **Count Down Timer from 15 mins – 0 mins**
- **Ms. Indu Daryani – Company Secretary, Honeywell Automation India Limited:**
- Evoting was kept open for 15 minutes as mentioned by the Chairman. We now close the Evoting. The requisite quorum was present throughout the Meeting. Voting results of the Annual General Meeting will be announced by the Company within the stipulated timelines and shared with the Stock Exchanges and uploaded on the websites of the Company and NSDL.
- With this I declare the Meeting as concluded. Thankyou for attending the Meeting.

**END OF TRANSCRIPT**