



# HONEYWELL AUTOMATION INDIA LTD

35<sup>TH</sup> ANNUAL GENERAL MEETING

**Honeywell**

# BUSINESS STANDARD : STAR MNC 2018

MONDAY, 11 FEBRUARY 2019  
20 pages (incl. cover)  
MUMBAI (CITY)  
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## Business Standard

How markets performed last week

	Index	% chg. 1W	% chg. 1M	% chg. 3M
Sensex	30,546	0.2	1.3	-0.8
NIFTY	10,944	0.5	0.7	-1.4
Dow Jones	25,106	0.2	7.6	7.6
Nasdaq	7,288	0.5	10.0	10.0
Hang Seng	27,945	0.1	8.1	7.9
Nikkei	20,353	-2.2	1.6	1.6
FTSE	7,071	0.7	5.3	6.6
DAX	10,907	-2.4	1.1	2.0

\*Change (%) over previous week. Source: Bloomberg

BACK PAGE P20

RUNWAY CLOSURE AT BENGALURU,  
MUMBAI LEADS TO AIRFARE HIKE

PERSONAL FINANCE P14

MACHINES OVER MAN TO  
HELP IN STOCK SELECTION

### High-powered jury selects best seven

Business Standard annual awards for 2018 Focus on scale, sustainability, leadership, and innovation

 <b>Lifetime Achievement</b> ADIL GODREJ CHAIRMAN, GODREJ GROUP	 <b>CEO of the Year</b> VINOD DASARI MD, ASHOK LEYLAND	 <b>Company of the Year</b> HINDUSTAN UNILEVER SANJAY M. DATTA, CMD	 <b>Star MNC</b> HONEYWELL AUTOMATION ASHOK GHAIWAD, MD	 <b>Star PSU</b> POWER GRID 15 JHA, CMD	 <b>Star SME</b> JAMNA AUTO RANDEEP SINGH JAHHAR, VICE-CHAIRMAN	 <b>Start-up of the Year</b> SWIGGY B.-R. NANDAN REDDY, RAMUL JAJMINI & SRIRAMHA MAJETTY (CEO), CO-FOUNDERS
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ISS REPORTER  
Mumbai, 10 February

With a market capitalisation of nearly ₹4 trillion, Hindustan Unilever (HUL) is miles ahead of competition. Despite formidable global and home-grown challengers — ranging from Procter & Gamble to Patanjali Ayurved — HUL has made sure its pole position is not threatened. With the acquisition of GlaxoSmithKline Consumer Healthcare in an all-stock deal valued at ₹1,200 crore in December last year, HUL will increase its lead further in the health and wellness segment by a wide margin.

Vinod Dasari, managing director (MD) and chief executive officer (CEO) of Ashok Leyland and a 34-year veteran in the company, he would step down in March this year, sold more trucks and introduced new products at a time when the trucking industry was going through a rough patch after demonetisation.

Betting big on the future of India's transport sector, Dasari transformed Ashok Leyland's businesses into three verticals to address the cyclical challenges of the trucking business. The strategy paid off and today, Ashok Leyland's

market share has gone up from 12-14 per cent four years ago to around 25 per cent, and its net profit grew from ₹134 crore in 2014-15 to ₹1,260 crore in 2017-18 (FY18).

Outstanding achievements like those of HUL and Dasari can hardly go unnoticed when a distinguished jury comprising the chairman of a leading business group, heads of two private equity firms, a marquee management consultancy organisation, and a top legal eagle meet to decide the winners of the Business Standard awards for corporate excellence for 2018. Scale, sustainability, leadership, and innovation were the buzzwords that figured prominently during the discussions in Mumbai on Tuesday when the jury, chaired by Aditya Birla group chairman Kumar Mangalam Birla, met to select the best of India Inc. for FY18.

"The jury did not take much time to choose the winners of the year, though it was a hard decision, considering there were so many good companies on the list. The statistics provided by Business Standard showed outstanding financial performance of all the shortlisted companies in the recent years," said Birla.

The other members of the high-profile jury were KKR India CEO Sanjay Nayyar, Bain Capital

Private Equity MD Amit Chandra, McKinsey Director Noshir Kaka, and Cyril Amarchand Mangaldas Managing Partner Cyril Shroff.

The jury chose Dasari as the CEO of the Year for steering Ashok Leyland at a very difficult time. "He was leading from the front and was very aggressive on new products categories," Shroff said on the jury's choice of Dasari.

All jury members agreed that while financial ratios were important for making the first cut, equal importance had to be given to individuals who focused on innovation and built institutions when challenges in the external environment were severe.

Besides the financial data on listed companies, the jury discussed qualitative aspects affecting companies, industry and the business environment. The jury selected HUL as the Company of the Year, while public sector undertaking (PSU)

Power Grid Corporation of India won the Star PSU of the Year award. Honeywell Automation won the Star MNC of the Year award, and Jamna Auto was declared the Star SME of the Year. Turn to Page 4



ISS JURY (From left) Bain Capital Private Equity Managing Director Amit Chandra, KKR India CEO Sanjay Nayyar, Aditya Birla Group Chairman Kumar Mangalam Birla (jury chairman), Cyril Amarchand Mangaldas Managing Partner Cyril Shroff, and McKinsey & Company Director Noshir Kaka at the jury meeting in Mumbai last week. PHOTO: ANANDH PANDURANG



Many thanks!

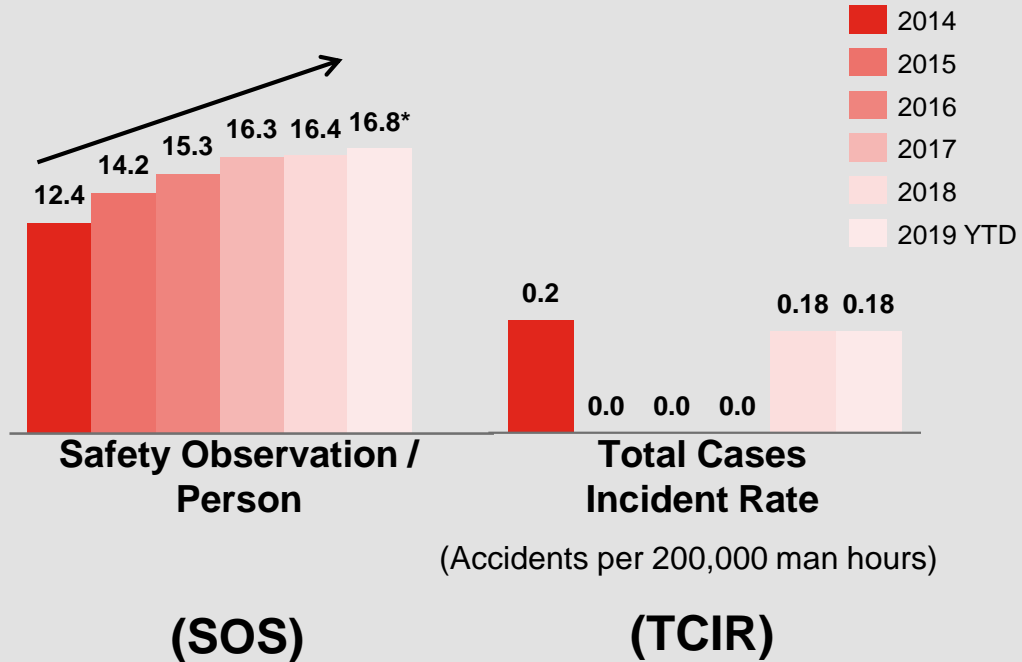
# OUR BRAND IS CHANGING

Honeywell transforms the way the world works, solving our customers' toughest challenges through relentless innovation that is grounded in a heritage of invention.

**THE FUTURE** IS WHAT WE MAKE IT.

# HEALTH, SAFETY AND ENVIRONMENT (HSE)

## Metrics: SOS and TCIR



## Commitment

### SAFETY FOR:

- 1 Our employees
- 2 Our customers
- 3 Our contractors
- 4 Our society



• Safety Observations for 2019 are pro-rated as per the trend of past years to represent full year

**Extending Safety Culture Beyond the Organization**

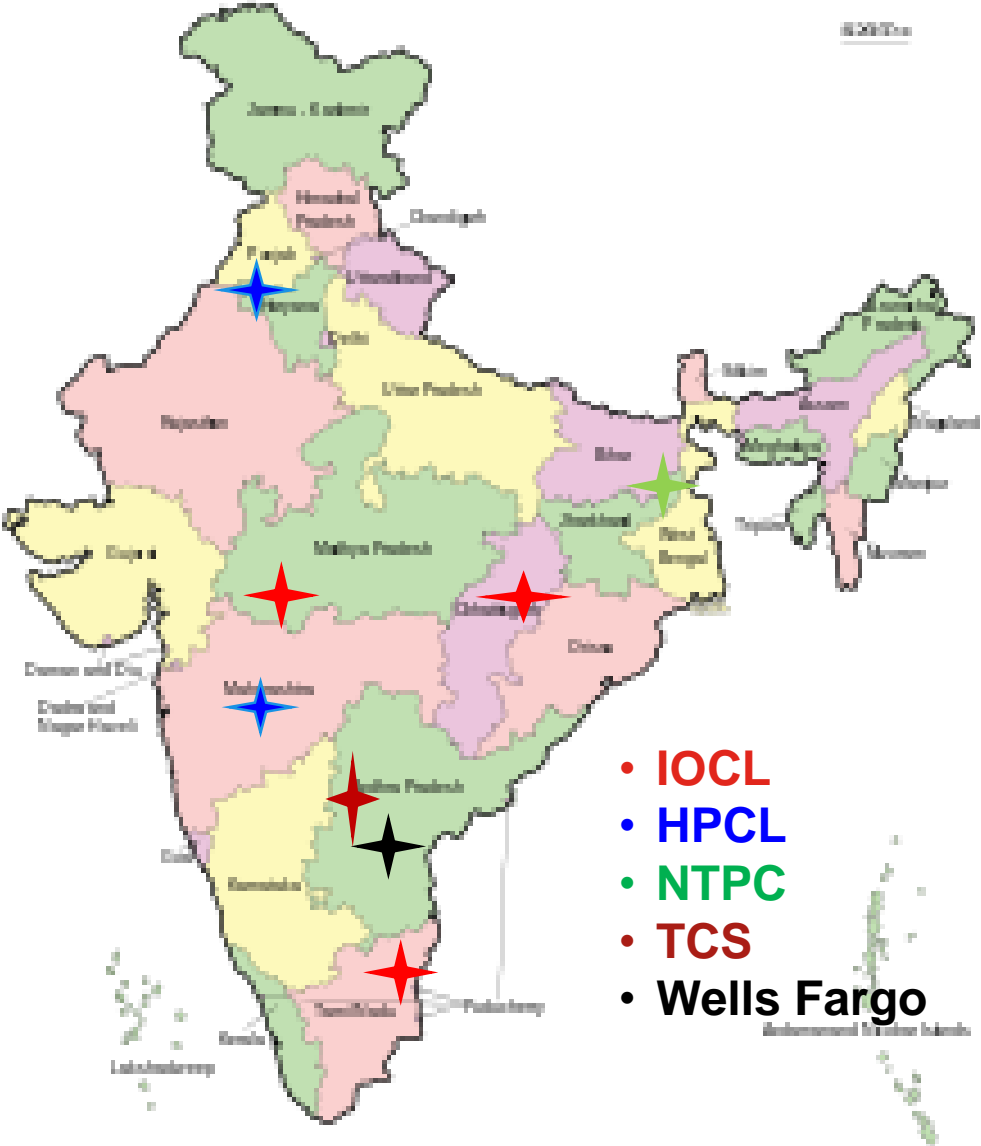
# HEALTH, SAFETY AND ENVIRONMENT – FIELD SERVICE CUSTOMER RECOGNITION

## Process Solution:

- ❖ Received excellent customer appreciation for Delivering outstanding performance towards positive safety culture and made zero incidents at site during 2014 to 2019 from IOCL (Foreshore).
- ❖ Excellence Performance in Safety (HPCL Jalandhar)
- ❖ Maintaining Good safety culture (NTPC Singruli)

## Building Solution:

- ❖ Outstanding performance in executing TCS project with safety standards-TCS
- ❖ Positive & Good safety culture- wells forgo



- IOCL
- HPCL
- NTPC
- TCS
- Wells Fargo

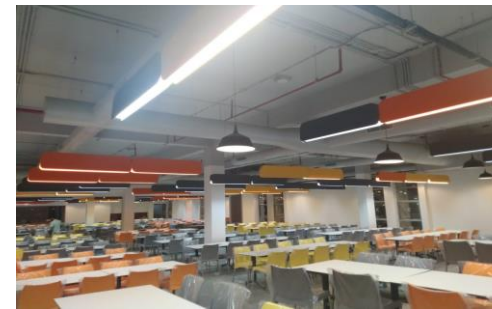
Understand the customer’s expectations | PLAN, EXECUTE AND EXCEED expectations

# HAIL CAMPUS DEVELOPMENT: HONEYWELL 2.0

## New Honeywell Chennai Office



## New Cafeteria @ Hadapsar

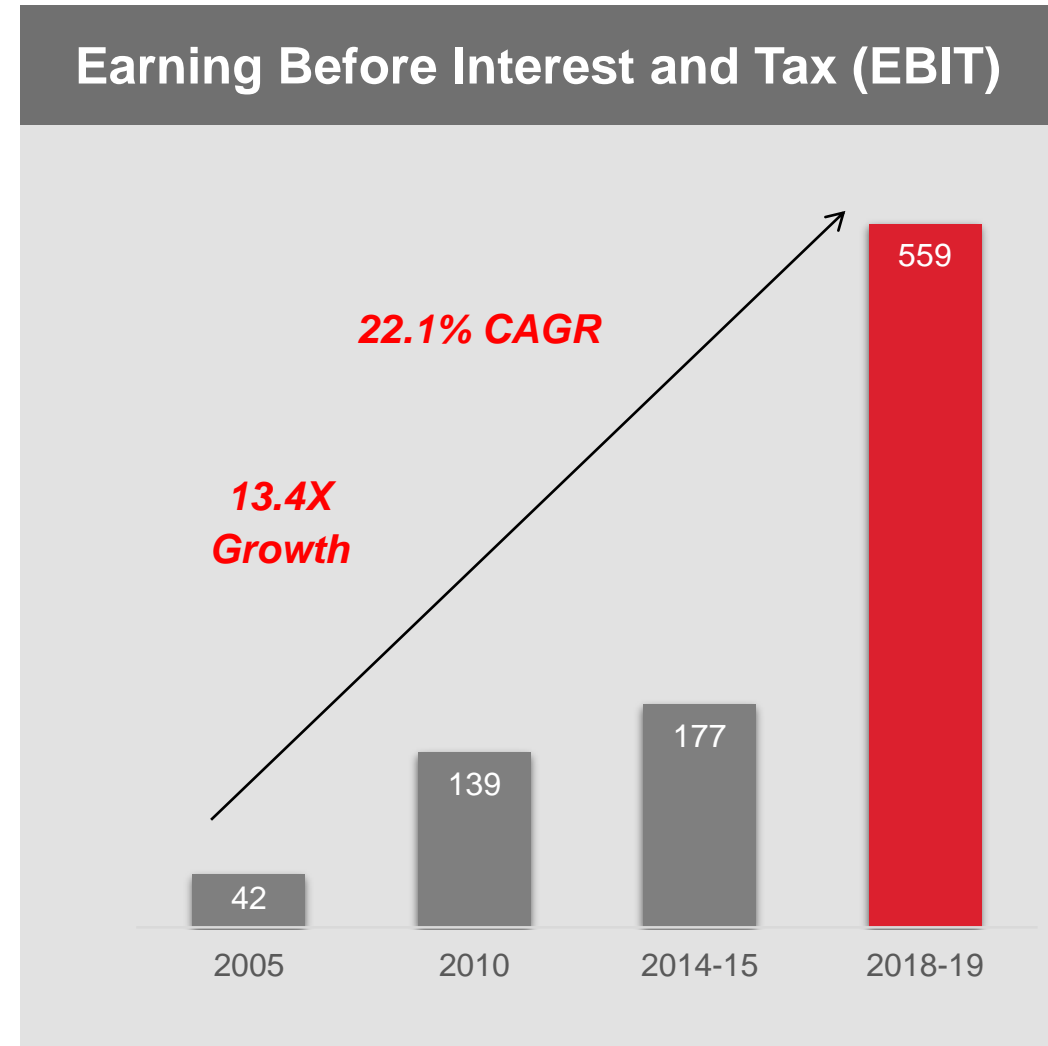
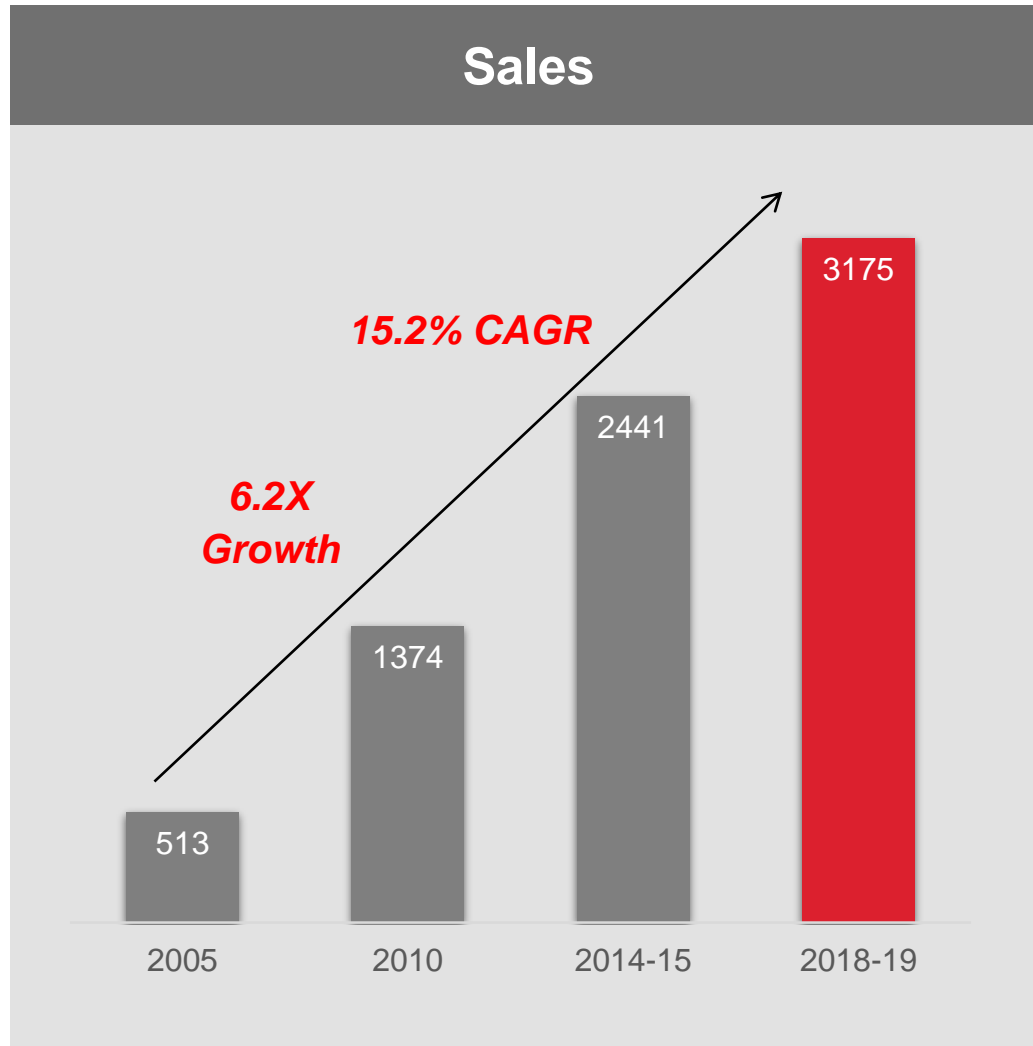


### Work in progress/ planning

- New collaborative workplace at **Hadapsar campus** (500 Seats) & a new **SEZ facility**
- Honeywell **Vadodara** Office
- Honeywell **Mumbai** Office

# PERFORMANCE TRACK RECORD

(INR Crores)

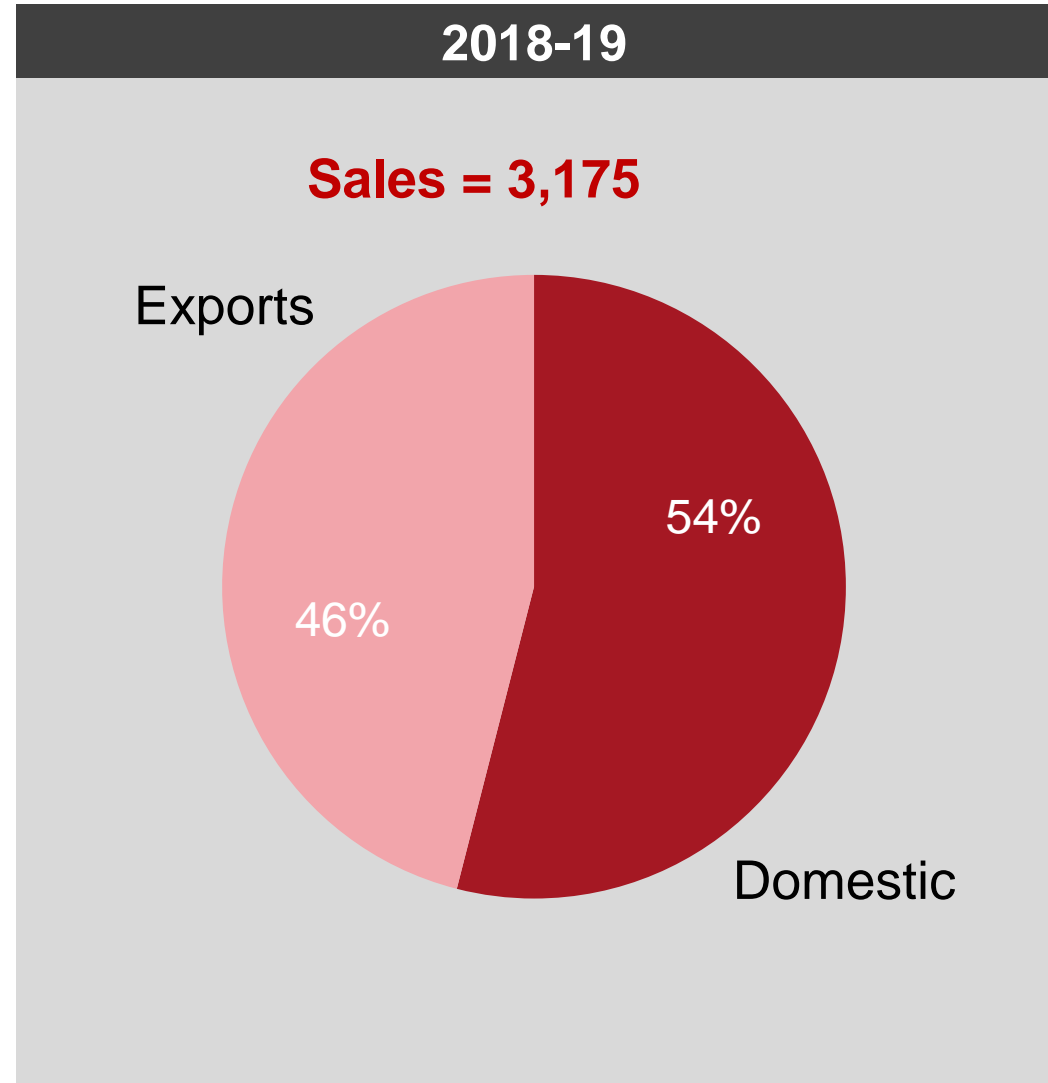
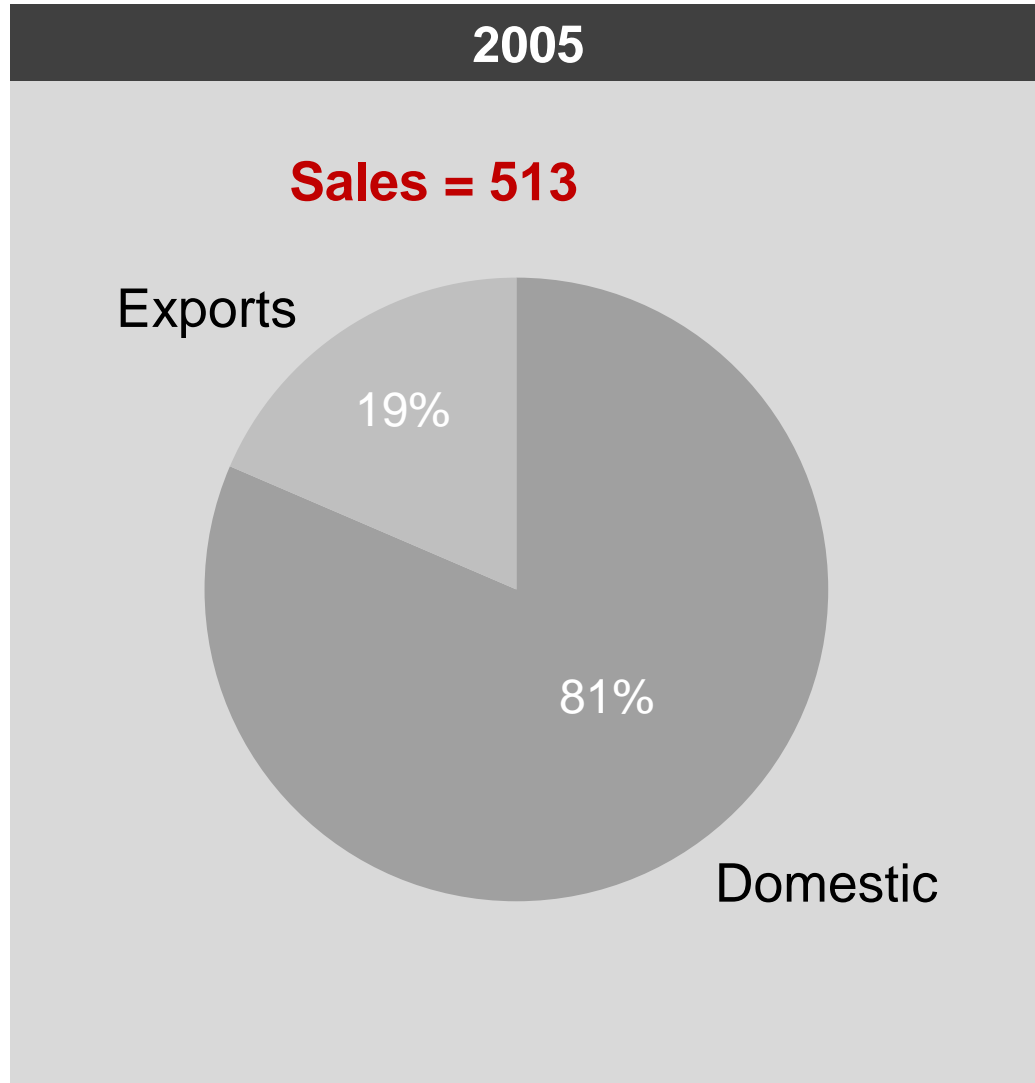


- 2005, 2010 and 2014-15 numbers include Excise duty
- 2014-15 represents 15 months period

**Consistent Profitable Growth**

# PERFORMANCE TRACK RECORD











(INR Crores)



**A Balanced Portfolio**



# CORPORATE SOCIAL RESPONSIBILITY

FY2014-15	Program progress		
Rs 2.84cr	<ul style="list-style-type: none"> <li>• <b>Program:</b> Safe Kids at Home is an educational program for children, teachers and parents to help prevent, reduce burns/scalds among children under 14 years of age</li> <li>• <b>Implementing partner:</b> Safe Kids Foundation</li> <li>• <b>Geography:</b> Pune</li> </ul>	 	
+	<ul style="list-style-type: none"> <li>• <b>Program:</b> Honeywell Science Experience is a hands-on science education program for middle and high school students and teachers in government schools</li> <li>• <b>Implementing partner:</b> Agastya International Foundation</li> <li>• <b>Geography:</b> Bengaluru, Pune, Delhi, Gurugram, Faridabad, Noida, Mysore, Madurai, Chennai, Hyderabad</li> </ul>	 	
FY2015-16			
Rs 3.03cr	<ul style="list-style-type: none"> <li>• <b>Program:</b> Honeywell Safe Schools drive disaster risk reduction capability among students, teachers, parents, and communities to enhance safety and ability to cope with day to day stresses</li> <li>• <b>Implementing partner:</b> SEEDS</li> <li>• <b>Geography:</b> Delhi and Uttarakhand</li> </ul>	 	
+	<ul style="list-style-type: none"> <li>• <b>Program:</b> Honeywell Safe Water Network Initiative provide access to safe drinking water in regions suffering from ground water contamination</li> <li>• <b>Implementing partner:</b> Safe Water Network India</li> <li>• <b>Geography:</b> Telangana and Maharashtra</li> </ul>	 	
FY2016-17			
Rs 3.48cr	<ul style="list-style-type: none"> <li>• <b>Program:</b> Honeywell Science Academy with Avasara Leadership Institute providing deep, transformative, residential science education program to disadvantaged girl students in Pune.</li> <li>• <b>Implementing partner:</b> Avasara Leadership Institute</li> <li>• <b>Geography:</b> Pune</li> </ul>	 	
+			
FY2017-18			
Rs 4.69cr			
+			
FY2018-19			
Rs 6.05cr*			
=			
Total			
Rs 14.04cr			

\*Contribution more than 2%

CSR Focus on STEM Education, Child Safety, Sustainability, Girl Students

# ECONOMIC TIMES-ROTARY: CSR AWARDS



**Category: SERVICES – NON IT**  
**Winner: Honeywell Automation India Limited**

**Towards a better tomorrow**

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***Business Update***  
***2018-19 Performance***

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# INDIA ECONOMIC INDICATORS

	FY17	FY18	FY19	FY20	Trend
• GDP Growth Rate <sup>1</sup>	8.2%	7.2%	6.8%	6.9%	
• Fiscal Deficit <sup>2</sup>	3.5%	3.5%	3.4%	3.3%	
• Inflation <sup>3</sup>	4.5%	3.6%	3.4%	3.7%	
• Interest Rate <sup>4</sup>	6.25%	6.00%	6.25%	5.75%	
• Crude Oil Price (\$/bbl) <sup>5</sup>	54.15	71.19	66.51	67.00	

1. Historic data is taken from MOSPI and based on Financial Year (Apr-mar) cycle. FY20 projections are based on RBI's latest forecasts; FY17 is Fiscal 2016-17

2. Historic data is taken from Economic Survey 2018-19. FY20 projections are taken from Union Budget 2019-20

3. Historic data for Headline CPI is taken from Economic Survey 2018-19. FY20 projections are based on targets from RBI

4. Historic data is the repo rate on the last working day of the year. FY20 projections are based on latest rate revisions by RBI

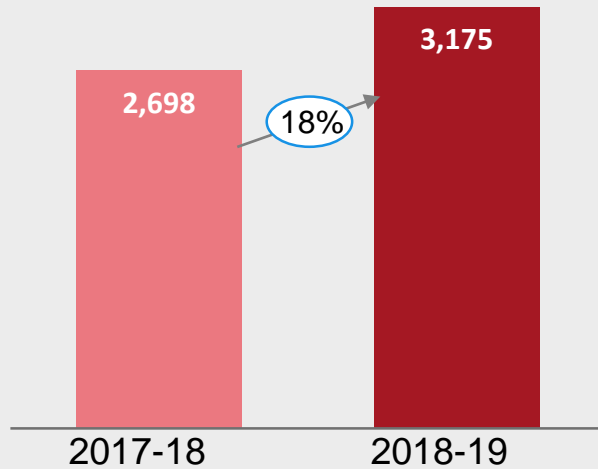
5. Historical data is Brent Spot Average rates as per EIA. Forecast of FY20 from EIA, US Gov

**Macros Expected to be Positive**

# HAIL FINANCIAL PERFORMANCE (2018-2019)

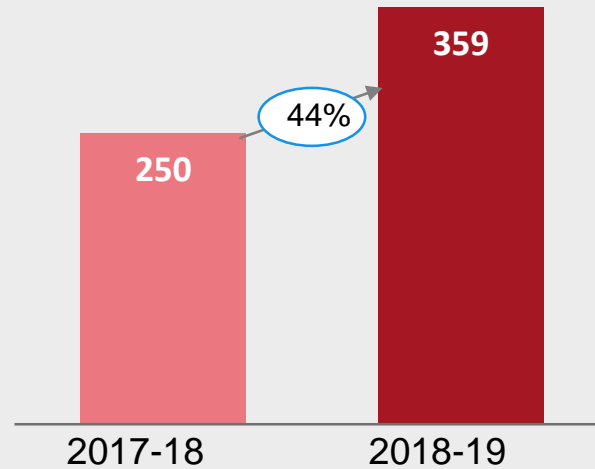
(INR Crores)

## REVENUE



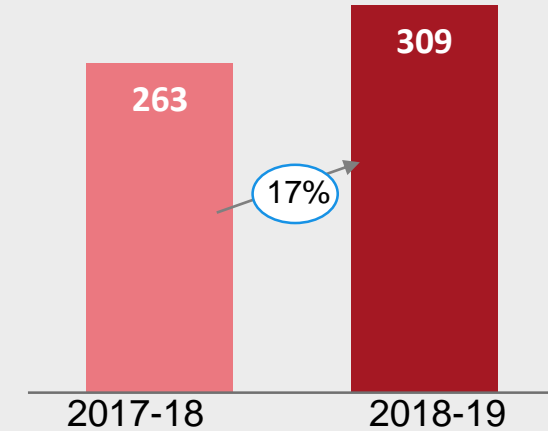
- + **Exports revenue ↑ 22%:** Higher sales to Honeywell affiliates on international projects
- + **Domestic revenue ↑ 14%**

## PROFIT AFTER TAX



- + **Productivity** (doing more with less)
- + **Business Mix**
- + **Disciplined** contract management
- + **Favorable Forex** / Interest income

## CASH FLOW FROM OPERATIONS



- + **Effective working capital** Management.

(1 turn improvement in WC turns)

▪ Final Dividend @ Rs. 45/- per equity share was recommended by Board of Directors (Previous Year: Rs. 32/- per equity share)

**Profitable Growth Performance**

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***1Q 2019-20 Financials***  
***(April – June 2019)***

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# PERFORMANCE TRACK RECORD

(INR Crores)

	Apr – Jun 2019 (Subjected to Limited Review)	Apr – Jun 2018 (Subjected to Limited Review)	Apr – Jun 2019 vs Apr – Jun 2018	FY 2018-19 (Audited)
<b>Total Income from Operations</b>	<b>857.0</b>	<b>770.4</b>	<b>11.2%</b>	<b>3,174.7</b>
Total Expenses	699.0	653.7	6.9%	2,690.7
<b>Profit from Operations</b>	<b>158.0</b>	<b>116.7</b>	<b>35.4%</b>	<b>484.0</b>
Other Income	18.6	24.6	(24.5%)	70.9
<b>Profit before tax</b>	<b>176.6</b>	<b>141.3</b>	<b>25.0%</b>	<b>554.9</b>
Tax Expense	62.5	49.6	26.0%	196.1
<b>Net Profit after tax</b>	<b>114.1</b>	<b>91.7</b>	<b>24.4%</b>	<b>358.8</b>
<b>Net Profit after tax % to revenue</b>	<b>13.3%</b>	<b>11.9%</b>	<b>140 bps</b>	<b>11.3%</b>

**Good Start to the Year**

**THANK YOU!**

**Honeywell**