Honeywell

THE POWER OF CONNECTED

Honeywell Automation India Ltd.
CIN: L29299PN1984PLC017951
Regd. Office: 56 & 57, Hadapsar Industrial
Estate, Pune - 411 013, Maharashtra
Tel: +91 20 6603 9400
Fax: +91 20 6603 9800
E-mail: India.Communications@Honeywell.com
Website: https://www.honeywell.com/worldwide/en-in/hail

August 24, 2018

To
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400 001
Kind Attn: Mr. K. Gopalkrishnan

To
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor, Plot No. C/1,
G Block, Bandra-Kurla Complex,
Bandra (East), Mumbai 400051
Kind Attn: Mr. Hari

Dear Sirs,

Sub: Annual Report for 2017-18

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached the Annual Report for 2017-18 of the Company that was approved and adopted in the 34th Annual General Meeting held on Monday, August 6, 2018 at 4.00 p.m. at Honeywell Automation India Limited, 56 & 57, Hadapsar Industrial Estate, Pune 411 013.

The above is for your information and record.

Yours faithfully
For Honeywell Automation India Limited

Farah Irani
Company Secretary

Encl: A/a

Honeywell

THE POWER OF **CONNECTED**

2017-18
Annual Report

Honeywell is building a smarter, safer, and more sustainable world.
That's the Power of Connected. That's the Power of Honeywell.

Board of Directors (As on May 14, 2018)

Mr. Suresh Senapaty	(Chairman & Independent Director)
Mr. Srinath Narasimhan	(Independent Director)
Mr. Ashish Gaikwad	(Managing Director)
Mr. Vikas Chadha	(Director)
Ms. Nisha Gupta	(Director)
Mr. Brian Buffington	(Director)

Senior Management Team (As on May 14, 2018)

Mr. Ashish Gaikwad	Head – Process Solutions
Mr. Aseem Joshi	Head – Building Solutions
Mr. Anant Kelkar	Head – Global Services
Mr. Gajanan Lahane	Head – Global Manufacturing
Mr. Hemant Khattar	Building Management System Leader
Mr. S. Sreekanth	Sensing & IOT Leader
Mr. Amit Tantia	Chief Financial Officer (w.e.f. May 16, 2018)
Mr. R. Ravichandran	Chief Financial Officer (upto May 15, 2018)
Mr. Abhishek Kumar	Head – Human Resources
Ms. Amita Rajora	Acting Legal Leader
Mr. Nikhil Thakkar	Head – Audit & Internal Controls

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Company Secretary

Ms. Farah Irani

Registrar & Transfer Agent:

TSR Darashaw Ltd.
6-10, Haji Moosa Patrawala Ind. Estate,
20, Dr. E. Moses Road, Mahalaxmi,
Mumbai 400 011.

Auditors

Deloitte Haskins & Sells LLP
Chartered Accountants

Bankers

Citibank N. A.

Registered Office:

56 & 57, Hadapsar Industrial Estate,
Pune – 411 013, Maharashtra
CIN: L29299PN1984PLC017951
Tel: +91 20 6603 9400; Fax: +91 20 6603 9800
Email: HAIL.InvestorServices@Honeywell.com
Website: *https://www.honeywell.com/worldwide/en-in/hail*

NOTICE is hereby given that the **THIRTY FOURTH ANNUAL GENERAL MEETING (AGM) of HONEYWELL AUTOMATION INDIA LIMITED** will be held on Monday, August 6, 2018 at 4.00 p.m. at the registered office of the Company at Honeywell Automation India Limited, 56 & 57, Hadapsar Industrial Estate, Pune - 411 013, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider, and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2018, together with the Reports of the Board of Directors and the Auditors thereon.
2. To declare final dividend of Rs. 32/- (320%) per equity share for the financial year ended March 31, 2018.
3. To consider to appoint a Director in place of Mr. Vikas Chadha (DIN: 06624266) who retires by rotation and being eligible offers himself for re-appointment.
4. To ratify the appointment of Statutory Auditors.

   "RESOLVED THAT pursuant to the ordinary resolution passed by the Members at the 31st Annual General Meeting of the Company and the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 {including any statutory modification(s) or re-enactment(s) thereof for the time being in force}, the appointment of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No. 117366W/W-100018) as Statutory Auditors of the Company to hold office till the conclusion of the 36th Annual General Meeting of the Company be and is hereby ratified at a remuneration to be decided by the Audit Committee/Board of Directors in consultation with the Auditors."

SPECIAL BUSINESS:

5. **To consider and approve appointment of Mr. Brian Buffington as a Director of the Company.**

   To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of Section 149, 152, and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules made thereunder and pursuant to the recommendation of the Nomination and Remuneration Committee and approval accorded by the Board of Directors of the Company, Mr. Brian Buffington (DIN: 08060965), who was appointed by the Board of Directors as an Additional (Non-Executive Director) Director of the Company with effect from February 13, 2018, and who holds office upto the date of this Annual General Meeting, in terms of Section 161 of the Act, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

NOTES:

1. Statement pursuant to Section 102 of the Companies Act, 2013, setting out the material facts in respect of Special Business under item no. 5 is annexed hereto.
2. As required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) and Secretarial Standard 2 issued by the Institute of Company Secretaries of India, the relevant details of Directors seeking appointment/re-appointment at the ensuing AGM are given in the annexure to the AGM notice.
3. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF ON A POLL AND THE PROXY NEED NOT BE A MEMBER. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total Share Capital of the Company carrying voting rights. Members holding more than ten percent of the total Share Capital of the Company carrying voting rights may appoint a single person as proxy, who shall not act as a proxy for any other

Member. The instrument appointing Proxy as per the format included in the Annual Report should be returned to the registered office of the Company not less than FORTY-EIGHT HOURS before the time for holding the AGM.

4. Corporate members intending to send their authorised representatives to attend the AGM are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the AGM.
5. Members desiring any information about the Company's working are requested to write to the Company at an early date so as to enable the Management to reply at the AGM.
6. Members are requested to note that dividends not encashed or remaining unclaimed for a period of 7 (seven) years from the date of transfer to the Company's Unpaid Dividend Account, will, as per Section 124 of the Companies Act, 2013, be transferred to the Investor Education and Protection Fund. Members who have not encashed the dividend warrant(s) so far for the financial year ended December 31, 2011 or any subsequent years are requested to make their claim to the Office of the Registrar and Transfer Agents: TSR DARASHAW LTD., 6-10 Haji Moosa Patrawala Ind. Estate, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai - 400 011. It shall be noted that once the dividend is transferred to the Investor Education and Protection Fund as above, no claim shall lie with the Company in respect of such amount. The details of the unclaimed dividend lying in the Unpaid Dividend Account is available on website of the Company.
7. The record date for determining the names of members eligible for dividend on equity shares, if approved by the members at the AGM is July 30, 2018.
8. Members holding shares in dematerialised form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS) mandates, nominations, power of attorney, change of address, change of name, email address, contact numbers, etc., to their Depository Participant (DP). Members holding shares in physical form are requested to intimate such changes to the Company's Registrar and Transfer Agents, TSR DARASHAW LTD.
9. In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has provided a facility to the Members to exercise their votes electronically through the electronic means. The facility of casting the votes using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL). The facility for voting through ballot paper shall also be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again. The instructions for remote e-voting are annexed to the Notice.
10. Pursuant to Section 101 of the Act read with Rule 18 of the Companies (Management and Administration) Rules, 2014, the Annual Report for 2017-18, the Notice of 34th AGM and instructions for remote e-voting, along with the attendance slip and proxy form is being sent through electronic mode to all the Members whose E-mail IDs are registered with the Company / Registrar and Transfer Agents / Depository Participants for communication purposes, unless any member has requested for physical copy of the same. For Members who have not registered their E-mail IDs with the Company / Registrar and Transfer Agents / Depository Participants, a physical copy of the Annual Report for 2017-18 is being sent by the permitted mode.

    To support the 'Green Initiative', members who have not registered their email addresses are requested to register the same with TSR DARASHAW LTD/their respective depository participants. The relevant Consent Form is provided at the end of this Annual Report.
11. The Ministry of Corporate Affairs (MCA) on October 16, 2017 had notified the amendment to Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Second Amendment Rules, 2017 ("the IEPF Rules") wherein the Company was required to transfer to Investor Education and Protection Fund (IEPF), all the shares whose dividend is lying in the ''Unpaid Dividend Account'' of the Company as unpaid or

unclaimed for a period of seven consecutive years from the date of its transfer to the said Unpaid Divided Account. The relevant details are given in the Board's Report which forms a part of this Annual Report.

The Company has uploaded information of Unclaimed Dividends, on the websites of IEPF (*www.iepf.gov.in*) and on the website of the Company *https://www.honeywell.com/worldwide/en-in/hail*

12. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date i.e., July 30, 2018 only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper. The remote e-voting period commences from Friday, August 3, 2018 (9.00 a.m. – IST) and ends on Sunday, August 5, 2018 (5.00 p.m. – IST). The instructions for remote e-voting is detailed out in the Annexure to this AGM Notice.
13. Mr. Jayavant B. Bhave, of J.B. Bhave & Co., Company Secretaries, has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
14. The Chairman shall at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of Scrutiniser, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
15. The Scrutiniser shall, after the conclusion of voting at the AGM, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than two days of the conclusion of the AGM, a consolidated scrutiniser's report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same and declare the result of the voting forthwith.
16. The results declared alongwith the report of the Scrutiniser shall be placed on the website of the Company at the following link: *https://www.honeywell.com/worldwide/en-in/hail* and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited and National Stock Exchange of India, where the shares of the Company are listed.
17. The Annual Report duly circulated to the Members of the Company, is available on the Company's website at the following link: *https://www.honeywell.com/worldwide/en-in/hail*.
18. All documents referred to in the Notice will be available for inspection at the Company's registered office on all working days (except Saturdays and Sundays) between 11.00 a.m. to 1.00 p.m. upto the date of the AGM.
19. The Registers under the Company's Act, 2013 will be available for inspection at the registered office of the Company during business hours except on holidays.
20. Members are requested to bring their copy of Annual Report to the AGM.
21. A route map to the venue of the AGM is provided at the end of the Annual Report.

By Order of the Board of Directors of
Honeywell Automation India Limited

Farah Irani
Company Secretary

Pune, May 14, 2018

Registered Office:
56 & 57, Hadapsar Industrial Estate,
Pune – 411 013, Maharashtra
CIN: L29299PN1984PLC017951
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Email: HAIL.InvestorServices@Honeywell.com
Website: *https://www.honeywell.com/worldwide/en-in/hail*

STATEMENT SETTING OUT MATERIAL FACTS

Pursuant to Section 102 of the Companies Act, 2013

Item No. 5

The Board of Directors of the Company at its meeting held on February 12, 2018, appointed Mr. Brian Buffington as an Additional (Non-Executive) Director of the Company with effect from February 13, 2018, pursuant to Section 161 of the Companies Act, 2013. Mr. Brian Buffington holds office upto the date of this AGM of the Company.

Pursuant to the recommendation of the Nomination & Remuneration Committee, the Board of Directors of the Company at its meeting held on May 14, 2018 proposed the appointment of Mr. Brian Buffington as a Director of the Company (liable to retire by rotation), subject to the approval of the shareholders at the Annual General Meeting.

Disclosure under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SS 2- Secretarial Standard on General Meetings and the brief profile of Mr. Brian Buffington is provided in the Annexure to this Notice.

The Board recommends the passing of the resolution set out at Item No.5 of the Notice.

Except Mr. Brian Buffington, none of the other Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the resolution.

DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE AGM

{Pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SS 2- Secretarial Standard on General Meetings}

Name of the Director	Mr. Brian Buffington
DIN	08060965
Date of Birth	December 31, 1974 (Age : 43 years)
Date of appointment on the Board	February 13, 2018
Qualification	Mr. Buffington is a Certified Public Accountant (C.P.A.) and holds a Bachelor of Science degree from Northeastern State University of Oklahoma
Experience & Brief profile and nature of expertise in specific functional areas	Mr. Brian Buffington is Vice President and Global Chief Financial Officer of Honeywell Process Solutions (HPS), one of the world's leading suppliers of automation and control systems. Mr. Buffington is an experienced Finance Executive with diverse experience in manufacturing operations, service oriented, and project solution based business models. Mr. Buffington holds a record of improved profitability by driving continuous productivity, realizing market opportunities and delivering revenue growth through strong customer analytics. Most recently, Mr. Brian Buffington worked as Chief Financial Officer of Honeywell Process Measurement Controls (PMC) and Honeywell Thermal Solutions (HTS), one of the world's leading suppliers of industrial products. Previously, Mr. Buffington was the Chief Financial Officer for Honeywell Smart Grid Solutions, a leading energy efficiency provider focused on delivering creative solutions to global utility companies enabling effective grid capacity. Mr. Buffington has also held multiple Finance leadership roles over the past 14 years within Honeywell, spreading his experience across controllership, financial planning, integrated supply chain, and global business partnering. Prior to joining Honeywell, Mr. Buffington worked in the telecom industry for both WorldCom and Level 3 Communications.
Directorships held in other companies.	Nil
Memberships / Chairmanships of committees across all other public companies	Nil
Relationship with other Directors / Manager / Key Managerial Personnel	None
Shareholding in the Company	Nil
No. of Board/Committee Meetings attended during the year	1 (One) / N.A.

Name of the Director	Mr. Vikas Chadha
DIN	06624266
Date of Birth	May 16, 1971 (Age : 47 years)
Date of appointment on the Board	August 11, 2016
Qualification	Mr. Vikas Chadha has completed his BE (Hons) Electronics from Delhi College of Engineering; Post Graduate Program in Management from Indian School of Business, Hyderabad
Experience & Brief profile and nature of expertise in specific functional areas	Mr. Vikas Chadha is currently the President, Honeywell India effective August 1, 2016. Mr. Vikas Chadha is responsible for continued growth of India operations across strategic business groups of Honeywell: Aerospace, Home and Building Technologies (HBT), Performance Materials and Technologies (PMT) and Safety and Productivity Solutions (SPS). Mr. Chadha joined Honeywell in August 2009 and, over the years, has successfully taken on a number of senior leadership roles of increasing responsibilities: - Mr. Vikas Chadha was appointed as the Managing Director of Honeywell Automation India Limited on January 1, 2014. In this role, Mr. Chadha was responsible for driving growth and profitability at the Company with additional responsibility of managing operations for its largest Process Solutions business. - Prior to this, Mr. Chadha was Regional General Manager, Building Solutions business for the India region. - Mr. Chadha also served as Regional Director – South Asia for Honeywell security business. Mr. Chadha has a successful track record in a career more than 20 years, with a mix of strategy and consulting, rich business experience, and people management. Before joining Honeywell, Mr. Chadha was a consultant at McKinsey & Company, where he spent more than 2 years in strategic consulting and business improvement in India and Middle East. Mr. Chadha also held national level management positions at Sharp Business Systems and at Larsen & Toubro Limited.
Directorships held in other companies.	1
Memberships / Chairmanships of committees across all other public companies	Nil
Relationship with other Directors /Manager / Key Managerial Personnel	None
Shareholding in the Company	Nil
No. of Board / Committee Meetings attended during the year	6 (Six) / 3 (three)

As per Regulation 26 of the Listing Regulations, details of Chairmanship / Membership of Audit Committee and Stakeholders' Relationship Committee are provided. Directorships in foreign companies, membership in governing councils, chambers and other bodies, partnership in firms etc., are not provided.

By Order of the Board of Directors of
Honeywell Automation India Limited

Farah Irani
Company Secretary

Pune, May 14, 2018

Registered Office:
56 & 57, Hadapsar Industrial Estate,
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Tel: +91 20 6603 9400; Fax: +91 20 6603 9800
Email: HAIL.InvestorServices@Honeywell.com
Website: *https://www.honeywell.com/worldwide/en-in/hail*

INSTRUCTIONS FOR ELECTRONIC VOTING BY MEMBERS

In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide remote e-voting facility to all its Members to enable them to cast their votes on resolutions proposed to be considered at the AGM by electronic means. The Company has engaged the services of National Securities Depository Limited (NSDL) for this facility.

1. The remote e-voting period commences on Friday, August 3, 2018 (9:00 a.m. - IST) and ends on Sunday, August 5, 2018 (5:00 p.m. - IST).

   During this period members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date of July 30, 2018, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

2. Members whose email IDs are registered with the Company/Registrar & Tranfer Agent/Depository Participants(s) will receive an email from NSDL informing them of their user ID and password. Once the Member receives the email, he/she will need to go through the following steps to complete the e-voting process -

   Step 1 : Login NSDL e-Voting system at *https://www.evoting.nsdl.com*

   Step 2 : Cast your vote electronically on NSDL e-Voting system

   Details on Step 1 is mentioned below:

   How to Log-in to NSDL e-Voting website?

   1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: *https://www.evoting.nsdl.com* either on a Personal Computer or on a mobile.
   2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
   3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

      Alternatively, if you are registered for NSDL e-services i.e. IDEAS, you can log-in at https://eservices.nsdl.com with your existing IDEAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
   4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	**Your User ID is:**
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12********** then your user ID is 12**********

c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:
   a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
   c) How to retrieve your 'initial password'?
      (i) If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a pdf file. Open the pdf file. The password to open the pdf file is your 8 digit Client ID for NSDL account, last 8 digits of Client ID for CDSL account or folio number for shares held in physical form. The pdf file contains your 'User ID' and your 'initial password'.
      (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
   a) Click on **"Forgot User Details/Password?"** (If you are holding shares in your demat account with NSDL or CDSL) option available on *www.evoting.nsdl.com*.
   b) **Physical User Reset Password?"** (If you are holding shares in physical mode) option available on *www.evoting.nsdl.com*.
   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After you click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.

5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1 For the votes to be considered valid, Corporates and Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Appropriate Authorisation etc. together with attested specimen signature of the duly authorised signatory(ies) to the Scrutiniser by e-mail to *jbbhave@gmail.com* with a copy marked to *evoting@nsdl.co.in*.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on *www.evoting.nsdl.com* to reset the password.

3. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for future communication(s).

4. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of July 30, 2018.

5. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of *www.evoting.nsdl.com* or call on toll free no.: 1800-222-990 or send a request at *evoting@nsdl.co.in*

Dear Members,

The Directors present the **THIRTY FOURTH ANNUAL REPORT** with the audited financial statements of the Company for the financial year ended March 31, 2018.

1. FINANCIAL RESULTS:

(Rs. in lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Sales & Other Income	**273,126**	**248,275**
Operating profit	39,671	32,392
Less: interest	28	26
Depreciation	1,520	1,635
Profit for the year	38,123	30,731
Income tax and deferred tax expenses	13,150	13,786
Profit for the period	**24,973**	**16,945**
Profit brought forward from the previous year	97,234	83,047
Profit available for appropriations	**122,207**	**99,992**

Revenue from operations registered a growth of 10.4%. Profit before tax was 14.1% of revenue from operations as compared to 12.6% in previous year. Exports revenue increased over previous year by 14.6%. This growth was achieved despite competitive challenges on pricing.

2. DIVIDEND:

Payment of final dividend @ Rs. 32/- per equity share of Rs. 10/- each was recommended by the Board of Directors at their meeting held on May 14, 2018 (Previous Year : Rs. 10/- per equity share). The dividend, if approved by the Members at the ensuing Annual General Meeting, will result in a total cash pay-out of Rs. 3,411 lakhs including dividend distribution tax.

3. OPERATIONS:

The Management Discussion and Analysis Report annexed herewith provides full details of operational performance and business analysis of the Company.

4. INDUSTRY OUTLOOK:

The details regarding Industry Outlook are given in the Management Discussion and Analysis Report which forms a part of this Report.

5. HONEYWELL OPERATING SYSTEM (HOS):

Your Company continues to be strongly focused on its operational excellence journey using the Honeywell Operating System (HOS). HOS is favorably impacting safety, quality, delivery, cost, and inventory matrices. The Pune Integrated Supply Chain organisation has sustained its HOS Silver Excellence certification and is now pursuing the next milestone of "World Class" in the new HOS Order-to-Cash framework. In 2016-17, a significant part of the Global Services supporting Honeywell Process Solutions has remained at Silver Level, with the aim of sustaining the organisation's maturity level in 2018. The Global Services supporting Process Solutions business, already a Silver certified site, is driving further maturity using HOS principles to achieve superior quality and delivery experience for Honeywell customers.

6. HUMAN RESOURCES:

Honeywell believes in the immense potential of its human capital and acknowledges that our employees are the core growth engine for the Company. Your Company is committed to creating an inclusive, performance oriented, and an entrepreneurial culture that allows us to bring the best out of every individual and team. Honeywell is committed to creating an equal opportunity workplace, which promotes openness and diversity. Your Company has a strong employee value proposition that focuses on challenging work that matters, hiring and retaining the right people, sustained focus on talent and leadership development, differentiated rewards to drive exceptional performance, and community engagement.

Your Company deploys a Positive Employee Relations (PER) framework to get annual feedback from all employees on key engagement factors to build an engaged and motivated workforce. Additionally, a Labour and Employment Relations framework elicits feedback in our factory and supports action planning to drive engagement at all levels in the organization.

As on March 31, 2018, the Company's employee strength was 3,205 as compared to 2,931 (full-time employees) as on March 31, 2017. Your Company had 455 women employees which represents 14.2% of our workforce. The Company is fully compliant with the prevailing laws on Prevention of Sexual Harassment of Women at Workplaces. The Internal Complaints Committee deals with all matters related to the subject in accordance with the tenets of the law.

7. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

During the year under review, Ms. Tina Pierce (Non-Executive Director) resigned as a Director with effect from the close of business hours of February 12, 2018.

The Board of Directors at its meeting held on February 12, 2018 appointed Mr. Brian Buffington (Non-Executive Director) as an Additional Director effective February 13, 2018 and Mr. Buffington holds office upto the forthcoming Annual General Meeting (AGM) of the Company. Necessary resolution for appointment of Mr. Brian Buffington as a Director has been included in the Notice convening the AGM, and the details of the proposal are mentioned in the Annexure to AGM Notice. The Board recommends his appointment.

Ms. Farah Irani was appointed as the Company Secretary with effect from May 16, 2017.

As per the provisions of the Companies Act, 2013, Mr. Vikas Chadha, who was appointed in casual vacancy of Mr. Anant Maheshwari, retires by rotation at the forthcoming AGM and being eligible, he offers himself for re-appointment. The Board recommends his re-appointment.

Mr. Ashish Gaikwad continues as the Managing Director, Ms. Nisha Gupta and Mr. Vikas Chadha continue as Non-Executive Director, and Mr. Suresh Senapaty and Mr. N. Srinath continue as Independent Directors on the Board.

Mr. Ashish Gaikwad, Managing Director, Mr. R. Ravichandran, Chief Financial Officer and Ms. Farah Irani, Company Secretary are the Key Managerial Personnel (KMP) of the Company, pursuant to the provisions of Companies Act, 2013, as on the date of this Report.

Mr. R. Ravichandran would move to a new role within Honeywell Group Company and hence tendered his resignation as Chief Financial Officer of the Company in the Board Meeting held on February 12, 2018, effective close of business hours of May 15, 2018.

Mr. Amit Kumar Tantia was appointed as Chief Financial Officer (KMP) of the Company in the Board Meeting held on May 14, 2018 with effect from May 16, 2018.

The Board places on record its appreciation of the valuable contributions made by Ms. Tina Pierce and Mr. R. Ravichandran.

8. BOARD MEETINGS:

Six meetings of the Board of Directors were held during the year. Details about the meetings are available in the Report on Corporate Governance, which forms a part of this Report.

9. COMMITTEES OF BOARD:

The details regarding Committees of the Board of Directors of the Company are given in the Report on Corporate Governance, which forms a part of this Report.

10. DECLARATION BY INDEPENDENT DIRECTORS:

The Company has received necessary declarations from each Independent Director under Section 149(7) of the Companies Act, 2013, that he meets the criteria of Independence laid down in and Section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

11. BOARD EVALUATION:

Pursuant to the provisions of the Companies Act, 2013, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual evaluation of its own performance, its Committees, as well as the Directors individually.

The outcome of the Board evaluation was discussed by the Nomination & Remuneration Committee and at the Board Meeting held on February 12, 2018.

Details regarding process and criteria for evaluation are given in the Report on Corporate Governance, which forms a part of this Report.

12. CODE OF CONDUCT COMPLIANCE:

The declaration signed by the Managing Director affirming compliance with the Code of Conduct by Directors and Senior Management, for the financial year ended March 31, 2018 is given in Report on Corporate Governance, which forms a part of this Report.

13. CORPORATE SOCIAL RESPONSIBILITY:

Your Company remains committed to making the world a better place and expanding community outreach. As part of its initiatives under Corporate Social Responsibility (CSR), the Company, in partnership with leading non-profit institutions, has developed powerful programs to address needs in the communities it serves. The Annual Report on CSR activities, in accordance with Section 135 of the Companies Act, 2013, read with Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time, is annexed herewith as "Annexure - 1" and the copy of the CSR Policy is also available on the Company' website.

14. AUDITORS: Statutory Audit

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the rules framed thereunder, M/s. Deloitte Haskins & Sells LLP (Firm Registration No. 117366W/W-100018) were appointed as the Statutory Auditors for a period of 5 years to hold office from the conclusion of the AGM of the Company held on July 21, 2015, subject to ratification of their appointment at every subsequent AGM. A resolution seeking ratification of their appointment till 36th AGM forms part of the Notice of AGM and the same is recommended for your consideration and approval.

The Notes on financial statements referred to in the Auditors' Report are self-explanatory. The Auditors' Report does not contain any qualification, reservation or adverse remark.

Cost Audit

In terms of the provisions of Section 148 and other applicable provisions of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, Cost Audit was not applicable to your Company for the financial year 2017-18.

Secretarial Audit

In terms of the provisions of Section 204 of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company appointed M/s. Bokil Punde & Associates, Practicing Company Secretaries as Secretarial Auditors of the Company for the financial year 2017-18. The report of the Secretarial Auditors is enclosed as "Annexure - 2" to this report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

15. RELATED PARTY TRANSACTIONS

The particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013, Read with 8(2) of Companies (Accounts) Rules, 2014 are enclosed herewith as "Annexure - 3".

16. RISK MANAGEMENT

Your Company has an Enterprise Risk Management framework, administered by the Risk Committee, to develop, implement, and monitor the effectiveness of risk management processes for the company. This framework enables identification, assessment, monitoring, and mitigation of strategic, operational, compliance and financial risks that are key to achieving our business objectives. Risks are identified, evaluated and prioritised based on their likelihood of occurrence and severity of business impact. Major risks identified by the businesses and functions are systematically addressed through mitigation and governance.

17. COMPANY POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Company policy on Directors' appointment and remuneration and other matters as provided in Section 178(3) of the Companies Act, 2013 is enclosed herewith as "Annexure - 4".

18. WHISTLE BLOWER POLICY / VIGIL MECHANISM

In line with requirement under Section 177(9) and (10) and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company has established a whistle blower/vigil mechanism for its employees and Directors to report their genuine concerns. The details of the same are explained in the Corporate Governance Report.

19. INTERNAL FINANCIAL CONTROLS

The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information.

20. HOLDING COMPANY

The Company is a subsidiary of Honeywell Asia Pacific Inc. USA, the ultimate holding company being Honeywell International Inc. USA.

21. TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

As required under Section 124 of the Companies Act, 2013, the unclaimed dividend lying with the Company for a period of seven years pertaining to the financial year ended December 31, 2009, was transferred during the year 2017, to Investor Education and Protection Fund established by the Central Government.

The Ministry of Corporate Affairs (MCA) on October 16, 2017 had notified the amendment to Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Second Amendment Rules, 2017 ("the IEPF Rules'') wherein the Company was required to transfer Investor Education and Protection Fund, all the shares whose dividend is lying in the ''Unpaid Dividend Account'' of the Company as unpaid or unclaimed for a period of seven consecutive years from the date of its transfer to the said Unpaid Dividend Account. The requisite transfer of shares to IEPF was required to be completed by November 30, 2017 and the Company has complied with the same and the aforesaid shares have been transferred by the Company to IEPF. The Company has uploaded the details of the aforesaid transfer of shares on the website of IEPF *(www.iepf.gov.in)* and on the website of the Company at the following link: *https://www.honeywell.com/-/media/Honeywell_com/Files/en-in/Unclaimed-Dividends/Unclaimed-shares-trasnferred-to-IEPF-as-on-November-30-2017.pdf*

Pursuant to the IEPF Rules, for the dividend declared for the financial year ended December 31, 2010, the Company had dispatched the communication individually to the concerned shareholders whose equity share(s) were liable to be transferred to IEPF under the rules for taking appropriate action(s). The Company had also issued public notice in newspapers as required under the IEPF Rules. The Company had uploaded the full details of such shareholders and shares due for transfer to IEPF on the website of the Company at the following link: *https://www.honeywell.com/-/media/Honeywell_com/Files/en-in/Unclaimed-Dividends/Unclaimed-Shares-for-Tranfer-to-IEPF-as-on-February-21-2018.pdf*

22. PARTICULARS OF EMPLOYEES

A statement containing particulars of employees as required under Section 197(12) of the Companies Act, 2013, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in "Annexure 9" forming part of this Report. As per the first proviso to Section 136(1) of the Act, the Annual Report is being sent to the members excluding the aforesaid annexure. The said information is available for inspection at the registered office of the Company during working hours. Any member interested in obtaining such information may write to the Company Secretary and the same will be furnished on request. The full Annual Report including the aforesaid information is available on the Company's website.

The ratio of the remuneration of each Director to the median employee's remuneration and other details prescribed in Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are attached to this report as "Annexure 5" - Statement of Disclosure of Remuneration.

23. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company respects and values diversity reflected in various backgrounds, experiences, and ideas and is committed to providing employees with a workplace that is free from discrimination or harassment. The Company has earlier adopted a policy on prevention, prohibition, and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Every employee is required to complete mandatory online training on Prevention of Sexual Harassment at Workplace.

The Company has Internal Complaints Committees (ICC) established in accordance with the aforesaid Act for addressing sexual harassment incidents.

One complaint on sexual harassment was received by the Company during the financial year under review and the matter was investigated and closed as on date of this report as per required process.

24. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

The Company has not made any loans, guarantees or investments during the year under review, pursuant to the provisions of Section 186 of the Companies Act, 2013.

25. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the Report.

26. SIGNIFICANT AND MATERIAL ORDERS

There are no significant and material orders during the financial year ended March 31, 2018 passed by the regulators or courts or tribunals impacting the going concern status and Company's operations.

27. DEPOSITS

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

28. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE

Information required under Section 134 of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014, with respect to conservation of energy, technology absorption and foreign exchange earnings/outgo is included in "Annexure 6".

29. MANAGEMENT DISCUSSION & ANALYSIS / CORPORATE GOVERNANCE REPORT:

The Management Discussion and Analysis Report and Corporate Governance Report pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are annexed and form part of the Board's Report.

30. EXTRACT OF ANNUAL RETURN

Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies Management and Administration) Rules, 2014, an extract of the annual return in Form No. MGT-9 is annexed herewith as "Annexure 7".

31. LEGAL COMPLIANCE REPORTING

The Head – Legal, the Company Secretary, and Chief Financial Officer of the Company monitor the legal compliance reporting process and advise the Company on compliance issues with respect to the laws of various jurisdictions in which the Company has its business activities.

The Company has a practice of obtaining quarterly compliance certificates from various functional heads for compliance with laws applicable to the respective function. A consolidated report on compliance with applicable laws is presented to the Board every quarter. To take care of the continuously evolving compliance scenario, the Company is constantly striving to strengthen the compliance reporting framework.

32. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to provisions of Section 134(3)(c) and Section 134(5) of the Companies Act, 2013, your Directors make the following statements:

(a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

(b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2018 and of the profit for the year April 1, 2017 to March 31, 2018;

(c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) the Directors have prepared the annual accounts on a going concern basis;

(e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

(f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

33. COMPLIANCE WITH SECRETARIAL STANDARDS

Your Directors confirm that the Secretarial Standards issued by the Institute of Companies Secretaries of India, as applicable to the Company, have been duly complied with.

34. DIVIDEND DISTRIBUTION POLICY:

The SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2016 read with Notification dated July 8, 2016 mandate formulation of a dividend distribution policy by Top 500 listed entities based on market capitalisation. In compliance with the Regulation, the Company has formulated a dividend distribution policy prescribing the parameters for the dividend distribution and the same is disclosed in "Annexure 8" to this Report and forms part of this Report. The policy is also available on the Company's website at the following link: *https://www.honeywell.com/-/media/Honeywell_com/Files/en-in/Policies/Dividend-Distribution-Policy.pdf*

35. BUSINESS RESPONSIBILITY REPORT:

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandates inclusion of the Business Responsibility Report (BRR) as a part of the annual report for Top 500 listed entities based on market capitalisation. In compliance with the Regulation, the BRR forms part of this Annual Report.

36. ACKNOWLEDGMENT:

The Board of Directors would like to place on record its appreciation and thanks to all its employees for their contribution. The Board also wishes to acknowledge the support it has received from its investors, customers, vendors, regulatory authorities and bankers.

For and on behalf of Board of Directors of
Honeywell Automation India Limited

Suresh Senapaty
Chairman

Pune, May 14, 2018

Registered Office:
56 & 57, Hadapsar Industrial Estate,
Pune – 411 013, Maharashtra
CIN: L29299PN1984PLC017951
Tel: +91 20 6603 9400; Fax: +91 20 6603 9800
Email: HAIL.InvestorServices@Honeywell.com
Website: *https://honeywell.com/country/in/Pages/hail.aspx*

ANNEXURE - 1

Annual Report on Corporate Social Responsibility (CSR) Activities

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or program is as under:

Your Company is committed to improving the world we live in by creating, supporting, and nurturing outstanding CSR programs and initiatives that make real, sustainable, and measurable impact on communities that Honeywell serves. Honeywell offers programs, provides resources and financial support, and encourages employee volunteerism where Honeywell can make a real, lasting impact in five critical areas: Science and Math Education, Family Safety and Security, Housing and Shelter, Sustainability, and Humanitarian Relief.

In FY2014-15, your Company funded the Safe Kids at Home India program with Safe Kids Foundation India, an educational home safety program for teachers and parents to help prevent and reduce burns and scalds among children in Pune. As on March 31, 2018, Safe Kids at Home has benefitted 427,242 students and 256,318 parents via 1,077 schools.

In FY2015-16, your Company funded the Honeywell Science Experience program with Agastya International Foundation, an innovative hands-on science education and peer-to-peer learning program for economically disadvantaged children and government school teachers in Bengaluru, Gurugram, and New Delhi. As on March 31, 2018, Honeywell Science Experience has established 11 science centers, 10 mobile labs, 1,100 student mentors impacting 48,870 students and 200 teachers.

In FY2016-17, your Company has contributed CSR funds to Honeywell Hometown Solutions India Foundation (HHSIF), being deployed across multiple programs as below:

1. Honeywell Safe Schools with SEEDS, a pioneering school safety program that brings tailor-made approach to address the unique issues of each school or location. The program will reach 25,000 children, 40,000 parents, and 1,000 teachers in 50 government schools by 2020; empowering them to take charge of their safety through risk reduction, disaster preparedness, response and recovery. As on March 31, 2018, Honeywell Safe Schools has benefitted 559 students and 503 teachers.
2. Honeywell Science Experience program with Agastya International Foundation was expanded to Pune. As on March 31, 2018, Honeywell Science Experience has established has established 4 science centers, 3 mobile labs, 500 student mentors impacting 15,500 students and 160 teachers.
3. Honeywell Safe Water Network Initiative with Safe Water Network, providing safe drinking water access to ~90,000 people via 30 safe water stations in Telangana. As on March 31, 2018, Honeywell Safe Water Network Initiative has completed the target benefitting 93,989 people.

In FY2017-18, your Company has contributed CSR funds to Honeywell Hometown Solutions India Foundation (HHSIF), to be deployed across multiple programs as below:

1. Honeywell Science Experience program with Agastya International Foundation was expanded to Mysore, Madurai, Chennai, Hyderabad and NCR. By June 30, 2018, Honeywell Science Experience will establish 10 science centers, 22 mobile labs, 1,400 student mentors impacting 72,000 students and 783 teachers.
2. Honeywell Safe Water Network Initiative with Safe Water Network, providing safe drinking water access to ~90,000 more people via 30 additional safe water stations in Telangana by June 30, 2018.
3. Honeywell Science Academy with Avasara Leadership Institute providing deep, transformative, residential science education program to 12,500 disadvantaged girl students in Pune. By December 2018, the school building is planned to be completed.

2. The current composition of CSR Committee

- Ms. Nisha Gupta, Chairperson
- Mr. N. Srinath, Member
- Mr. Ashish Gaikwad, Member

3. Average net profit of the Company for last three financial years (pursuant to Section 198 of the Companies Act, 2013): Rs. 23,464 lakhs

4. Prescribed CSR expenditure (2% of the amount as in item 3 above): Rs. 469 lakhs

5. Details of CSR spent during the financial year FY 2017-18

(a) Total amount spent for the financial year:

During the period under review, your Company has contributed a sum of Rs. 469 lakhs towards its CSR commitment to Honeywell Hometown Solutions India Foundation (HHSIF). Of this:

- Rs. 153 lakhs was contributed towards the Honeywell Science Experience program in partnership with Agastya International Foundation, a not-for-profit organization, that will deploy these funds over 2018-19
- Rs. 128 lakhs was contributed towards the Honeywell Safe Water Network initiative to be implemented by Safe Water Network, a not-for-profit organization, over 2018-19.
- Rs. 102 lakhs was contributed towards the Honeywell Science Academy, to be implemented by Avasara Leadership Institute, a not-for-profit organization over FY2018-19.
- Rs. 86 lakhs allocated for core CSR programs during 2018-19 and dedicated administrative expenditure of HHSIF for managing Company's CSR programs.

(b) Amount unspent, if any: Nil

(c) Manner in which the amount was spent during the financial year:

(1)	CSR project or activity identified	(1) (2) (3)	Honeywell Science Experience with Agastya International Foundation, for setting up science centers, mobile science labs, and student mentors in Madurai, Chennai, Mysore, Hyderabad and NCR Honeywell Safe Water Network initiative for setting up safe drinking water stations in Telangana. Honeywell Science Academy with Avasara Leadership Institute to provide deep transformative, residential science education program to disadvantaged girl children in Pune
(2)	Sector in which the Project is covered	(1) (2) (3)	Special education Safe drinking water Special education

(3)	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	(1) (2)	Pune (local area), multiple districts in Telangana (local area), NCR (local area), Madurai, Chennai (local area), Mysore, Pune (Maharashtra); multiple districts (Telangana); NCR, Delhi, Uttar Pradesh (Haryana); Madurai, Chennai (Tamil Nadu); Mysore, (Karnataka);
(4)	Amount outlay (budget) projects or programs wise	(1) (2) (3) (4)	Honeywell Science Experience: Rs. 153 lakhs Honeywell Safe Water Network initiative: Rs. 128 lakhs Honeywell Science Academy: Rs. 102 lakhs Honeywell Hometown Solutions India Foundation: Rs 86 lakhs
(5)	Amount spent on the projects or programs Subheads (1) Direct expenditure on projects or Program (2) Overheads	Rs. 469* lakhs * includes dedicated administrative expenditure incurred by Honeywell Hometown Solutions India Foundation for managing Company's CSR programs.	
(6)	Cumulative expenditure up to the reporting period	Rs. 469 lakhs	
(7)	Amount spent: Direct or through implementing agency	Honeywell Hometown Solutions India Foundation Address: 5th Floor, Unitech Trade Centre, Sushant Lok Phase I, Block C, Sector 43, Gurugram – 122 002, Haryana, India. To receive entire grant and implement CSR activities through NGO partners: (1) Agastya International Foundation No. 101, Varsav Plaza, 12, Jayamahal Main Road, Bengaluru – 560 046, India (2) Safe Water Network Address: The Centrum, Room 1, TB-3, III Floor, 369-370, Main Mehrauli-Gurugram Road, Sultanpur, New Delhi–110 030, India (3) Avasara Leadership Institute Address: 19, Goodwill Co-op Housing Society, ITI Road, Aundh, Pune–411 007	

6. Responsibility Statement

The CSR Committee confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and policy of the Company.

Ashish Gaikwad
Managing Director

Nisha Gupta
Chairperson, CSR Committee

Pune, May 14, 2018

ANNEXURE - 2

Secretarial Audit Report

For the Financial Year Ended March 31, 2018

[Pursuant to Section 204(1)of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members
HONEYWELL AUTOMATION INDIA LIMITED
L29299PN1984PLC017951
56 & 57, Hadapsar Industrial Estate
Pune - 411013

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by HONEYWELL AUTOMATION INDIA LIMITED (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms, and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2018 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on 31st March, 2018, according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;

iii. The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of foreign direct investment, overseas direct investment and external commercial borrowings, as applicable to the Company.

v. The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act,1992 ("SEBI Act"):-

   a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015

   c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not Applicable to the Company during the audit period)

   d. The Securities and Exchange Board of India (Share based employees benefits) Regulations, 2014; (not applicable to the Company during the audit period)

   e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (not applicable to the Company during the audit period)

   f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations,1993 regarding the Companies Act and dealing with client;

g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (not applicable to the Company)

h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (not applicable to the Company during the audit period)

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by the Institute of Company Secretaries of India.

(ii) Listing Agreement entered into by the Company with Bombay Stock Exchange Limited and National Stock Exchange of India Limited (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the act, rules, regulations, guidelines, standards, etc. mentioned above.

We further report that having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, no other law was applicable specifically to the Company.

We further report that:
The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent atleast seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

We further report that as represented by the Company and relied upon by us, there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations, and guidelines.

We further report that during the audit period no specific events/actions took place having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

For Bokil Punde & Associates
Company Secretaries

Amit P Punde
Partner
C.P. No. 5268
Membership No. F5872

Date : May 14, 2018
Place : Pune

ANNEXURE - 3

Form No. AOC-2

For the Financial Year Ended March 31, 2018

(Pursuant to Clause (h) of Sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

This Form pertains to disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to Section 188(1) of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:

1. **Details of contracts or arrangements or transactions not at arm's length basis**: There were no contracts or arrangements of transactions entered into during the financial year ended March 31, 2018, which were not on arm's length basis.

2. **Details of material contracts or arrangement or transactions at arm's length basis:**

Name(s) of the related party	Nature of relationship	Nature of contract / arrangement / transaction	Duration of contract/ arrangement/ transaction	Salient terms	Amount (Rs. in lakhs)
Honeywell International Inc.	Ultimate holding company	Sale, purchase or supply of any goods or materials	Ongoing	In the ordinary course of business and based on purchase orders/ agreements	6,751
		Sales of engineering services, purchase of services	Ongoing		30,111
		Sale or purchase of fixed assets	Ongoing		-
Honeywell Measurex (Ireland) Ltd.	Fellow subsidiary	Sale, purchase or supply of any goods or materials	Ongoing	In the ordinary course of business and based on purchase orders/ agreements	15,521
		Sales of engineering services, Purchase of services	Ongoing		124
		Sale or purchase of fixed assets	Ongoing		4
Honeywell Turki-Arabia Limited	Fellow subsidiary	Sale, purchase or supply of goods or materials	Ongoing	In the ordinary course of business and based on purchase orders/ agreements	3,226
		Sales of engineering services, purchase of services	Ongoing		11,973
		Sale or purchase of fixed assets	Ongoing		-

Appropriate approvals have been taken for related party transactions. Advances paid, have been adjusted against billings, wherever applicable.

For and on behalf of Board of Directors of
Honeywell Automation India Limited

Suresh Senapaty
Chairman

Pune, May 14, 2018

ANNEXURE - 4

Nomination and Remuneration Policy

CHARTER FOR NOMINATION AND REMUNERATION COMMITTEE*

A. OBJECTIVES:

The Nomination and Remuneration Committee ("Committee") Policy shall be in compliance with Section 178 of the Companies Act, 2013 read with the applicable Rules thereto and applicable Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time. The key objectives of the Policy would be:

a. To Assess necessary and desirable competencies of Board members.

b. Determining the composition of the Board of Directors and the sub-committees of the Board and addressing issues of Board diversity.

c. Formulation of criteria for evaluation of Independent Directors and the Board.

d. Ensuring that appropriate procedures are in place to assess Board membership needs and Board effectiveness.

e. To assist the Board's overall responsibility relating to executive compensation and recommend to the Board appropriate compensation packages for Whole-time Directors and Senior Management personnel in such a manner so as to attract and retain the best available personnel for position of substantial responsibility with the Company.

f. Overall responsibility of approving and evaluating the compensation plans, policies and programs for Whole-time Directors, Key Managerial Personnel and Senior Management.

g. The Committee shall also make sure that the Company's compensation packages, Human Resource practices and programs are competitive and effective in motivating highly qualified personnel and establish a suitable relationship between compensation and performance.

h. To review Board succession plans.

i. To evaluate the Board's performance.

j. To make recommendations to the Board on the appointment and removal of Key Managerial Personnel and Senior Management.

B. CONSTITUTION:

The Company shall constitute the committee through the Board. The committee will be appointed by the Board and will serve at its discretion. The committee shall consists of minimum three non-executive Directors and at least half of them shall be Independent Directors.

The Board shall designate a member of the committee as the chairperson, provided that such chairperson shall be an independent director. The chairperson of the Company (whether executive or non-executive) shall not chair the committee, but can be a member of the committee. The chairperson of the committee, or in his/her absence, any other member of the committee authorised by the chairperson of the committee, shall attend general meetings of the Company.

* Amended at the Nomination and Remuneration Committee and Board meeting held on February 12, 2018.

C. MEANING OF TERMS USED:

i. "Act" refers to the Companies Act, 2013 including the rules, schedules, clarifications, and guidelines issued by the Ministry of Corporate Affairs from time to time.

ii. "Board" refers to the Board of Directors of Honeywell Automation India Limited

iii. "Company" refers to Honeywell Automation India Limited

iv. "Key Managerial Personnel"refers to

a. Managing Director or;

b. Chief Executive Officer or Manager and in their absence Whole-time Director;

c. Chief Financial Officer;

d. Company Secretary

v. "Senior Management" refers to personnel of the Company who are members of its core management team excluding the Board of Directors comprising all members of management one level below the Executive Directors including the functional heads.

D. ROLES AND RESPONSIBILITIES OF THE COMMITTEE:

The roles and responsibilities of the Committee shall be to perform duties listed below and it will have the authority to undertake other specific duties as the Board prescribes from time to time. Key responsibilities include:

1. Role played with respect to Nominations:

a. Evaluating the selection process of the prospective Board members and making recommendation of the proposed nominees for election to the Board of Directors including to fill vacancies on the Board occurring between annual general meetings of the shareholders.

b. Conducting searches for prospective board members whose skills and attributes reflect the requirements those desired.

c. Formulating the desired/preferred board skills, attributes and qualifications for selecting new directors and to review these skill-sets with the Board periodically.

d. Evaluating and making recommendations to the Board regarding director retirements and directors' offer to resign due to changes in circumstances, in accordance with the Company's bylaws and Corporate Governance Guidelines of the Company.

e. Evaluating and recommending termination of membership of individual directors in accordance with the Board's corporate governance guidelines, for cause or for other appropriate reasons.

f. Developing and overseeing the execution of a formal Board member capacity building program, including such elements as orientation of new members, and continuing education and training, and a mentoring program with senior Board members.

g. Annually presenting to the Board a list of individuals recommended for nomination for election to the Board at the annual general meeting of shareholders.

h. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees.

i. Recommend to Board for its approval related to changes in positions of KMPs and other Senior Management (personnel who are members of core management team comprising all members of management one level below the executive directors, including the functional heads).

j. Appointment criteria and qualifications:

   i. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, Key Managerial Personnel or at Senior Management level and recommend to the Board his / her appointment.

   ii. The candidate shall possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.

   iii. The appointment of any Director / Key Managerial Personnel / Senior Management shall also be governed by the prevailing policies of the Company.

k. The Committee may periodically consider reviewing the composition of the Board based on age, gender, experience, knowledge, skills and independence.

l. Assess extension or continuation of term of independent directors based on report of performance evaluation.

m. To develop, subject to approval by the Board, a process for an annual self-evaluation of the performance of the Board, the individual directors and board committees in the governance of the Company and to coordinate and oversee this annual self-evaluation.

n. To carry out evaluation of every director's performance and support the Board and independent directors in evaluation of the performance of the Board, its Committees, and Individual Directors. This shall include "formulation of criteria and attributes for evaluation of performance of Independent Directors, the Board of Directors and its committees".

o. Evaluation of Individual Directors shall be based on criteria such as participation and contribution in Board and Committee meetings, representative of shareholder interest and enhancing shareholder value, experience and expertise to provide feedback and guidance to top management on business strategy, governance and risk, understanding of the organization's strategy, risk and environment etc.

p. Evaluation of the Board shall be based on criteria such as composition and role of the Board, Board communication and relationships, functioning of Board Committees, review of performance and compensation to Executive Directors, succession planning, strategic planning etc.

q. In consultation with the MD, to review the performance of all the executive directors on the basis of detailed performance parameters set for each of the executive directors at the beginning of the year. The committee may, from time-to-time, also evaluate the usefulness of such performance parameters, and make necessary amendments.

r. To review performance appraisals of the Managing Director and Executive Director, Chief Financial Officer, Company Secretary and Internal Auditor.

s. Review and reassess the Nomination and Remuneration Committee Policy and provide appropriate recommendations to the Board to update the policy based on changes made due to regulatory amendments or internal mandates from time to time.

t. Oversee familiarization programmes for Directors.

u. To maintain regular contact with the leadership of the Company, review of data from the employee survey and regular review of the results of the annual leadership evaluation process etc.

v. The Committee shall work with Chairman to plan for MD / Whole time directors / Key Managerial Personnel/Senior Management succession including plans for interim succession in the event of an

unexpected occurrence and submit an annual report to the Board to nominate potential successors to MD / Whole-time directors / Key Managerial Personnel / Senior Management personnel.

w. To Devise a Policy on Board Diversity.

x. The Committee shall disclose the criteria for performance evaluation, as laid down by the Nomination and Remuneration Committee in Company's Annual Report.

y. The Committee shall perform any other activities in line with this Charter.

z. Company's bylaws, Nomination and Remuneration Committee including activities and as may be required to be undertaken in terms of any statutory or regulatory requirements. The Chairman of the Nomination and Remuneration Committee could be present at the Annual General Meeting, to answer the shareholders' queries. However, the Chairman of the Company can decide who should answer the queries.

2. Role Played with respect to Remuneration:

i. Assisting the Board in Reviewing and approving corporate goals and objectives.

ii. Evaluate the Whole-time Director performance in the light of these established goals and objectives.

iii. Recommending to the Board for approval of the Whole-time Director's annual compensation level, Key Managerial Personnel and Senior Management including grant of HAIL stock options.

iv. Discharging the Board's responsibilities relating to compensation payable to the Whole-time Directors including payment of:

a) annual base salary

b) annual bonus

c) Employment agreements, severance agreements and change in control agreements, and

d) any other benefits, compensation or arrangements

3. Remuneration Policy of the Company:

Remuneration policy in the company is designed to create a high performance culture. It enables the Company to attract, retain and motivate employees towards achievement of business results. Our Company promotes and rewards achievement of goals and behavior described by the 8 Honeywell Behaviors and 5 Honeywell Priorities.

While determining the remuneration / compensation / benefits etc. to the Managing Director, Executive Directors, Key Managerial Personnel and Senior Management Personnel, the Committee will keep in mind following criteria:

i. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the company successfully;

ii. That the remuneration is aligned with market when compared to relevant industry;

iii. Balance with fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals;

iv. That the remuneration is appropriate for the Company as it exists today but anticipates future business needs; Philosophically consistent around Honeywell's global policies but locally and culturally appropriate; Understandable and valuable to the talent the Company wishes to attract, motivate, engage and retain; Selected positions may be paid higher remuneration than market aligned industry; and Higher remuneration / Retention Plan may be considered for the purpose of retention of talent.

Our pay models are compliant with local regulations. The Company pays remuneration by way of salary, benefits, perquisites, allowances and variable incentives to its Managing Director and the Executive Directors. The Managing Director / Executive Directors / Key Managerial Personnel / Senior Management Personnel may also eligible for Long Term Incentives granted by the Parent Company, Honeywell International Inc. in the form of stock options or/and Restricted Stock Units or/and Performance Plan and in line with Honeywell International Inc. Policies / Rules from time to time. Annual increments are reviewed by the, Nomination and Remuneration Committee within the compensation scales approved by the members of the Company. NRC reviews and approves the commission / Incentive Plan to be paid to the Managing Director and the Executive Directors out of the profits for the financial year and within the limits prescribed under the Act based on the performance of the Company as well as the individuals. The Company also reimburses the out-of-pocket expenses incurred by the Directors for attending the meetings.

4. Other Responsibilities:

a. To review and reassess the adequacy of the committee's charter as required and recommend changes to the Board for approval.

b. The Committee shall disclose the policy and criteria of remuneration as part of Board's Report in Company's Annual Report.

c. Review and recommend to the Board, compensation payable to the Managing and Executive Director, Key Managerial Personnel / Senior Management Personnel

d. Advise the Board on payment of quarterly / annual commission to the Independent Non-Executive Directors.

e. Advise the Board on revision in sitting fees.

f. Remuneration payable to Directors in any other capacity, if any (e.g., for services rendered in professional capacity).

5. Relating to Long Term Incentive Compensation Plan and Equity based plan of Honeywell Automation India Limited (if any) subject to Honeywell Inc. policy around HAIL LTI & Equity based plan:

Acting as Administrator (as defined therein) of the Honeywell Automation India Limited (HAIL) Stock Option Plans / HAIL Restricted Stock Unit Plans (If any) subject to Honeywell Inc. policy around HAIL LTI & Equity based plan drawn up from time to time and administering, within the authority delegated by the Board of Directors and within the terms and conditions of the said Plans. In its administration of the plans, this Committee may, pursuant to authority delegated by the Board of Directors;

i. Determine, approve and ratify grant of HAIL stock options or HAIL stock purchase rights to individuals eligible for such grants under the plans and applicable law and

ii. approve and amend terms of HAIL Stock Option Plans / HAIL Restricted Stock Units as it deems appropriate including amendments and changes in the number of shares reserved for issuance thereunder.

6. Using a search or consulting firm:

The Committee shall have the authority to use company approved search firm engaged to assist in identifying potential candidates for the position of directors, and to use outside Company counsel and any other advisors as the Committee may deem fit in its sole discretion.

E. COMMITTEE MEETINGS AND MINUTES:

i. The Committee will meet at least two times in a year at such times and places as it deems necessary to fulfill its responsibilities. Additional meetings may happen as the Committee deems it appropriate and advisable.

ii. The Committee is governed by the same rules regarding meetings (including meetings in person or by telephone or other similar communications equipment), action without meetings, notice, waiver of notice, and quorum and voting requirements as are applicable to the Board.

iii. The Committee shall make regular reports to the Board regarding its actions and make recommendations to the Board as appropriate.

iv. The Committee shall prepare such reports as may be required by any law, rule or regulation to which the Company is subject.

v. The Committee may invite such members of management to its meetings, as it deems appropriate. However, the Committee shall meet regularly without such members present, and the MD and any other such officers shall not be present at meetings at which their compensation or performance is discussed or determined.

vi. The Committee shall report to the Board at its next Board meeting, which will be incorporated as a part of the minutes of the Board of Directors meeting.

vii. The Company Secretary will maintain minutes of its meetings, which will be submitted to the Board for noting.

F. CIRCULAR RESOLUTION:

The decisions to be taken by the Committee members may be taken by way of a circular resolution wherever it is not possible to have a physical meeting of the Committee members.

G. COMPENSATION OF MEMBERS OF THE COMMITTEE:

Members shall receive such fees, if any, for their services as committee members as may be determined by the Board.

ANNEXURE - 5

Statement of Disclosure of Remuneration

Information as required under the provisions of Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

a. Remuneration disclosures for Executive Directors and Key Managerial Personnel (KMP) for the financial year ended March 31, 2018

Name	Designation	Ratio of remuneration to median remuneration of employees	Percentage increase in remuneration[1]	Remuneration as a % of net profit for 2017-18
Mr. Ashish Gaikwad	Managing Director	18:1	10%	1.1%
Mr. R. Ravichandran	Chief Financial Officer	12:1	7.9%	0.5%
Ms. Farah Irani [2]	Company Secretary	2:1	Nil (New Joined)	0.1%

[1] Based on cost to Company as at the end of respective years

[2] Ms. Farah Irani was appointed as the Company Secretary w.e.f. May 16, 2017

b. Remuneration disclosures for Independent Directors for the financial year ended March 31, 2018

(Rs. In lakhs)

Name	Designation	Sitting Fees	Commission	Total Remuneration
Mr. Suresh Senapaty	Chairman & Independent Director	6.5	22.0	28.5
Mr. N. Srinath	Independent Director	7.3	20.0	27.3

c. Other details:

- Independent Directors of the Company are entitled for sitting fees and commission as per the Statutory Provisions and within the limits approved by the Shareholders. As a policy, the Non-Executive -Non-Independent Directors are neither paid sitting fee nor paid any commission.
- There were 3,205 permanent employees on the rolls of Company as on March 31, 2018.
- There was an increase of 6% in the median remuneration of employees, which was in line with the performance of the Company.
- The revenue growth during 2017-18 over 2016-17 was 10.4% and profit before tax (before exceptional item) grew by 24.1%
- Average percentage increase in salaries of employees other than KMPs was 12.1%. The average increase in the remuneration of KMPs was 8.9%.
- The variable remuneration availed by the Executive Directors is determined on the following parameters:
  - Annual Operating Plan (AOP) with focus on Key Result Areas (KRAs) / Measurable Key Performance Indicators (KPIs) and implementation of the strategy of the Company and financial performance.
- During the financial year 2017-18, no employee received remuneration in excess of the highest paid Director.
- The remuneration paid is as per the remuneration policy of the Company.

For and on behalf of Board of Directors of
Honeywell Automation India Limited

Suresh Senapaty
Chairman

Pune, May 14, 2018

ANNEXURE - 6

A) CONSERVATION OF ENERGY:

Your Company continues to make every effort to conserve energy required for all its operations. Besides completing an energy audit, your Company implemented the following measures to minimize energy consumption, resulting in savings.

- Lighting retrofit (replacement of all ceiling lights/down lighters with LEDs)
- Chiller and thermal storage saving (replacement of main chiller)
- Chilled water primary pump optimisation (replacement of primary pump of Heating, Ventilation and Air Conditioning "HVAC")
- Chilled water secondary pump optimisation with Variable Frequency Drive "VFD" (replacement of secondary pump of HVAC)
- Condensor water pump optimization using VFD (replacement of condenser pump of HVAC)
- Air Handling Unit "AHU" upgradation with VFD for optimum operation (induction of VFD for all AHUs)

B) TECHNOLOGY ABSORPTION:

Your Company continues to have access to some of the latest products and technologies of Honeywell International Inc., the ultimate holding Company, and roll out these new products and technologies in the Indian market.

C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

		(Rs. in lakhs)
(i)	Foreign exchange earned	120,083
(ii)	Foreign exchange used	85,019

For and on behalf of Board of Directors of
Honeywell Automation India Limited

Suresh Senapaty
Chairman

Pune, May 14, 2018

ANNEXURE - 7

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on March 31, 2018

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1	CIN	L29299PN1984PLC017951
2	Registration date	January 13, 1984
3	Name of the company	Honeywell Automation India Limited
4	Category/sub-category of the company	Public Company Limited by shares Non Government Company
5	Address of the registered office and contact details	56 & 57, Hadapsar Industrial Estate, Pune – 411013 Tel No.: +91 20 6603 9400 Fax: +91 20 6603 9800
6	Whether listed company	Yes
7	Name, address & contact details of the registrar and transfer agent, if any.	TSR Darashaw Limited 6-10 Haji Moosa Patrawala Industrial Estate 20 Dr. E. Moses Road, Mahalaxmi, Mumbai – 400011 Ph: +91-22-6656 8484 | Fax: +91-22-6656 8494 Email: csg-unit@tsrdarashaw.com Website: www.tsrdarashaw.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10% or more of the total turnover of the Company shall be stated)

Sr. No.	Name and description of main products / services	NIC code of the product/service	% of total turnover of the company
1	Manufacture of electronic systems and components	26	56
2	Repair and maintenance	33	31
3	Trading of machinery, equipment and supplies	46	13

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and address of the Company	CIN/GLN	Holding / Subsidiary/ Associate	% of shares held	Applicable Section
1	Honeywell Asia Pacific Inc. 251 Little Falls Drive Wilmington DE 19808, United States	Foreign company	Holding	75	Sections 2(46) and 2(87)

IV. SHARE HOLDING PATERN

(Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

	Category of shareholders	No.of shares held at the beginning of the year, i.e., 01.04.2017				No.of shares held at the end of the year, i.e., 31.03.2018				% Change during the year
		Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
(A)	**Promoters**									
(1)	**Indian**									
(a)	Individuals / Hindu Undivided Family	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Central Government / State Governments(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Other (Specify)	0	0	0	0.00	0		0	0.00	0.00
	Sub-Total (A) (1)	**0**	**0**	**0**	0.00	**0**	**0**	**0**	0.00	**0.00**
(2)	**Foreign**									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Bodies Corporate	6,631,142	0	6,631,142	75.00	6,631,142	0	6,631,142	75.00	0.00
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total (A) (2)	**6,631,142**	**0**	**6,631,142**	**75.00**	**6,631,142**	**0**	**6,631,142**	**75.00**	**0.00**
	Total Shareholding of Promoter and Promoter Group (A)	**6,631,142**	**0**	**6,631,142**	**75.00**	**6,631,142**	**0**	**6,631,142**	**75.00**	**0.00**
(B)	**Public Shareholding**									
(1)	**Institutions**									
(a)	Mutual Funds / UTI	1,354,080	100	1,354,180	15.32	1,331,399	100	1,331,499	15.06	-0.26
(b)	Financial Institutions / Banks	939	0	939	0.01	961	0	961	0.01	0.00
(c)	Central Government / State Governments(s)	285	0	285	0.00	285	0	285	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Insurance Companies	1,104	0	1,104	0.01	0	0	0	0.00	-0.01
(f)	Foreign Institutional Investors	0	0	0	0.00	0	0	0	0.00	0.00
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Foreign Portfolio Investors (Corporate)	24,052	0	24,052	0.27	31,380	0	31,380	0.35	0.08
(j)	Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total (B) (1)	**1,380,460**	**100**	**1,380,560**	**15.61**	**1,364,025**	**100**	**1,364,125**	**15.43**	**-0.19**
(2)	**Non-Institutions**									
(a)	Bodies Corporate	65,336	605	65,941	0.75	70,676	385	71,061	0.80	0.06
(b)	Individuals -									
I	Individual shareholders holding nominal share capital upto Rs. 1 lakh	595,506	110,726	706,232	7.99	616,557	89,298	705,855	7.98	0.00
II	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	56,749	0	56,749	0.64	56,749	0	56,749	0.64	0.00
(c)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Any Other									
(i)	Trust	899	0	899	0.01	899	0	899	0.01	0.00
(ii)	Directors & their relatives	0	0	0	0.00	0	200	200	0.00	0.00
(iii)	IEPF	0	0	0	0.00	11,482	0	11,482	0.13	0.13
(iv)	NBFC	0	0	0	0.00	10	0	10	0.00	0.00
	Sub-total (B) (2)	**718,490**	**111,331**	**829,821**	**9.39**	**756,373**	**89,883**	**846,256**	**9.57**	**0.19**
	Total Public Shareholding (B) = (B)(1)+(B)(2)	**2,098,950**	**111,431**	**2,210,381**	**25.00**	**2,120,398**	**89,983**	**2,210,381**	**25.00**	**0.00**
	TOTAL (A)+(B)	**8,730,092**	**111,431**	**8,841,523**	**100.00**	**8,751,540**	**89,983**	**8,841,523**	**100.00**	**0.00**
(C)	Shares held by custodians and against which Depository Receipts have been issued									
(1)	**Promoter and Promoter Group**	0	0	0	0.00	0	0	0	0.00	0.00
(2)	**Public**	0	0	0	0.00	0	0	0	0.00	0.00
	GRAND TOTAL (A)+(B)+(C)	**8,730,092**	**111,431**	**8,841,523**	**100.00**	**8,751,540**	**89,983**	**8,841,523**	**100.00**	**0.00**

(ii) Shareholding of Promoter

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year April 1, 2017			Shareholding at the end of the year March 31, 2018			% change in shareholding during the year
		No.of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No.of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Honeywell Asia Pacific Inc	6,631,142	75.00	-	6,631,142	75.00	-	-

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

There was no change in the Promoter's shareholding during the Financial Year 2017-18.

(iv) Shareholding Pattern of top ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year as on 01.04.2017		Date	Reason	Purchase of shares/Sale of shares in shareholding		Cumulative shares during the year	
		No of shares	% of total shares of the Company			No. of shares	% of total shares of the company	No. of shares	% of total shares of the Company
1	Reliance Capital Trustee Company Limited A/C	711,681	8.05					**711,681**	**8.05**
				07-Apr-2017	Sale of shares	-2,150	-0.02	709,531	8.02
				14-Apr-2017	Sale of shares	-3	0.00	709,528	8.02
				28-Apr-2017	Sale of shares	-263	0.00	709,265	8.02
				05-May-2017	Sale of shares	-737	-0.01	708,528	8.01
				12-May-2017	Sale of shares	-558	-0.01	707,970	8.01
				19-May-2017	Sale of shares	-1,264	-0.01	706,706	7.99
				26-May-2017	Sale of shares	-314	0.00	706,392	7.99
				02-Jun-2017	Sale of shares	-1,471	-0.02	704,921	7.97
				09-Jun-2017	Sale of shares	-814	-0.01	704,107	7.96
				16-Jun-2017	Sale of shares	-1,779	-0.02	702,328	7.94
				23-Jun-2017	Sale of shares	-634	-0.01	701,694	7.94
				30-Jun-2017	Sale of shares	-481	-0.01	701,213	7.93
				07-Jul-2017	Sale of shares	-1,044	-0.01	700,169	7.92
				14-Jul-2017	Sale of shares	-2,000	-0.02	698,169	7.90
				09-Aug-2017	Sale of shares	-125	0.00	698,044	7.90
				11-Aug-2017	Sale of shares	-295	0.00	697,749	7.89
				18-Aug-2017	Sale of shares	-62	0.00	697,687	7.89
				25-Aug-2017	Sale of shares	-438	0.00	697,249	7.89
				01-Sep-2017	Sale of shares	-1,200	-0.01	696,049	7.87
				22-Sep-2017	Sale of shares	-251	0.00	695,798	7.87
				03-Nov-2017	Purchase of shares	425	0.00	696,223	7.87
				17-Nov-2017	Purchase of shares	2,758	0.03	698,981	7.91
				19-Jan-2018	Sale of shares	-64	0.00	698,917	7.90
				26-Jan-2018	Sale of shares	-2,669	-0.03	696,248	7.87
				02-Feb-2018	Sale of shares	-1,284	-0.01	694,964	7.86
				16-Feb-2018	Sale of shares	-168	0.00	694,796	7.86
				02-Mar-2018	Purchase of shares	1,070	0.01	695,866	7.87
				09-Mar-2018	Sale of shares	-3,300	-0.04	692,566	7.83
				09-Mar-2018	Purchase of shares	730	0.01	693,296	7.84
				30-Mar-2018	Purchase of shares	454	0.01	693,750	7.85
				31.03.2018	**At the end of year**	**-**	**-**	**693,750**	**7.85**

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year as on 01.04.2017		Date	Reason	Purchase of shares/Sale of shares in shareholding		Cumulative shares during the year	
		No of shares	% of total shares of the Company			No. of shares	% of total shares of the company	No. of shares	% of total shares of the Company
2	Aditya Birla Sun Life Trustee Private Limited A/C	421,375	4.77					**421,375**	**4.77**
				07-Apr-2017	Purchase of shares	5551	0.06	426,926	4.83
				07-Apr-2017	Sale of shares	-2250	-0.03	424,676	4.80
				14-Apr-2017	Purchase of shares	423	0.00	425,099	4.81
				21-Apr-2017	Purchase of shares	558	0.01	425,657	4.81
				28-Apr-2017	Purchase of shares	495	0.01	426,152	4.82
				05-May-2017	Purchase of shares	4395	0.05	430,547	4.87
				05-May-2017	Sale of shares	-3600	-0.04	426,947	4.83
				12-May-2017	Purchase of shares	1449	0.02	428,396	4.85
				19-May-2017	Purchase of shares	1422	0.02	429,818	4.86
				26-May-2017	Purchase of shares	1368	0.02	431,186	4.88
				02-Jun-2017	Purchase of shares	2925	0.03	434,111	4.91
				02-Jun-2017	Sale of shares	-869	-0.01	433,242	4.90
				09-Jun-2017	Purchase of shares	180	0.00	433,422	4.90
				16-Jun-2017	Purchase of shares	1071	0.01	434,493	4.91
				23-Jun-2017	Purchase of shares	781	0.01	435,274	4.92
				30-Jun-2017	Purchase of shares	504	0.01	435,778	4.93
				07-July-2017	Purchase of shares	1043	0.01	436,821	4.94
				14-July-2017	Purchase of shares	696	0.01	437,517	4.95
				21-July-2017	Purchase of shares	680	0.01	438,197	4.96
				28-July-2017	Purchase of shares	376	0.00	438,573	4.96
				04-Aug-2017	Purchase of shares	90	0.00	438,663	4.96
				04-Aug-2017	Sale of shares	-26	0.00	438,637	4.96
				09-Aug-2017	Purchase of shares	321	0.00	438,958	4.96
				11-Aug-2017	Purchase of shares	28	0.00	438,986	4.97
				25-Aug-2017	Purchase of shares	755	0.01	439,741	4.97
				01-Sep-2017	Purchase of shares	683	0.01	440,424	4.98
				08-Sep-2017	Purchase of shares	319	0.00	440,743	4.98
				22-Sep-2017	Sale of shares	-195	0.00	440,548	4.98
				13-Oct-2017	Sale of shares	-218	0.00	440,330	4.98
				27-Oct-2017	Purchase of shares	7200	0.08	447,530	5.06
				27-Oct-2017	Sale of shares	-7175	-0.08	440,355	4.98
				31-Oct-2017	Sale of shares	-6300	-0.07	434,055	4.91
				03-Nov-2017	Purchase of shares	6300	0.07	440,355	4.98
				01-Dec-2017	Purchase of shares	28	0.00	440,383	4.98
				01-Dec-2017	Sale of shares	-28	0.00	440,355	4.98
				08-Dec-2017	Purchase of shares	401	0.00	440,756	4.99
				08-Dec-2017	Sale of shares	-983	-0.01	439,773	4.97
				29-Dec-2017	Purchase of shares	800	0.01	440,573	4.98
				29-Dec-2017	Sale of shares	-800	-0.01	439,773	4.97
				05-Jan-2018	Purchase of shares	14400	0.16	454,173	5.14
				05-Jan-2018	Sale of shares	-14400	-0.16	439,773	4.97
				26-Jan-2018	Purchase of shares	1080	0.01	440,853	4.99
				02-Feb-2018	Sale of shares	-4509	-0.05	436,344	4.94
				09-Feb-2018	Purchase of shares	5409	0.06	441,753	5.00
				16-Feb-2018	Purchase of shares	300	0.00	442,053	5.00
				30-Mar-2018	Purchase of shares	1813	0.02	443,866	5.02
				31.03.2018	**At the end of the year**	**-**	**-**	**443,866**	**5.02**

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year as on 01.04.2017		Date	Reason	Purchase of shares/Sale of shares in shareholding		Cumulative shares during the year	
		No of shares	% of total shares of the Company			No. of shares	% of total shares of the company	No. of shares	% of total shares of the Company
3	Sundaram Mutual Fund A/C	149,350	1.69					**149,350**	**1.69**
				23-Jun-2017	Purchase of shares	2985	0.03	152,335	1.72
				23-Jun-2017	Sale of shares	-2984	-0.03	149,351	1.69
				28-Jul-2017	Sale of shares	-254	0.00	149,097	1.69
				18-Aug-2017	Purchase of shares	549	0.01	149,646	1.69
				01-Sep-2017	Purchase of shares	5	0.00	149,651	1.69
				29-Sep-2017	Sale of shares	-3170	-0.04	146,481	1.66
				17-Nov-2017	Sale of shares	-560	-0.01	145,921	1.65
				08-Dec-2017	Sale of shares	-1446	-0.02	144,475	1.63
				15-Dec-2017	Sale of shares	-4535	-0.05	139,940	1.58
				22-Dec-2017	Sale of shares	-273	0.00	139,667	1.58
				05-Jan-2018	Sale of shares	-326	0.00	139,341	1.58
				12-Jan-2018	Sale of shares	-1038	-0.01	138,303	1.56
				19-Jan-2018	Sale of shares	-2237	-0.03	136,066	1.54
				26-Jan-2018	Sale of shares	-802	-0.01	135,264	1.53
				09-Feb-2018	Sale of shares	-72	0.00	135,192	1.53
				16-Feb-2018	Sale of shares	-1025	-0.01	134,167	1.52
				09-Mar-2018	Sale of shares	-110	0.00	134,057	1.52
				16-Mar-2018	Sale of shares	-2708	-0.03	131,349	1.49
				23-Mar-2018	Sale of shares	-1693	-0.02	129,656	1.47
				31.03.2018	**At the end of the year**	-	-	**129,656**	**1.47**
4	Aadi Financial Advisors Llp	35,758	0.40					**35,758**	**0.40**
					No change	0	0.00	35,758	0.40
				31.03.2018	**At the end of the year**	**-**	**-**	**35,758**	**0.40**
5	Uti-Mnc Fund	30,600	0.35					**30,600**	**0.35**
					No change	0	0.00	30,600	0.35
				31.03.2018	**At the end of the year**	**-**	**-**	**30,600**	**0.35**
6	Vallabh Bhanshali	17,879	0.20					**17,879**	**0.20**
					No change	0	0.00	17,879	0.20
				31.03.2018	**At the end of the year**	-	-	**17,879**	**0.20**
7	Anmol Sekhri	16,776	0.19					**16,776**	**0.19**
					No change	0	0.00	16,776	0.19
				31.03.2018	**At the end of the year**	-	-	**16,776**	**0.19**
8	Sundaram India Midcap Fund	8,532	0.10					**8,532**	**0.10**
				02-Jun-2017	Purchase of shares	1,900	0.02	10,432	0.12
				01-Sep-2017	Purchase of shares	1,200	0.01	11,632	0.13
				15-Sep-2017	Purchase of shares	139	0.00	11,771	0.13
				06-Oct-2017	Purchase of shares	3,000	0.03	14,771	0.17
				26-Jan-2018	Purchase of shares	1,500	0.02	16,271	0.18
				31.03.2018	**At the end of the year**	**-**	**-**	**16,271**	**0.18**

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year as on 01.04.2017		Date	Reason	Purchase of shares/Sale of shares in shareholding		Cumulative shares during the year	
		No of shares	% of total shares of the Company			No. of shares	% of total shares of the company	No. of shares	% of total shares of the Company
9	Canara Robeco Mutual Fund A/C Canara Robeco Emerging Equities	32,542	0.37					**32,542**	**0.37**
				26-May-2017	Sale of shares	-1176	-0.01	31,366	0.35
				02-Jun-2017	Sale of shares	-800	-0.01	30,566	0.35
				09-Jun-2017	Sale of shares	-28	0.00	30,538	0.35
				16-Jun-2017	Sale of shares	-537	-0.01	30,001	0.34
				23-Jun-2017	Sale of shares	-781	-0.01	29,220	0.33
				30-Jun-2017	Sale of shares	-151	0.00	29,069	0.33
				07-Jul-2017	Sale of shares	-400	0.00	28,669	0.32
				14-Jul-2017	Sale of shares	-190	0.00	28,479	0.32
				21-Jul-2017	Sale of shares	-122	0.00	28,357	0.32
				28-Jul-2017	Sale of shares	-210	0.00	28,147	0.32
				09-Aug-2017	Sale of shares	-69	0.00	28,078	0.32
				22-Sep-2017	Sale of shares	-1806	-0.02	26,272	0.30
				27-Oct-2017	Sale of shares	-72	0.00	26,200	0.30
				31-Oct-2017	Sale of shares	-400	0.00	25,800	0.29
				03-Nov-2017	Sale of shares	-126	0.00	25,674	0.29
				10-Nov-2017	Sale of shares	-651	-0.01	25,023	0.28
				17-Nov-2017	Sale of shares	-2241	-0.03	22,782	0.26
				15-Dec-2017	Sale of shares	-1400	-0.02	21,382	0.24
				22-Dec-2017	Sale of shares	-727	-0.01	20,655	0.23
				29-Dec-2017	Sale of shares	-255	0.00	20,400	0.23
				12-Jan-2018	Sale of shares	-250	0.00	20,150	0.23
				19-Jan-2018	Sale of shares	-900	-0.01	19,250	0.22
				26-Jan-2018	Sale of shares	-50	0.00	19,200	0.22
				02-Feb-2018	Sale of shares	-30	0.00	19,170	0.22
				09-Feb-2018	Sale of shares	-120	0.00	19,050	0.22
				23-Feb-2018	Sale of shares	-333	0.00	18,717	0.21
				02-Mar-2018	Sale of shares	-1845	-0.02	16,872	0.19
				09-Mar-2018	Sale of shares	-541	-0.01	16,331	0.18
				16-Mar-2018	Sale of shares	-443	-0.01	15,888	0.18
				23-Mar-2018	Sale of shares	-664	-0.01	15,224	0.17
				30-Mar-2018	Sale of shares	-352	0.00	14,872	0.17
				31.03.2018	**At the end of the year**			**14,872**	**0.17**
10	The Emerging Markets Small Cap Series Of The Dfa Investment Trust Company	13,522	0.15					**13,522**	**0.15**
					No change	0	0.00	13,522	0.15
				31.03.2018	**At the end of the year**	-	-	**13,522**	**0.15**
11	Delna Russi Rastomjee	13,000	0.15					**13,000**	**0.15**
					No change	0	0.00	13,000	0.15
				31.03.2018	**At the end of the year**	**-**	**-**	**13,000**	**0.15**

(v) Shareholding of Directors and Key Managerial Personnel:

Mr. Ashish Gaikwad, Managing Director, holds 200 equity shares at the beginning and at the end of the financial year 2017-18. There was no purchase or sale of equity shares by Mr. Ashish Gaikwad during the said financial year. Other than Mr. Ashish Gaikwad, none of the Directors and Key Managerial Personnel of the Company held equity shares of the Company in the financial Year 2017-18.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Rupees in lakhs)

Particulars	Secured loans excluding deposits	Unsecured loans	Deposits	Total indebtedness
Indebtedness at the beginning of the financial year				
i) Principal amount				
ii) Interest due but not paid	NIL			
iii) Interest accrued but not due				
Total (i+ii+iii)				
Change in Indebtedness during the financial year				
* Addition				
* Reduction	NIL			
Net change				
Indebtedness at the end of the financial year				
i) Principal amount				
ii) Interest due but not paid	NIL			
iii) Interest accrued but not due				
Total (i+ii+iii)				

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Rupees in lakhs)

S No.	Particulars of Remuneration	Mr. Ashish Gaikwad Managing Director
1	Gross salary	
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	177.88
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-
	(c) Profits in lieu of salary under Section 17(3) Income- tax Act, 1961	-
2	Stock option*	45.01
3	Sweat equity	-
4	Commission	-
5	Others (allowances and provident fund)	52.73
	Total	275.62
	Ceiling as per the Act	1896.50 (Being 5% of net profits computed in accordance with Section 198 of the Companies Act, 2013)

* Stock option includes restricted stock units and stock options granted by ultimate holding company, Honeywell International Inc. U.S.A.

B. Remuneration to other Directors

(Rupees in lakhs)

S.No.	Particulars of Remuneration	Name of Directors		Total Amount
1	**Independent Directors**	**Mr. Suresh Senapaty**	**Mr. N. Srinath**	
	Fee for attending board / committee meetings	6.50	7.30	13.80
	Commission	22.00	20.00	42.00
	Others, please specify	-	-	-
	Total (1)	28.50	27.30	55.80
2	Other Non-Executive Directors (Mr. Vikas Chadha, Ms. Nisha Gupta, Ms. Tina Pierce upto February 12, 2018 and Mr. Brian Buffington w.e.f. February 13, 2018)			
	Fee for attending board / committee meetings	Nil	Nil	Nil
	Commission			
	Others, please specify			
	Total (2)	Nil	Nil	Nil
	Total (B) = (1+2)			
	Total Managerial Remuneration (A+B)	331.42		
	Overall ceiling as per the Act	4172.30 (Being 11% of net profits computed in accordance with Section 198 of the Companies Act, 2013)		

C. Remuneration to Key Managerial Personnel other than MD/Manager/Whole-time Director

(Rupees in lakhs)

SN.	Particulars of Remuneration	Name of Key Managerial Personnel		Total Amount
	Name	**Mr. R. Ravichandran**	**Ms. Farah Irani (from May 16, 2017)**	
	Designation	CFO	CS	
1	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	104.36	15.25	119.61
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-
2	Stock option*	6.86	-	6.86
3	Sweat equity	-	-	-
4	Commission	-	-	-
5	Others (allowances &provident fund)	16.72	3.81	20.53
	Total	127.94	19.06	147.00

* Stock option includes restricted stock units and stock options granted by ultimate holding company, Honeywell International Inc. U.S.A.

VII PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of penalty / punishment/ compounding fees imposed	Authority [RD/NCLT /Court]	Appeal made, if any (give details)
A. COMPANY					
Penalty Punishment Compounding	-	-	NIL		
B. DIRECTORS					
Penalty Punishment Compounding	-	-	NIL		
C. OTHER OFFICERS IN DEFAULT					
Penalty Punishment Compounding	-	-	NIL		

For and on behalf of Board of Directors of
Honeywell Automation India Limited

Suresh Senapaty
Chairman

Pune, May 14, 2018

ANNEXURE - 8

Dividend Distribution Policy

Background

The SEBI (Listing Obligations And Disclosure Requirements) (Second Amendment) Regulations, 2016, read with Notification dated July 8, 2016 require the top 500 listed entities based on market capitalisation (calculated as of March 31 every financial year) to formulate a dividend distribution policy and disclose it in their annual reports and on their websites. The regulation further prescribes the parameters for the dividend distribution in order to help investors get a clear picture on returns from their investment in the Company.

This policy shall be applicable to equity shares and such other class of shares as may be issued by the Company from time to time.

Objective

The Company is committed to increasing value for its investors. The objective of this document is to frame a policy for dividend distribution criteria of the Company.

Financial and Other Parameters

The Board of Directors of the Company recommends dividend distribution based on the following parameters:

Internal factors:

The internal factors including but not limited to –

- Profit After Tax (PAT) available for distribution in the financial statements prepared in accordance with the Accounting Standards as applicable from time to time reported and projected statements of cash flow
- Track record of dividend distributed by the Company
- Corporate actions, expansion plans, working capital requirements, resulting in significant cash outflow for the Company
- Any other factors as the Board of Directors may consider appropriate

The external factors, i.e. factors on which the management of the Company has no control including but not limited to:

- Change in taxation laws
- Other government policies
- General business environment
- Macro-economic factors

The Board of Directors shall consider various options available for the growth of the Company and shall make an informed decision on the dividend declaration thereafter.

Current Policy

The Company expects the Dividend Policy to be in line with historic trends. However, the Board of Directors has wide discretion to recommend a higher or lower or no dividend based on its judgment of what is in the longterm best interests of the Company.

Final dividend, if any, may be declared at the Annual General Meeting of the Shareholders solely on the basis of recommendations of the Board. The Board of Directors may, at its discretion, also declare an interim dividend.

Procedure

Final dividend is declared at the Annual General Meeting of the Shareholders on the basis of recommendations of the Board. The Board of Directors may, at its discretion, also declare an interim dividend.

Retained Earnings

Retained earnings may be used for corporate actions in accordance with applicable law, and for investments towards business growth as decided by the Board of Directors from time to time.

Review of Policy

The Board will review the Dividend Policy of the Company at regular intervals and is authorised to change/amend this policy from time to time at its sole discretion and/or in pursuance of any amendments made in the Companies Act, 2013, the Regulations, etc.

Disclaimer

This document does not solicit investments in the Company's shares nor is it an assurance of guaranteed returns (in any form) for investments in the Company's equity shares.

For and on behalf of Board of Directors of
Honeywell Automation India Limited

Suresh Senapaty
Chairman

Pune, May 14, 2018

PERFORMANCE OF KEY FINANCIAL INDICATORS AND HIGHLIGHTS OF 2017-18:

	Year ended March 31, 2018	Year ended March 31, 2017	Variation
Revenue from Operations (Rs. In Crores)	2,698	2,445	Up 10.4%
Profit before Tax (%)	14.1%	12.6%	Up 150 basis points

INDUSTRY OUTLOOK AND OPPORTUNITIES:

Your Company's operating results are significantly influenced by macro-economic trends such as industrial production, capital spending on process and building automation, commercial and infrastructure construction, commodity prices, and foreign exchange variations.

In the period 2017-18, the Government had implemented the Goods and Services Tax (GST) with effect from July 1, 2017. This together with the continuing effect of demonisation had a mixed impact on the Indian economy. The demonetisation announcement, and the cash shortages in the weeks that followed, created significant disruption leading to three-year low GDP figures of 5.7% in Q1 2017-18@. However, the economy bounced back as manufacturing revived and businesses adjusted to the new GST tax regime. India achieved 6.7% growth in 2017-18*. Implementation of GST caused certain business disruptions during the year but in longer run it will have a far-reaching impact on profitability and pricing, and sourcing and distribution.

Improvement in Ease of Doing Business (100th spot) and an upgraded Moody's credit rating (Baa2) reaffirmed India's stable outlook as these pointed to India's growth potential and lauded Reserve Bank of India's monetary management.

India's Finance Minister presented Union Budget 2018, proposing spending shift to initiatives such as healthcare, education, and social protection. However, the Government's key programs such as 100 Smart Cities, Defense Modernisation, Euro 6 transition, Digital India and Make in India (raised import duties) are being actively implemented. The Government continues to lead investments in infrastructure and railways.

While growth has improved, investment activity across sectors, continued to remain soft. Economic and industry conditions impacting your Company's customers also have an impact on your Company's operations. Some of the important market conditions were:

- Investments in the refining and petrochemical sector provide an opportunity for 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, providing an opportunity for service, upgrades and migrations.
- Infrastructure investment by government in 100 Smart Cities and other public sector projects continues to be the key growth driver for the Company's building solutions business. The commercial sector, however, continues to show signs of cautious growth.
- Real estate has been significantly impacted by demonetisation, leading to sluggish growth in the residential sector; this downtrend is expected to continue. Inventory in the residential sector continues to be high and demand is expected to pick up only in 2019. However, RERA and GST are expected to gradually improve investor confidence in the real estate sector in the long run. These trends have impacted your Company's Building Management System business.
- Manufacturing activity in the core industrial sector is a critical driver for your Company's Sensing and IOT business.

Source @ Financial Express
* RBI Press Release

Several positive drivers including the Make in India initiative and Industrial Internet of Things (IIoT) will help drive a favourable trend in the near future.

OPERATIONS:

- Process Solutions business had a good year. It added new offerings, including Honeywell Connected Plant – an IIoT-based unified suite of software applications – to its wide portfolio. Its products and solutions provide customers with safer, reliable, efficient, sustainable, and more profitable plant operations. 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. The business won several prestigious projects last year in a highly competitive environment.

  Process Solutions will need to stay focused on its core strategies to prevail over the economic environment, slow recovery in industrial production growth, and continued competitive pressure in the market. Greenfield opportunities, particularly in the refining / petrochemical sector look better in the coming years. Your Company sees a good opportunity in the government's BS-IV to BS-VI fuel regulation. Given the diversity of products and solutions, your Company will strive to sustain and enhance its performance. As India moves to build smart cities, drive a gas-based economy, and digital infrastructure for the future, Process Solutions is excited about the opportunities that will present themselves in the near future**.**

- Building Solutions business provides automation and control technologies that help make buildings green, safe, and productive. As part of its intelligent buildings suite, it provides building management systems, fire detection and alarm systems, access control systems, video surveillance systems, integrated security systems, and integrated building management systems based on Honeywell's Enterprise Buildings Integrator™. As part of its operational efficiency promise, it provides aftermarket services for various control systems as well as comprehensive utilities' operations and maintenance services for mechanical and electrical systems in buildings.

  This business continued to demonstrate strong results through the year. Its track record in infrastructure, transportation, 100 Smart Cities, information technology, pharmaceutical, and commercial space verticals helped expand its presence in its markets of interest, while also positioning it well in this space.

- 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. The solutions and products of this business are already present across multiple verticals in India that includes largest mission critical facilities, government infrastructure, airports, stadium, metro stations, IT and hospitality.

  Building Management System has a varied business portfolio comprising of control solutions and global field devices.

  A strong product portfolio coupled with extensive value chain mapping and key account management helped Building Management System business to drive growth.

  Commercial excellence levers such as sales deployment, on-boarding, channel excellence, and pipeline management will ensure that your Company continues to grow via its existing product portfolio. Exciting new initiatives such as Connected Buildings and upcoming new product launches will help your Company grow in an evolving market.

- 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 our new gas sensor and OEM scan engine portfolios. Your Company remained focused on identifying and winning new sustainable business opportunities in key market verticals.

Your Company plans to include more industrial customers during this year. A dedicated channel management team deployed earlier is helping grow your Company's channel business and allowing Company's direct sales team to focus on key account management with a wider portfolio. There is an exciting range of global and locally-developed products that has been introduced in the Indian market. These include pressure sensors, temperature sensors, basic/limit switches, and particle sensors. Your Company will continue to remain focused on market verticals such as industrial, transportation, military, aerospace, and medical equipment.

- Global Services provides project engineering services, product customisation solutions, software development, and engineering services to several global Honeywell entities. It drives productivity, cost competitiveness, and customer satisfaction, delivering project engineering services to Honeywell's customers globally. Honeywell Operating System continues to be the backbone for this business, helping drive lean operations and efficiencies.

  Your 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 your Company's Pune facility.

- The new global manufacturing facility at Fulgaon, Pune, will complete four years of operations in August 2018. Your Company 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.

LEADERSHIP AND TALENT:

Your Company believes in the immense potential of its human capital, and continues to invest in technical and leadership capabilities as key enablers for business growth. Your Company leverages processes that have been the cornerstone of Honeywell's global growth. These include Honeywell Performance Development (HPD) and Management Resource Review (MRR). These foundational processes enable careful and continual review of leadership talent within the organisation, while promoting meritocracy, clarity in goals, providing structured feedback, development planning, and proactive succession planning for all key positions across the organisation. Developing leadership capability in employees is a key expectation of every business leader, and your Company actively promotes internal movements for career growth. Development plans help focus on capability building and skills development to enable leaders to take up larger roles. The HPD process ensures that there is a consistent framework to assess our employees on goals and behaviors, creating opportunities for objective feedback and discussions on development plans.

Your Company continues to invest in a multi-tiered framework to build leadership capability. This includes the India Leadership Connect (ILC) focused on development of top talent for senior leadership roles, the Leadership Skill Workshop (LSW) to build frontline managerial capability, the Honeywell HGR Leadership Forum focused on building self-awareness and networking among senior leaders in Honeywell India, and the Supervisory Development Program (SDP) to develop supervisory skills and capability. In addition, your Company invests in building sales capability of frontline sales employees through classroom and online learning modules. Your Company continues to work towards building systemic enablers through continuous training on diversity and inclusiveness to encourage diversity in the organisation.

As on March 31, 2018, the Company's employee strength was 3,205 as compared to 2,931 (full-time employees) as on March 31, 2017.

FINANCIALS:

Overall revenue from operations was 2,698 Crore (Net of excise Rs. 2,690 Crore), registering 10.4% growth. This growth was achieved despite competitive challenges on pricing. The domestic segment registered revenue of Rs. 1,497 crore for the current year as compared to Rs. 1,397 crore in the previous year. Revenue from exports was Rs. 1,201 crore,

registering a growth of 14.6% as over the previous year.

Overall profit after tax was Rs. 250 crore. Your Company delivered a return of 9.3% on sales for the year (Previous year: 6.9%, excluding income tax expense pertaining to earlier years 8.1%). Cost of Goods Sold (including excise duty) was 52.4% of Sales (Previous year: 54.6%).

Cash flow from operations was Rs. 263 crore, as compared to Rs. 215 crore in the previous year, reflecting higher profitability and better working capital management. Your Company will continue to focus on working capital performance and positive operating cash flows.

Related party transactions for the financial year ending March 31, 2018 are in compliance with Section 188 of the Companies Act, 2013, and Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

RISKS AND CONCERNS:

Your Company generates a significant percentage of its sales and profits from its business with Honeywell International Inc. and its affiliates. Your Company's ability to maintain or grow its business with Honeywell depends upon a number of performance factors, including its ability to (i) identify emerging trends and customer requirements, and develop product and service offerings superior to those of its competitors; (ii) meet or surpass the price, quality, and delivery requirements of Honeywell and its end-customers in a cost-effective and competitive manner; and (iii) develop and retain employees and leaders with the necessary expertise. Honeywell-specific business considerations (independent of its shareholdings in the Company), including changes in Honeywell's strategies regarding utilisation of alternative opportunities available to it to source products and services currently provided by your Company (including from alternative sources that Honeywell may acquire or develop within its own group), may also reduce the level and/or mix of Honeywell's business with the Company. Pricing pressures on sales of goods and services to Honeywell, or a reduction in the volume or change in the mix of orders or sales to Honeywell, can be expected to have a material adverse impact on the revenues and profits of your Company.

While your Company has diversified products, industries, and geographies, major macroeconomic indicators are soft around investments in the process and construction industries. Diversification is helping manage these trends. While the fundamentals appear to be strong and infrastructure investments will continue to be resilient, the overall competitive landscape is becoming more aggressive. Fiscal deficit target 3.5%, NPA overhang, rising crude prices ($80 per barrel) continue to remain challenge for India.

INTERNAL CONTROL:

Your Company conducts its business with integrity and high standards of ethical behavior, and in compliance with the laws and regulations that govern it and its business. Your Company has a well-established framework of internal controls in place, supported by policies, guidelines and procedures, including suitable monitoring procedures. In addition to external audit, the financial and operating controls of your Company are reviewed regularly by the internal audit team as per the annual plan approved by the Audit Committee.

All significant audit observations along with corrective actions thereon are tracked for resolution by the Management, reviewed by the internal audit function for closure, and communicated to the Audit Committee.

Your Company's Code of Conduct sets out the fundamental standards to be followed by employees in their everyday actions. Your Company also has a robust Integrity and Compliance programme, where all Company employees undergo communications and trainings on the Code of Conduct. It enables employees to become familiar with leadership expectations on behaviors and compliance, legal requirements, avoiding conflicts of interest, providing a healthy and safe work place, safeguarding Company property and information, appropriate use of information technology resources, and understanding how to report any suspected unethical or illegal conduct, without fear of retaliation. Your Company also has a formal process to receive and address incidents related to business conduct lodged by employees and other stakeholders.

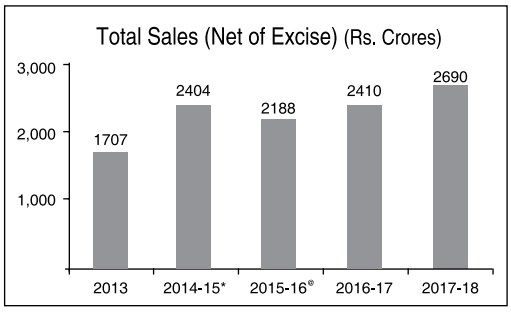
SUMMARY:

Your Company's mix of exports revenue increased as compared to the previous period. Overall revenue registered annualised growth of 10.4%. Net income was 9.3% of sales, as compared to 6.9% in the previous period. Increased competitive environment in both domestic and exports segments continues to be a challenge. This is being addressed through concerted efforts on operational excellence, driving productivity, and aggressive cost rationalisation. Your Company is continuously driving new productivity initiatives to remain committed to the journey of profitable growth.

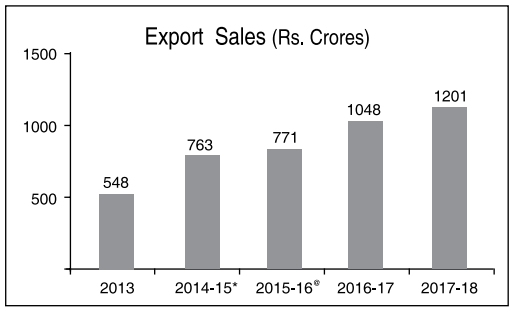
For and on behalf of Board of Directors of
Honeywell Automation India Limited

Suresh Senapaty
Chairman

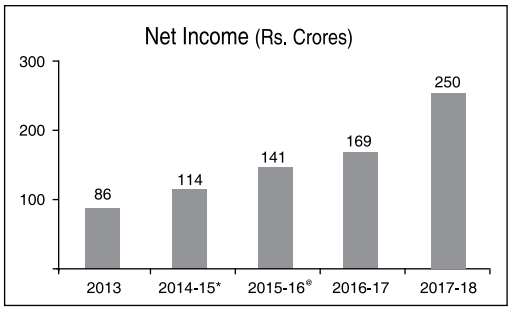
Pune, May 14, 2018



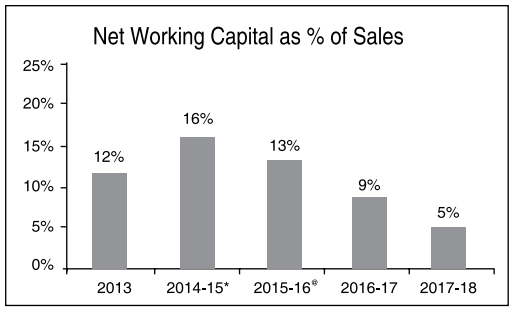
12% annualised sales growth delivered.



Exports sales were 45% of total sales, increased as compared to 15% in the previous year



Net income was 9.3% of sales, as compared to 6.9% in previous year.



Net working capital as % of sales witnessed reduction registering 5% in the year as compared to 9% in the previous year.

*(2014-15, represents a 15-month period); other years represent a 12-month period
@ Year 2015-16 is restated under IND AS

1. Company's Philosophy on Code of Governance

The Company is committed to good Corporate Governance practices, aimed at increasing value for all stakeholders. Your Company has Independent Directors on the Board who are actively involved in all important policy matters. Your Company follows the Code of Corporate Governance in letter and in spirit to ensure transparency, accountability, and integrity.

The Company is in compliance with the corporate governance requirements stipulated in The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations").

2. Board of Directors ("Board")

Presently, the Board comprises of two Independent Directors, a Managing Director, and three Non-Executive Directors out of whom one is a Woman Director. Your Company has an Independent Non-Executive Chairman, and one-third of the total number of Directors are Independent Directors. This is in conformity with the requirement of Regulation 17 of the Listing Regulations.

Mr. Ashish Gaikwad, Managing Director, holds 200 equity shares in your Company. None of the other Directors hold equity shares in your Company. There is no relationship between the Directors *inter-se.*

Mr. N. Srinath's appointment as an Independent Director is for the period from December 15, 2014 to December 14, 2019. Mr. Suresh Senapaty's appointment as an Independent Director is for the period from March 8, 2016 to March 7, 2021.

The Independent Directors have given a certificate of independence to the Board of Directors. Pursuant to the aforementioned certificate, all the Independent Directors satisfy the criteria as defined under the Companies Act, 2013 ("the Act") and the Listing Regulations. Their appointment letters have been uploaded on your Company's website.

The composition of the Board of Directors and of various committees of the Board of Directors have been disclosed on your Company's website.

Composition/Category of Directors/Attendance at Meetings/their Directorships and Committee Memberships in other companies:

Name	Category	No. of board meetings attended during 2017-2018	Attendance at the last AGM held on August 9, 2017	No. of directorships in other public limited Companies[3]	No. of committee positions held in other public limited Companies[3]	
					Chairman	Member
				As on March 31, 2018		
Mr. Suresh Senapaty	Independent Non-Executive Chairman	6	Yes	3	1	1
Mr. N. Srinath	Independent Non-Executive	6	Yes	4	Nil	1
Mr. Ashish Gaikwad Managing Director	Non-Independent Executive	6	Yes	Nil	Nil	Nil
Mr. Vikas Chadha	Non-Independent Non-Executive	6	Yes	Nil	Nil	Nil
Ms. Nisha Gupta	Non-Independent Non-Executive	6	Yes	Nil	Nil	Nil
Ms. Tina Pierce[1]	Non-Independent Non-Executive	1^	Yes	NA	NA	NA
Mr. Brian Buffington[2]	Non-Independent Non-Executive	1	N.A.	Nil	Nil	Nil

Notes:

1 Ms. Tina Pierce resigned as a Director w.e.f. the close of business hours of February 12, 2018.

2 Mr. Brian Buffington was appointed as a Director w.e.f. February 13, 2018

3 As required by Regulation 26 of the Listing Regulations the disclosure includes Membership / Chairpersonship in Audit Committee and stakeholder's Relationship Committee in public limited companies. Directorship and Committee positions held in Honeywell Automation India Limited have been excluded.

^ Leave of absence was granted

None of the Directors on the Board is a Member on more than 10 Committees and Chairman of more than 5 Committees across companies in which he/she is a Director (computed in accordance with Regulation 26 of the Listing Regulations). All the Directors have made the requisite disclosures regarding Committee positions occupied by them in other companies.

Meeting of the Board of Directors

The Board met six times during the financial year ended March 31, 2018 on the following dates and the maximum interval between any two meetings did not exceed one hundred and twenty days:

May 16, 2017 May 25, 2017 August 9, 2017 November 14, 2017

February 12, 2018 February 13, 2018

In addition, one meeting of Independent Directors was held on February 12, 2018.

As required by Part A of Schedule II to the Listing Regulations, all the necessary information was placed before the Board from time to time.

Familiarisation Programme for Independent Directors

Your Company has given training to Independent Directors to enable them to gain deeper understanding of your Company, its operations, business, senior management, policies, industry perspective, etc. The Directors are updated on a continual basis on any significant change. The details of familiarisation programmes imparted by your Company are available on your Company's website at the following link: *https://www.honeywell.com/-/media/Honeywell_com/Files/en-in/Board-of-Directors/Familiarisation-Program-for-Independent-Directors.pdf* .

3. Audit Committee

Terms of Reference

The Audit Committee acts on the terms of reference stipulated by the Board, pursuant to Section 177 of the Act and Part C of Schedule II to Regulation 18(3) of the Listing Regulations.

The terms of reference *inter-alia* are briefly described below:

- oversight of your Company's financial reporting process and disclosure of financial information to ensure that the financial statement is correct, sufficient and credible;
- recommendation for appointment, remuneration, and terms of appointment of auditors of your Company;
- approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- reviewing with the Management the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
    - matters required to be included in the Director's responsibility statement to be included in the Board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
    - changes, if any, in accounting policies and practices and reasons for the same;
    - major accounting entries involving estimates based on the exercise of judgment by Management;
    - significant adjustments made in the financial statements arising out of audit findings;
    - compliance with listing and other legal requirements relating to financial statements;
    - disclosure of any related party transactions;
    - modified opinion(s) in the draft audit report;

- reviewing, with the Management, the quarterly financial statements before submission to the Board for approval;
- reviewing, with the Management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- approval or any subsequent modification of transactions of your Company with related parties;
- scrutiny of inter-corporate loans and investments;
- valuation of undertakings or assets of the listed entity, wherever it is necessary;
- evaluation of internal financial controls and risk management systems;
- reviewing with the Management performance of statutory and internal auditors, adequacy of internal control systems;
- reviewing the adequacy of the internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage, and frequency of internal audit;
- discussion with internal auditors on any significant findings and followup thereon;
- reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature, and reporting the matter to the Board;
- discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- to review the functioning of the whistle blower mechanism;
- approval of appointment of Chief Financial Officer after assessing the qualifications, experience, background, etc., of the candidate;
- carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

In addition to the above, the following items will be reviewed by the Audit Committee:

- management discussion and analysis of financial condition and results of operations;
- statement of significant related party transactions (as defined by the Audit Committee), submitted by Management;
- Management letter/letters of internal control weaknesses issued by the statutory auditors;
- internal audit reports relating to internal control weaknesses; and
- the appointment, removal and terms of remuneration of the Head, Internal Audit

The Audit Committee is vested with the necessary powers to achieve its objectives. The Committee has discharged such other role/function as envisaged under Regulation 18 (3) read with Part C of Schedule II of the Listing Regulations and the provisions of Section 177 of the Act.

Mr. Suresh Senapaty, the Chairman of the Audit Committee, was present at the last Annual General Meeting held on August 9, 2017.

Composition, name of members and Chairperson, meetings held during the year and attendance at meetings

The Audit Committee presently consists of three Non-Executive Directors, out of which two are Independent Directors. The members of the Committee have the relevant experience in the field of financial reporting and accounting. The Company Secretary acts as the Secretary to the Committee. Audit Committee meetings are attended by the Chief Financial Officer, the Company Secretary and Head-Legal. Head-Internal Audit and the representative(s) of the Statutory Auditors are invited to the meetings.

The Audit Committee held four meetings during the financial year ended March 31, 2018 on the following dates and the maximum interval between any two meetings did not exceed one hundred and twenty days:

May 25, 2017 August 9, 2017 November 14, 2017 February 12, 2018

The composition of the Audit Committee and the attendance of members at the meetings held during the financial year ended March 31, 2018 are as follows:

Name of Director	No. of Meetings Attended
Mr. Suresh Senapaty (Chairman, Independent Director)	4
Mr. N.Srinath (Independent Director)	4
Ms. Nisha Gupta (Non-Executive Director)	4

4. Nomination and Remuneration Committee Terms of Reference

Your Company has constituted the Nomination and Remuneration Committee in line with the requirements of Section 178 of the Act and Regulation 19 of the Listing Regulations. The broad terms of reference *inter- alia* are as follows:

- formulating the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy relating to the remuneration of the Directors,

  key managerial personnel and other employees;
- formulating criteria for evaluation of performance of Independent Directors and the Board of Directors;
- devising a policy on diversity of Board of Directors;
- identifying persons who are qualified to become Directors and who may be appointed in senior management positions in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal;
- assessing whether to extend or continue the term of appointment of the Independent Director on the basis of the report of performance evaluation of Independent Directors.

Composition, name of members and Chairperson, meetings held during the year and attendance at meetings

Currently, the Nomination and Remuneration Committee consists of three Non-Executive Directors and two being Independent Directors. The Chairman is a Non-Executive and Independent Director (Regulation 19 of the Listing Regulations).The Nomination and Remuneration Committee held three meetings during the financial year ended March 31, 2018 on the following dates:

May 25, 2017 November 14, 2017 February 12, 2018

The composition of the Nomination and Remuneration Committee and the attendance of members at the meetings held during the year 2017-18 are as follows:

Name of Director	No. of Meetings Attended
Mr. N. Srinath (Chairman, Independent Director)	3
Mr. Suresh Senapaty (Independent Director)	3
Mr. Vikas Chadha (Non-Executive Director)	3

The Committee met on February 12, 2018 to appraise and decide the commission and compensation payable to Mr. Ashish Gaikwad, Managing Director, and other key managerial personnel as defined under the Companies Act, 2013.

Mr. N. Srinath, the Chairman of the Nomination and Remuneration Committee was present at the last AGM of your Company held on August 9, 2017.

Performance Evaluation

The Board has carried out an annual evaluation of its own performance, performance of its committees, and of the Directors individually, as per the criteria laid down by the Nomination and Remuneration Committee. The evaluation was carried out based on various parameters such as the participation in the Board and its committee meetings, contribution towards accurate financial reporting, strategic guidance, risk mitigation, internal controls, governance, leadership and talent development, and managing external stakeholders.

During the year under review, Mr. Suresh Senapaty and Mr. N. Srinath, Independent Directors, met on February 12, 2018 to discuss the evaluation of the Board and the Non-Executive Directors. Further, all the Directors of the Board met to discuss the evaluation of the committees. The discussions covered both strategic and operational aspects of the Board functioning, as well as the quality, content, and timeliness of the flow of information between the Management and the Board. Inputs from the meeting were shared with the Nomination and Remuneration Committee (Regulation 25 of the Listing Regulations). All ratings for the Board, Committees, and the Non-Executive Directors were favorable**.** The Board committed to devote more time and attention to stakeholder management, talent management, and contributing to strategic direction of your company as areas to strengthen going forward.

The Board also completed the performance evaluation for the Independent Directors.

5. Remuneration of Directors/Criteria of making payments to Directors

The Independent Directors are paid remuneration by way of commission and sitting fees. The commission is paid at a rate not exceeding one percent per annum of the net profits of your Company calculated in accordance with the provisions of Section 198 of the Companies Act, 2013. The amount of commission is determined on the basis of their roles, responsibilities, and contribution to the Company as Chairman/Member of the Board and various committees of the Board.

The Independent Directors were paid sitting fees of Rs. 30,000 per meeting until the Board meeting held on May 16, 2017. The sitting fees are paid for each Board, Audit Committee, Nomination and Remuneration Committee meeting, and Corporate Social Responsibility Committee meetings attended by them. The sitting fees revised effective May 25, 2017 are mentioned as under:

- Board Meeting - Rs. 60,000/- per meeting
- Audit Committee - Rs. 50,000/- per meeting
- Other Committee - Rs. 40,000/- per meeting

The Non-Executive, Non-Independent Directors are not paid any sitting fees or commission.

The Company pays remuneration to its Managing Director by way of salary, perquisites and allowances (a fixed component), commission (a variable component), and long-term incentives (comprising of stock options, restricted stock units of the Ultimate Holding Company). Salary is paid within the range approved by shareholders. The Board approves the annual increments (effective April 1 of each year) on the recommendation of the Nomination and Remuneration Committee.

The Board fixes a ceiling on perquisites and allowances as a percentage of salary. The commission is calculated with reference to the net profit of your Company in a particular financial period and is determined by the Board of Directors at the end of the financial period based on the recommendations of the Nomination and Remuneration Committee, subject to the overall ceiling as stipulated in the Companies Act, 2013.

None of the Non-Executive Directors have any pecuniary relationship or transactions with your Company.

Although your Company does not have stock option scheme for its own shares, some of its employees, including the Managing Director, are granted stock options and restricted stock units of the Ultimate Holding Company, namely Honeywell International Inc.

The details of Remuneration paid to Directors for the year 2017-18 for attending the Board meetings and various Board constituted committee Meetings are as under:

Non-Executive Directors

(Rs. in Lakhs)

Director	Sitting Fees	Commission	Shareholding (No. of shares)
Mr. Suresh Senapaty (Independent)	6.50	22.00	NIL
Mr. N. Srinath (Independent)	7.30	20.00	NIL
Mr. Vikas Chadha	N.A.	N.A.	NIL
Ms. Nisha Gupta	N.A.	N.A.	NIL
Ms. Tina Pierce (upto February 12, 2018)	N.A.	N.A.	NIL
Mr. Brian Buffington (w.e.f. February 13, 2018)	N.A.	N.A.	NIL

Managing Director

(Rs. in Lakhs)

Name	Salary, perquisites & allowances for the financial year 2017-18	Stock options*	Total
Mr. Ashish Gaikwad	230.61	45.01	275.62

* Stock options include restricted stock units and stock options granted by the Ultimate Holding Company, Honeywell International Inc. U.S.A.

Period of contract of Managing Director (Mr. Ashish Gaikwad)	:	5 years from October 1, 2016 The contract may be terminated by either party by giving the other party three months' notice or the Company paying three months' salary in lieu thereof. Severance fees – as per the policy of the Company as applicable to all employees from time to time.

6. Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee is constituted in accordance with Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations, in order to consider and resolve the grievances of the equity shareholders of your Company, including complaints related to transfer of shares, non-receipt of annual report, non-receipt of declared dividends, etc. The said Committee has been authorised to approve the transfer/ transmission of shares and issue of duplicate share certificates.

In order to expedite the process, the Board of Directors has also delegated the authority severally to the Company Secretary; Chief Financial Officer and Head-Legal to approve the share transfers/transmissions and accordingly, they severally approve the transfer/transmission of shares as and when required from time to time.

The Committee has two members Ms. Nisha Gupta, Non-Executive Director as the Chairperson and Mr. Ashish Gaikwad.

The Committee met on November 14, 2017 and February 12, 2018 during the financial year ended March 31, 2018 and the meeting was attended by both the members.

Name, designation and address of Compliance Officer : Ms. Farah Irani (w.e.f. May 16, 2017)
Company Secretary,
56 & 57, Hadapsar Industrial Estate.
Pune – 411 013
Phone: 020-6607-2577
Fax no. 020-6603-9800

Investor Complaints	Number
Number of pending complaints as on April 1, 2017	1*
Number of shareholders' complaints received during year ended March 31, 2018	2
Number of complaints resolved during year ended March 31, 2018	3
Number of pending complaints as on March 31, 2018	0

*The Company/Registrar and Share Transfer Agent (RTA) had replied to the complainant by filing the Action Taken Report on March 29, 2017 with SEBI (SCORES). SEBI has disposed of the said case on April 17, 2017.

7. Corporate Social Responsibility Committee

Pursuant to Section 135 of the Act, a Corporate Social Responsibility (CSR) Committee of the Board has been constituted. The committee has three members, Ms. Nisha Gupta as the Chairperson, Mr. N. Srinath, Independent Director and Mr. Ashish Gaikwad, Managing Director.

The committee met on May 25, 2017 and February 12, 2018 during the financial year ended March 31, 2018 and the meeting was attended by all the members.

The Company has formulated a Policy for its CSR which may be viewed on the Company's website at the following link: *https://www.honeywell.com/-/media/Honeywell_com/Files/en-in/Policies/Corporate-Social-Responsibility-Policy.pdf*

8. Enterprise Risk Management

The Company's Enterprise Risk Management process ensures that the management controls and effectively mitigates risk through means of a properly defined framework. The risk areas are reviewed periodically by the Managing Director and the Chief Financial Officer through an Enterprise Risk Management Framework and annually by the Board of Directors.

Identification, assessment, and mitigation of risk is facilitated entitywide, re-assessed periodically by the Risk Committee, and annually reviewed by the Board of Directors. We are exposed to a host of risks owing to a dynamic business environment, including cyber security, compliance and regulatory shifts, project management, human capital development, business continuity. The Enterprise Risk Management framework is an enabler for risk mitigation and is critical to achieving our business objectives.

9. Managing Director (MD) and Chief Financial Officer (CFO) certification

The MD and CFO have provided a compliance certificate to the Board of Directors, as required under Regulation 17 read with Part B of Schedule II of the Listing Regulations, *inter alia*, certifying that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of your Company's affairs.

10. Disclosures

Disclosures on materially significant related party transactions.

Your Company has formulated a policy for dealing with materiality of related party transactions. (Regulation 23 of the Listing Regulations).

All related party transactions are approved by the Audit Committee. Approval of Board of Directors, is taken, as needed, in accordance with the Companies Act, 2013 and the Listing Regulations. All material related party transactions are approved by the shareholders.

Details of all material transactions with related parties have been disclosed quarterly to the stock exchanges along with the compliance report on corporate governance and are disclosed in Note No. 29 to the Financial Statement in the Annual Report.

There was no materially significant related party transaction during the year having potential conflict with the interests of the Company.

The Related Party Transactions Policy is available on the website of your Company at the following link: *https://www.honeywell.com/-/media/Honeywell_com/Files/en-in/Policies/Related-Party_Transactions-Policy.pdf* .

Statutory Compliance, Penalties, and Strictures

Your Company has complied with the requirements of the Stock Exchange/SEBI and statutory authorities on all matters relating to capital markets during the last three years. There are no penalties or strictures imposed on your Company by the Stock Exchanges or SEBI or any statutory authorities relating to the above.

Legal Compliance Reporting

The Head–Legal, the Company Secretary, and Chief Financial Officer of your Company monitor the legal compliance reporting process and advise your Company on compliance issues with respect to the laws of various jurisdictions in which your Company has its business activities.

Your Company has a practice of obtaining quarterly compliance certificates from various functional heads for compliance with laws applicable to the respective function. A consolidated report on compliance with applicable laws is presented to the Board every quarter. To take care of the continuously evolving compliance scenario, your Company is constantly striving to strengthen the compliance reporting framework.

Whistle Blower Policy/Vigil Mechanism

Your Company has adopted the Whistle Blower Policy / Vigil Mechanism where it has a mechanism for Directors and employees to report concerns about unethical behavior, actual or suspected fraud, or violation of the Code of Conduct. No personnel has been denied access to the Chairman of the Audit Committee, for making complaint on any integrity issue.

The details of the policy are available on the website of your Company at the following link: *https://www.honeywell.com/-/media/Honeywell_com/Files/en-in/Policies/Vigil-Mechanism-Whistle-Blower-Policy.pdf*

Code of Conduct

As required under Listing Regulations, your Company has in place a Code of Conduct applicable to the Board Members as well as the senior management personnel and that the same has been hosted on your Company's website at the following link: *https://www.honeywell.com/-/media/Honeywell_com/Files/en-in/Policies/Code-of-Conduct.pdf*

All the Board Members and the senior management personnel have affirmed compliance with the Code of Conduct for the financial year ended March 31, 2018.

In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015, your Company has adopted a Code of Conduct for Prohibition of Insider Trading and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information, duly approved by the Board of Directors of your Company at their meeting held on May 25, 2015. Your Company has amended the said code at its Board Meeting held on August 9, 2017.

Reconciliation of share capital audit

A qualified practicing Company Secretary carried out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share capital. This reconciliation is carried out every quarter and the report thereon is submitted to the stock exchanges and is also placed before the Board. The Audit Report, *inter alia*, confirms that the total listed and paid-up capital is in agreement with the aggregate of total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

11. General Body Meetings

Location and time, where last three annual general meetings held

For the year	Venue	Day and date	Time
2016-2017	Honeywell Automation India Limited 56 & 57, Hadapsar Industrial Estate, Pune – 411013	Wednesday, August 9, 2017	4.00 p.m.
2015-2016		Wednesday, August 10, 2016	3.00 p.m.
2014-2015		Tuesday, July 21, 2015	3.00 p.m.

Whether any special resolutions passed in the previous three annual general meetings

A special resolution for approval of Material Related Party Transactions/arrangements with Honeywell International Inc., Ultimate Holding Company, was passed at the 31st Annual General Meeting of your Company held on July 21, 2015.

Whether any special resolution passed last year through postal ballot: Nil

Person who conducted the postal ballot exercise: Not applicable

Whether any special resolution is proposed to be conducted through postal ballot

As on date, your Company does not have any proposal to pass any special resolution by way of postal ballot

Procedure for postal ballot: Not applicable

12. Means of Communication

The quarterly/half-yearly/annual financial results are published in The Economic Times (English daily) and Maharashtra Times (Marathi daily).

The financial results and the official news releases are also placed on your Company's website at the following link: *https://www.honeywell.com/worldwide/en-in/hail*

Your Company has a dedicated help desk with email ID: HAIL.InvestorServices@Honeywell.com in the Secretarial Department for providing necessary information to investors.

If any presentations are made to institutional investors or to the analysts, the same is uploaded on your Company's website pursuant to Regulation 46 of the Listing Regulations.

13. General Shareholder Information

Annual General Meeting (AGM) Date, Time and Venue	Monday, August 6, 2018 at 4.00 p.m. at Honeywell Automation India Limited, 56 & 57, Hadapsar Industrial Estate, Pune – 411013
The profile of Directors seeking appointment / re-appointment at the ensuing AGM are given in the Annexure to the Notice of AGM.	
Financial year	Company's financial year is April – March
Record date	July 30, 2018
Dividend payment date	August 24, 2018
Listing on Stock Exchanges	The equity shares of the Company are currently listed with the following Stock Exchanges in India: BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001 National Stock Exchange of India Limited (NSE) Bandra Kurla Complex, Mumbai 400 051
The Company has paid the annual listing fee to both the stock exchanges.	
Stock code (Equity)	NSE HONAUT BSE 517174 ISIN INE671A01010
Financial Calendar*	
Q1 2018-19 Results	On or before second week of August 2018
Q2 2018-19 Results	On or before second week of November 2018
Q3 2018-19 Results	On or before second week of February 2019
Q4 and Annual 2018-19 Results	On or before second week of May 2019

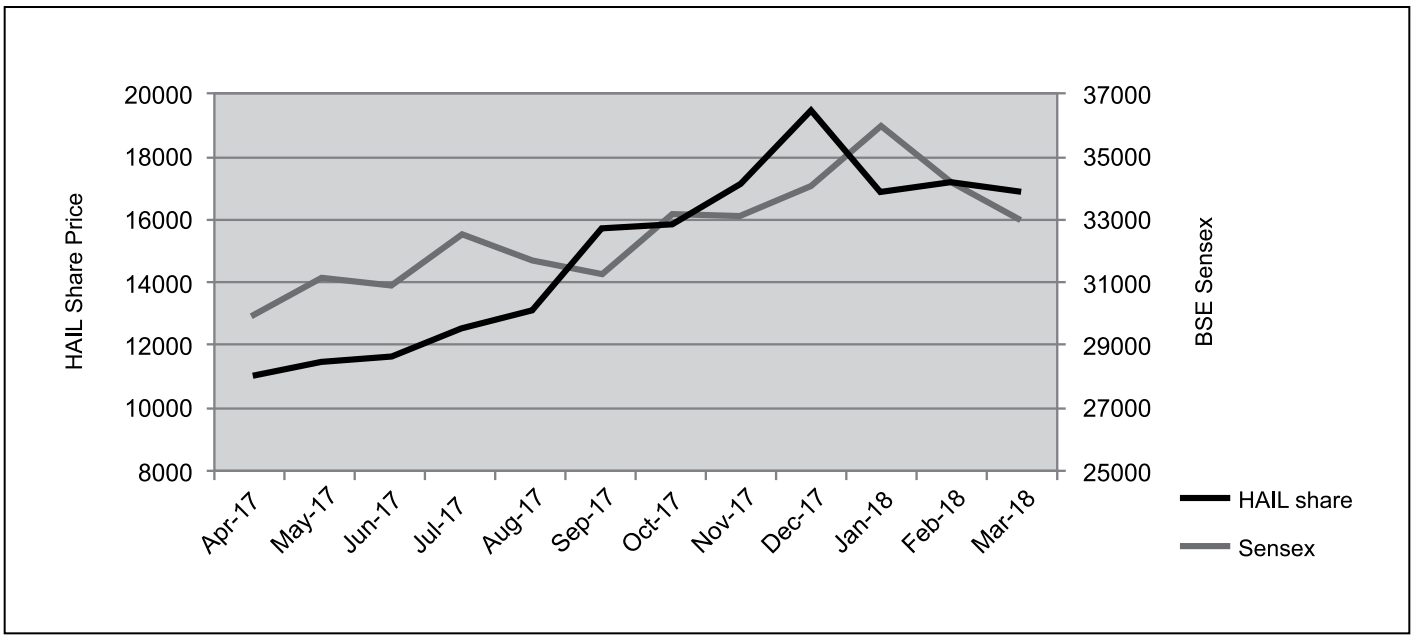
*Tentative

Market Price Data *

Particulars	BSE		NSE	
Month	**High**	**Low**	**High**	**Low**
April 2017	11,350.00	10,375.00	11,275.00	10,345.50
May 2017	11,666.00	**10,211.00**	11,779.85	**10,226.00**
June 2017	12,558.00	11,130.00	12,412.00	11,250.00
July 2017	12,788.45	11,585.05	12,698.00	11,575.15
August 2017	13,373.00	12,195.05	13,410.00	12,101.00
September 2017	17,837.00	13,188.00	17,789.00	13,143.05
October 2017	16,252.70	15,430.00	16,290.00	15,510.00
November 2017	17,789.95	14,802.65	17,879.90	14,892.10
December 2017	**21,899.00**	16,500.00	**21,944.00**	16,400.00
January 2018	19,654.60	16,825.00	19,699.00	+16,882.00
February 2018	18,832.00	15,525.00	18,798.00	15,500.00
March 2018	17,488.00	14,712.00	17,500.00	14,751.00

* Source : BSE and NSE website.

BSE SENSEX v/s Honeywell Automation India Limited (HAIL) Share Price (BSE)



Registrar to an issue and share transfer agents	TSR Darashaw Ltd., 6-10, Haji Moosa Patrawala Ind. Estate, 20, Dr. E. Moses Road, Near Famous Studio, Mahalaxmi, Mumbai - 400 011 Tel: (022) 66568484 Fax: (022) 66568494 Email: csg-unit@tsrdarashaw.com Website: *http://www.tsrdarashaw.com*
Share transfer system	Share transfers in physical form can be lodged with TSR Darashaw Ltd. at the above mentioned address or at their branch offices, addresses of which are available on their website.

Distribution of Shareholding

Number of ordinary shares held	**Number of shares**	
	31-03-2018 (%)	**31-03-2017 (%)**
1 to 500	6.39	6.34
501 to 1000	0.69	0.65
1001 to 2000	0.52	0.54
2001 to 3000	0.08	0.20
3001 to 4000	0.37	0.29
4001 to 5000	0.16	0.16
5001 to 10000	0.54	0.81
Over 10000	91.25	91.01
Total	100.00	100.00

Categories of Shareholders as on March 31, 2018

Category	**No. of shareholders***	**No. of shares held**
Foreign promoters	1	6,631,142
Non-resident individuals	365	13,861
Foreign institutional investors	387	102,451
Banks	2	961
Mutual funds / UTI	9	1,331,499
Central Government / State Governments(s)	1	285
Resident individuals	12,984	7,48,943
Trust and charitable institutions	8	899
IEPF	1	11,482
Total	**13,758**	**8,841,523**

* Based on consolidiation of PAN.

Dematerialisation of shares and liquidity	Your Company has arrangements with NSDL as well as the CDSL for demat facility. 98.98% of your Company's share capital is dematerialised as on March 31, 2018.
Outstanding GDRs / ADRs/ Warrants or any convertible instruments, conversion date and likely impact on equity	As on date, your Company has not issued GDRs, ADRs or any other convertible instruments and as such, there is no impact on the equity share capital of your Company.
Commodity price risk or foreign exchange risk and hedging activities	Your Company is exposed to foreign exchange risk on account of import and export transactions which is monitored periodically. Your Company leverages the global treasury operations of Honeywell to improve mitigation of risk relating to foreign exchange.
Plant locations	Honeywell Automation India Limited Gat # 181, Fulgaon Industrial Estate, Lonikand Tulapur Road, Pune, Maharashtra, India Honeywell Automation India Limited Plot No. 101, Savli Industrial Estate, Village Alindra, Taluka Savli Vadodara - 391775, Gujarat, India Note: The Savli Plant discontinued operations in August 2017.
Address for correspondence	Honeywell Automation India Limited, 56 & 57, Hadapsar Industrial Estate, Pune – 411 013 Tel: (020) 66039400 Fax: (020) 66039800 Email: HAIL.InvestorServices@Honeywell.com Website: *https://www.honeywell.com/worldwide/en-in/hail*
Corporate Identity Number	L29299PN1984PLC017951

14. Compliance with Mandatory Requirements

Your Company affirms that all the requirements applicable under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 are fully complied with.

15. Compliance with Non-Mandatory Requirements

Your Company has adopted the non-mandatory requirements as provided in Part E of Schedule II to the Listing Regulations to the following extent:

- The position of the Chairman and Managing Director are separate.
- The Chairman of the Board of Directors is Non-Executive and Independent and is based in Bangalore. Your Company does not maintain a separate office for the Non-Executive Chairman.
- Your Company publishes financial results in two newspapers of wide circulation. Further, the financial results are available on the website of your Company and of the stock exchanges where the shares of your Company are listed, i.e., BSE Ltd and National Stock Exchange of India Limited. Therefore, no individual intimations are sent to the shareholders.
- The Auditors' Opinion on the Financial Statements is unmodified.
- Head-Internal Audit reports to the Audit Committee.

For and on behalf of Board of Directors of
Honeywell Automation India Limited

Suresh Senapaty
Chairman

Pune, May 14, 2018

Declaration by the Managing Director under the Listing Regulations Regarding Compliance With Code Of Conduct

Pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is hereby certified that all Board Members and Senior Management personnel have affirmed compliance with the Company's Code of Conduct for the financial year ended March 31, 2018.

For Honeywell Automation India Limited

Ashish Gaikwad
Managing Director

Place : Pune
Date : May 14, 2018

Certificate regarding compliance of conditions of Corporate Governance

To
The Members of
Honeywell Automation India Limited

Dear Sirs,

Sub: Corporate Governance Compliance Certificate of Honeywell Automation India Limited

We have examined all relevant records of Honeywell Automation India Limited for the purpose of certifying compliance of the conditions of Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended 31st March 2018. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of the above certification.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was carried out in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Our examination was limited to the procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of corporate governance. This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

On the basis of our examination of the records produced, explanations and information furnished, we certify that the Company has complied with all the mandatory conditions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended 31st March 2018.

For J B Bhave & Co.
Company Secretaries

Jayavant Bhave
Proprietor
FCS: 4266 CP: 3068

Place : Pune
Date : May 14, 2018

BUSINESS RESPONSIBILITY REPORT

For the Financial Year ended March 31, 2018

{Pursuant to Regulation 32(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015}

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number (CIN) of the Company	L29299PN1984PLC017951
2.	Name of the Company	HONEYWELL AUTOMATION INDIA LIMITED
3.	Registered address	56 & 57, Hadapsar Industrial Estate, Pune 411013
4.	Website	https://www.honeywell.com/worldwide/en-in/hail
5.	E-mail id	HAIL.InvestorServices@honeywell.com
6.	Financial Year reported	April 1, 2017 to March 31, 2018
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Automation Sector (the three principal business activities are): (i) Manufacture of electronic systems and components – NIC Code 26 (ii) Repair and maintenance – NIC Code 33 (iii) Trading of machinery, equipments and supplies – NIC Code 46
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	1. Industrial software applications called Honeywell Connected Enterprise to leverage the power of software and IIoT for making plants and buildings safer, more efficient / cost-effective, reliable, and sustainable. 2. Automation and control projects / solutions for fuel terminals / LNG terminals, process plants, commercial buildings, smart cities, gas and liquid pipelines for safer, reliable, and efficient operations. 3. Lifecycle services and technology migration services, industrial cyber security services, and benefit Guardianship for our installed base of customers.
9. (a) (b)	Total number of locations where business activity is undertaken by the Company Number of International Locations (Provide details of major 5) Number of National Locations	In India, the company operates from its registered office and factory in Pune, and branch offices in key cities, including Chennai, Bangalore, Kolkata, Mumbai, Baroda, Jamshedpur, Ahmedabad, Hyderabad and Gurugram. The company also has an office in Dubai.
10.	Markets served by the Company – Local/State/ National/International	In addition to serving the domestic market, the company exports goods/services to global customers in the U.S., Europe, Asia Pacific, and other regions.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital (INR)	Rs. 884.15 Lakhs
2.	Total Turnover (INR)	Rs. 269,814 Lakhs (Revenue from operations)
3.	Total profit after taxes (INR)	Rs. 24,973 Lakhs
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	Rs. 469 Lakhs as 2% of Average Net Profits of last three years
5.	List of activities in which expenditure in (4) above has been incurred	In the review period, the company has contributed a sum of Rs. 469 Lakhs towards corporate social responsibility (CSR) commitment to Honeywell Hometown Solutions India Foundation (HHSIF). Of this: • Rs. 153 Lakhs was contributed towards the Honeywell Science Experience program in partnership with Agastya International Foundation, a not-for-profit organization, that will deploy these funds over FY 2018-19 • Rs. 128 Lakhs was contributed towards the Honeywell Safe Water Network initiative to be implemented by Safe Water Network, a not-for-profit organization, over FY 2018-19. • Rs. 102 Lakhs was contributed towards the Honeywell Science Academy, to be implemented by Avasara Leadership Institute, a not-for-profit organization over FY2018-19. • Rs. 86 lakhs allocated for core CSR programs during 2018-19 and dedicated administrative expenditure of HHSIF for managing Company's CSR programs.

SECTION C: OTHER DETAILS

1.	Does the Company have any Subsidiary Company / Companies?	No. The Company does not have any subsidiary company / companies.
2.	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	Not applicable
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	No. Entities with whom the Company does business with viz. suppliers, distributors etc. (other than Honeywell Group Companies in India) do not participate in the BR initiatives of the Company.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

(a) Details of the Director/Director responsible for implementation of the BR policy/policies

1. DIN Number : 07585079
2. Name : Mr. Ashish Madhukar Gaikwad
3. Designation : Managing Director

(b) Details of the BR Head

No.	Particulars	Details
1	DIN Number (if applicable)	N.A.
2	Name	Mr. Abhishek Kumar
3	Designation	Head, Human Resources
4	Telephone number	+91 22 6607 2710
5	e-mail id	Abhishek.Kumar@honeywell.com

2. Principle-wise (as per NVGs) BR Policy/policies :

a) The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These areas are as follows:

P1	Businesses should conduct and govern themselves with ethics, transparency, and accountability
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
P3	Businesses should promote the wellbeing of all employees
P4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable, and marginalized
P5	Businesses should respect and promote human rights
P6	Businesses should respect, protect, and make efforts to restore the environment
P7	Businesses, when engaged in influencing public and regulatory policies, should do so in a responsible manner
P8	Businesses should support inclusive growth and equitable development
P9	Businesses should engage with, and provide value to their customers and consumers in a responsible manner

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for	Y	Y	Y	Y	Y	Y	N	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	N.A.	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Yes. The policies are in line with the international standards and practices adopted by an ultimate holding company, Honeywell International Inc. USA, such as Foreign Corrupt Practices Act of U.S. and meet national regulatory requirements such as Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.								
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/CEO/ appropriate Board Director?	Yes. The mandatory policies under Indian laws and regulations have been adopted by the Board and signed by the Managing Director, Mr. Ashish Gaikwad.								

5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	The company has a CSR committee and an internal governance structure to ensure implementation of several policies through internal audit, risk management process, and monitoring of key indicators, in line with the established policies.
6	Indicate the link for the policy to be viewed online?	Mandatory policies are available on the company's website. viz. , Code of Conduct policy - https://www.honeywell.com/-/media/Honeywell_com/Files/en-in/Policies/Code-of-Conduct.pdf Corporate Social Responsibility policy - https://www.honeywell.com/-/media/Honeywell_com/Files/en-in/Policies/Corporate-Social-Responsibility-Policy.pdf Whistle blower Policy - https://www.honeywell.com/-/media/Honeywell_com/Files/en-in/Policies/Vigil-Mechanism-Whistle-Blower-Policy.pdf and Sustainable Opportunity Policy, Honeywell's Commitment to Health, Safety and Environment - https://www.honeywell.com/-/media/Honeywell_com/Files/en-in/Policies/Sustainable-Opportunity-Policy--Honeywells-Commitment-to-Health-Safety-and-the-Environment.pdf
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes. The policies are communicated to internal stakeholders and are available on the company's internal network. If required, the policies are also shared with our external stakeholders and are published on the company's website.
8	Does the company have in-house structure to implement the policy/ policies?	Yes. The company has an existing structure with defined roles and responsibilities, which periodically reviews the implementation of various polices. It also evaluates key indicators at several management levels.
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Yes. Every policy formulated by the company has an inbuilt grievance and redressal mechanism.
10	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Yes. The working of these policies are evaluated periodically through internal audit.

b. If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the Principles	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	-	N.A.	N.A.
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified Principles	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	-	N.A.	N.A.
3	The company does not have financial or manpower resources available for the task	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	-	N.A.	N.A.
4	It is planned to be done within next 6 months	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	-	N.A.	N.A.
5	It is planned to be done within the next 1 year	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	-	N.A.	N.A.
6	Any other reason (please specify)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	The company has an established track record, pioneering achievements, strong presence, a great workforce, and leadership positioning in the industry. The company contributes to the industry at large in line with the government policies. Therefore, all interactions or activities are governed by the company's Code of Conduct.	N.A.	N.A.

3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, annually, more than 1 year

The provisions of Business Responsibility (BR) Report are applicable from financial year 2016-17. The BR performance for certain principles are reviewed quarterly, and the remaining principles are studied periodically.

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

No.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with ethics, transparency and accountability

1. Does the policy relating to ethics, bribery, and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

The policy is applicable to all Honeywell employees and extends to third-party groups, including suppliers, contractors etc.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

At the beginning of the year, there were 3 open complaints (that were in the process of being reviewed) in the previous year. During the review period, 18 complaints received and 21 complaints have been satisfactorily resolved (including 3 open complaints of previous financial year) till the date of this report.

The company has adopted the Whistle Blower Policy / Vigil Mechanism where it allows employees and stakeholders to report violation of the Code of Conduct, company policy, or any applicable law or regulation. The details of the policy are available here: https://www.honeywell.com/-/media/Honeywell_com/Files/en-in/Policies/Vigil-Mechanism-Whistle-Blower-Policy.pdf

Principle 2: Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

The Company's mission is to build a smarter, safer, and more sustainable world. All our products and services are towards achieving the aforementioned objectives:

(a) Pressure and Temperature Transmitters*

(b) Enterprise Building Integrator - Building Integration / Energy Performance Contracting

(c) Emergency Shutdown System (ESD)

The company has other initiatives/products like Green Building, Carbon Footprints, and Fuel Blending. Our Pune factory is an Honeywell Operating System (HOS) Silver Excellence certified site.

*The Pressure and Temperature transmitters are certified for safe operations in such conditions like explosion proof, intrinsically safe etc. by certifying agencies like Factory Mutual (FM), CSA, ATEX, and IECEx. The Safety Manager is a SIL III product approved by TuV. All such certifications, and the HOS silver certification enable the business to provide goods and services that are safe, and contribute to the sustainability throughout their life cycle.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

(a) Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain? (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

As compared to the previous year, there was a total energy saving of 7,458 units at Fulgaon factory. In addition, the company has implemented below initiatives:

- Lighting retrofit (replacement of all ceiling lights/down lighters with LED's)
- Chiller and thermal storage saving (replacement of main chiller)
- Chilled water primary pump optimisation (replacement of primary pump of Heating, Ventilation and Air Conditioning "HVAC")
- Chilled water secondary pump optimisation with Variable Frequency Drive "VFD" (replacement of secondary pump of HVAC)
- Condensor water pump optimisation using VFD (replacement of Condenser pump of HVAC)
- Air Handling Unit (AHU) Upgradation with VFD for optimum operation (Induction of VFD for all AHU's)

The company also received power factor credit, time of day credit, and prompt discount during the year under review.

3. Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainable? Also, provide details thereof, in about 50 words or so.

Yes. The Company has procedures for sustainable sourcing. Vendors are selected through a stringent process. Sustainable sourcing enables the company to build a strong relationship with suppliers, by helping them improving their performance in environmental, social, and ethical aspects. Honeywell has a robust Health, Safety and Environmental (HSE) Policy. The vendors have to ensure compliance to the HSE policy. The safety leader ensures that all the vendors strictly follow the Personal Protective Equipment (PPE) compliance, safety norms, local law compliance, and adherence to the Workmen Compensation Policy. Vendors must follow the Honeywell Code of Conduct rules. Non-compliance to these rules disqualifies the vendor, and does not allow any business with the organisation.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Yes. The Company works with the local vendors to meet the supply requirements. There has been a sustained drive for localisation. Knowledge sharing sessions and Kaizen events contribute to the improvement of the quality of vendors' products.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Yes. The Company has a mechanism to recycle products and waste. The nature of the company's business does not allow significant emissions or process waste.

The waste generation is limited and restricted to e-waste, lube oil waste, waste from lead-acid batteries, and municipal solid waste. The company's waste management practices seek to reduce the environmental impact by

the reduction in the generation, segregation at source, maximization of recycling, and reuse to achieve the target of <5% waste to landfill.

- Waste Lube Oil, UPS batteries, e-waste – disposed through government authorized recyclers (100% recycling)
- Waste office paper – sent for recycling (100% recycling)
- Printer and toner cartridges – sent back to the vendor/manufacturer under product take-back arrangement (100% recycling)
- Bio-degradable garden waste and food waste – disposed directly to PMC for recycling, vermi-composting

Principle 3: Businesses should promote the well-being of all employees

1. **Please indicate the Total number of employees :** Total number of employees are 3,275 of which 3,205 are full-time employees as on March 31, 2018.
2. **Please indicate the Total number of employees hired on temporary/contractual/casual basis:** 70
3. **Please indicate the Number of permanent women employees:** 455
4. **Please indicate the Number of permanent employees with disabilities:** 2
5. **Do you have an employee association that is recognized by management.** No
6. **What percentage of your permanent employees is members of this recognized employee association?** N.A.
7. **Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/forced labour/involuntary labour	NIL	NIL
2	Sexual harassment	1	1*
3	Discriminatory employment	NIL	NIL

* The Complaint was closed as on date of this report as per required process.

8. **What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**

(a) Permanent Employees: 50%

(b) Permanent Women Employees: 50.3%

(c) Casual/Temporary/Contractual Employees: 22.9%

(d) Employees with Disabilities: 50%

Principle 4 : Businesses should respect the interests of and be responsible towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

1. **Has the company mapped its internal and external stakeholders?** Yes

2. **Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?**

   Yes

3. **Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.**

   The Companies Act, 2013, provisions provide a framework, process, structure, and direction for corporate social responsibility (CSR) initiatives to align with India's needs. The company is already committed to improving the world. We live in by creating, nurturing and supporting programs and initiatives that serve the communities where our stakeholders live and work. A not-for-profit company, Honeywell Hometown Solutions India Foundation, was set up as a vehicle to deploy the company's CSR efforts. The foundation implements these programs either on its own or through credible, third party not-for-profit organizations. The company focuses on five areas of critical importance:

   - Science and Math Education
   - Housing and Shelter
   - Sustainability
   - Family Safety and Security
   - Humanitarian Relief

   Working within the government's CSR schedule and our own framework, the company has launched three programs. The company has taken initiatives in specific areas of social development that includes education and environment. For specific details, please refer to Report on Corporate Social Responsibility. The key initiatives are as under:

   - Safe Kids at Home is a home safety program, in collaboration with Safe Kids Foundation. The program focuses on burns and scald injuries among children under 14 years in Pune. By 2018, the program will have taught 4,25,000 children (mostly in government schools) and 3,50,000 parents to be fire-safe. The program engages citizens and civic bodies to make Pune a model safe city. As on March 31, 2018, Safe Kids at Home has already trained 4,27,242 children and 2,56,318 parents in Pune.
   - Honeywell-Safe Water Network Initiative: Under this initiative, Honeywell is setting up 100 safe water stations in rural Telangana, in regions that suffer groundwater contamination from fluorides. Safe water access reduces incidences of skeletal fluorosis, a debilitating condition that causes teeth mottling, stunting, bending of spine, and loss of productivity. By 2018, the program will have benefited 3,30,000 people in the region.
   - Honeywell Science Experience with Agastya International Foundation: This is a hands-on science education program for economically disadvantaged students and teachers. Upto financial year 2016-17, the program was extended to 64,370 students and 360 teachers across all centres and laboratories. As on March 31, 2018, Honeywell Science Experience had established 15 science centres, 13 mobile science labs, and 1,600 young instructor leaders or student mentors impacting 69,609 students and 359 teachers across Delhi-NCR, Bengaluru, and Pune.
   - Honeywell Safe Schools, implemented by Sustainable Environment and Ecological Development Society (SEEDS), takes a comprehensive approach to school safety. It seeks to ensure that children go to school without fear, remain safe in school, and return home safely. This is a pioneering school safety program that

brings a tailor-made approach to address the unique issues of each school or location involving structural assessment of each school by engineers and architects; evaluation of risk perception; and examination of preparedness in the face of any natural or manmade disaster. The program will benefit 50 government schools, 25,000 children, 40,000 parents and 1,000 teachers in Delhi by 2020.

- Honeywell Science Academy with Avasara Leadership Institute providing deep, transformative, residential science education program to 12,500 disadvantaged girl students in Pune. By December 2018, the school building is planned to be completed.

Principle 5 : Businesses should respect and promote human rights

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

Our Code of Conduct, along with other Honeywell policies, establishes practices and standards that address a broad range of human rights and workplace issues. Honeywell respects and values the diversity reflected in our various backgrounds, experiences and ideas. Together, we provide each other an inclusive work environment that fosters respect for all coworkers and business partners.

The Company does not employ child labor. In addition, we will never use forced, indenture or involuntary labor in any of our operations. As part of our commitment to our communities and our world, Honeywell will not tolerate any instances of human trafficking or other forced labor. We will also never conduct business with any third parties who engage in human trafficking or forced labor.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

NIL

Principle 6: Business should respect, protect and make efforts to restore the environment

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/others.

The Honeywell business respects, protects, and make efforts to restore the environment. The Honeywell policies are extended to the group/joint ventures/suppliers/contractors/NGOs/others. The Honeywell Environmental policy is applicable to all the business units/groups and extends to business partners including suppliers, vendors and contractors.

By integrating health, safety and environmental considerations into all aspects of our business, we protect our people and the environment, achieve sustainable growth and accelerated productivity, drive compliance with all applicable regulations and develop the technologies that expand the sustainable capacity of our world. Our health, safety and environment management systems reflect our values and help us meet our business objectives. If we believe that conditions are in any way unsafe, we must stop work immediately.

2. Does the company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

Yes. The Sustainable Opportunity Policy, Honeywell's Commitment to Health, Safety and Environment guides the organisation to continually mitigate the impact on climate change and global warming because of our operations. The company has specific targets to reduce the carbon footprint and monitors it on an ongoing basis. Detailed plan to achieve these targets focus on creating green infrastructure which are designed for better energy efficiency, drive

green IT (IT enabled energy efficiency in data centers and distributed IT networks), efficient operations and green power purchase. The company is committed to compliance with health, safety and environment requirements.

Solar energy project is planned for Fulgaon factory.

We have three STP plants in our Hadapsar office and Fulgaon factory where in water is reused for gardening and per month the water used for gardening is up to 1,00,000 liters per day, which saves cost and supports environment.

3. Does the company identify and assess potential environmental risks? Y/N

Yes. Your company identifies and assesses all potential environmental risks. It is also covered in the consent to operate given by the pollution control board. We have a strong and competent Health, Safety and Environment team that ensures compliance with regulations and promotes sustainable environment by minimising the environmental impact from our operations.

Your company also follows the local norms directed by the CPCB.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

Yes. The factory has hazardous and non-hazardous waste segregation process in place. The hazardous waste is disposed by the Honeywell authorized vendors and approved by the MPCB which is local legal requirement, all the required monitoring for environment contamination is done on time by the government approved Environment Lab.

The following returns are filed (a) Monthly Water CESS report (b) Annual Hazardous waste report and (c) Annual Environment statement with MPCB.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

Yes. The company has taken initiative on energy savings at the Hadapsar facility. Below mentioned projects are carried out:

- Lighting Retrofit (replacement of all ceiling lights/down lighters with LED's)
- Chiller +Thermal Storage saving (Replacement of main chiller)
- Chilled water Primary pump optimization (Replacement of Primary pump of HVAC)
- Chilled water Secondary pump optimization with VFD (Replacement of Secondary pump of HVAC)
- Condensor water pump optimization using VFD (Replacement of Condenser pump of HVAC)
- AHU Upgradation with VFD (Induction of VFD for all AHU's)

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes.

7. Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

NIL

Principle 7: Business, when engaged in influencing public and regulatory policy, should do in a responsible manner.

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with: (a) American Chamber of Commerce, New Delhi (b) Mahratta Chamber Of

Commerce Industries & Agriculture (c) Hadapsar Industries Association

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

   Yes.

   (a) Governance and Administration (b) Economic Reforms

Principle 8: Businesses should support inclusive growth and equitable development.

1. **Does the company have specified programs / initiatives / projects in pursuit of the policy related to Principle 8? If yes details thereof.**

   Yes. The company undertook following projects/ programs as a part of its CSR initiatives for Rs. 469 lakhs:

   - Honeywell Science Experience with Agastya International Foundation: Rs. 153 lakhs was contributed by the company for the financial year ending March 31, 2018
   - Honeywell-Safe Water Network Initiative: Rs. 128 lakhs was contributed by the company for the financial year ending March 31, 2018
   - Honeywell Science Academy with Avasara Leadership Institute: Rs. 102 lakhs was contributed by the company for the financial year ending March 31, 2018.
   - Balance contribution of Rs. 86 lakhs will be utilised for core CSR programs during 2018-19 and dedicated administrative expenditure of HHSIF for managing the Company's CSR programs.

2. **Are the programs / projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organization?**

   These programs are undertaken through Honeywell Hometown Solutions India Foundation (HHSIF), a registered not-for-profit Honeywell India entity. HHSIF works with specialized, highly credible NGO partners selected through a rigorous RFP and due diligence process (legal, finance, tax, integrity and compliance).

3. **Have you done any impact assessment of your initiative?**

   - Safe Kids at Home with Safe Kids Foundation, funded by FY 2014-15 CSR contribution, is a three-year sensitisation program (FY 2015-18). In the program, the NGO partner conducts pre-assessment and post assessment before and after every training session for each individual beneficiary. The NGO partner has also conducted a midline assessment in 2017. In addition, HAIL internal audit conducted a full financial and social audit of the program in 2017.
   - Honeywell Science Experience with Agastya International Foundation, funded by FY 2015-16 CSR contribution, is a three-year STEM education program (FY 2016-19). The NGO partner conducts pre-assessment and post assessment after every session. A third-party auditor conducted a full financial and social audit in October 2017.
   - FY 2016-17 and FY2017-18, multiple programs were funded. Their impact assessment would be conducted after completion of one year of these programs.

4. **What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.**

   During the period under review, the company has contributed a sum of Rs. 469 lakhs towards its CSR commitment to Honeywell Hometown Solutions India Foundation (HHSIF). Of this:

- Rs. 153 lakhs was contributed towards the Honeywell Science Experience program in partnership with Agastya International Foundation that will deploy these funds over FY 2018-19
- Rs. 128 lakhs was contributed towards the Honeywell-Safe Water Network Initiative to be implemented by Safe Water Network over FY 2018-19.
- Rs. 102 lakhs was contributed towards Honeywell Science Academy, to be implemented by Avasara Leadership Institute, a not-for-profit organization, over FY2018-19.
- Balance contribution will be utilized for core CSR programs and any related dedicated administrative expenditure during FY2017-18 and FY2018-19 for managing your Company's CSR programs.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Yes. These programs strategically target marginalized and underprivileged sections of the society, identified per the community's needs. The community impact at end of project is as follows:

- Honeywell Science Experience program with Agastya International Foundation was expanded to Mysore, Madurai, Chennai, Hyderabad and NCR. By June 30, 2018, Honeywell Science Experience will establish 10 science centers, 22 mobile labs, 1,400 student mentors impacting 72,000 students and 783 teachers.
- Honeywell Safe Water Network Initiative with Safe Water Network, providing safe drinking water access to ~90,000 more people via 30 additional safe water stations in Telangana by June 30, 2018.
- Honeywell Science Academy with Avasara Leadership Institute providing deep, transformative, residential science education program to 12,500 disadvantaged girl students in Pune. By December 2018, the school building is planned to be completed.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.

1. What percentage of customer complaints /consumer cases are pending as on the end of financial year.

The percentage of customer complaints pending as on the end of financial year is 8.6%.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)

No. The company has been displaying product information on product label per the local law mandate.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.

Nil

4. Did your company carry out any consumer survey/consumer satisfaction trends?

Yes. Customer satisfaction surveys are carried out periodically that measures performance on various parameters, such as timely completion, quality of testing, quality of product / services, product safety etc.

For and on behalf of the Board of Directors of
Honeywell Automation India Limited

Ashish Gaikwad	**Suresh Senapaty**
Managing Director	Chairman

Pune, May 14, 2018

To The Members of Honeywell Automation India Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Honeywell Automation India Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that :

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

   d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

   e) On the basis of the written representations received from the directors of the Company as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 34 to the Ind AS financial statements;

      ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 37 to the Ind AS financial statements;

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sunil S. Kothari
Partner
(Membership No. 208238)

Pune, 14th May, 2018

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Honeywell Automation India Limited ("the Company") as of 31st March, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail,

accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sunil S. Kothari
Partner
(Membership No. 208238)

Pune, 14th May, 2018

(Referred to in paragraph 2 under 'Reporting on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of five years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the copy of the registered sale deed, title search report and tax paid receipts provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. The Company does not have any immovable properties of leasehold land and building.

(ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

(iii) The Company has not granted any loans, secured or unsecured, to Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of investments made by the Company. According to the information and explanations given to us, the Company has not granted loans or provided guarantees and securities.

(v) According to the information and explanations given to us, the Company has not accepted any deposit and hence reporting under clause 3 (v) of the Order is not applicable to the Company.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of Act. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Act, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods and Service Tax (GST), Cess and other material statutory dues applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods and Service Tax (GST), Cess and other material statutory dues in arrears as at 31st March, 2018 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Goods and Service Tax (GST) which have not been deposited as on 31st March, 2018 on account of disputes are given below:

Income Tax Act, 1961				
Nature of Due	**Forum where Pending**	**Period to which it pertains**	**Amount unpaid (Rs. in Lakhs)**	**Amount Paid (Rs. in Lakhs)**
Income Tax	Bombay High Court	1999-00	22.75	211.68
Income Tax	Commissioner of Income Tax	2001-02, 2002-03, 2004-05 & 2014-15	1,731.46	373.75
Income Tax	Income Tax Appellate Tribunal	2003-04, 2005-06, 2006-07, 2007-08, 2009-10, 2010-11, 2011-12 & 2012-13	3,404.59	8,540.94
Respective sales tax laws- Sales tax, Value added tax (VAT), Central Sales Tax (CST), Works Contract Tax, Entry Tax				
Nature of Dues	**Forum where dispute is pending**	**Period to which amount relates**	**Amount unpaid (Rs. in Lakhs)**	**Amount Paid (Rs. in Lakhs)**
VAT	Additional Commissioner (Appeal) Uttar Pradesh	2011-12,2012-13	378.68	-
CST	Assistant commissioner, Himachal Pradesh	2012-13	0.40	-
CST/VAT	Assistant Commissioner, Jharkhand	2007-08	18.69	-
CST/VAT	Assistant Commissioner, Karnataka	2011-12, 2012-13	59.02	90.00
VAT/CST	Assistant commissioner, West Bengal	2014-15	25.55	2.68
VAT/CST	Assistant Commissioner,Rajasthan	2006-07, 2007-08, 2008-09, 2013-14, 2014-15	79.74	-
VAT/CST	Assistant Commissioner,Telangana	2014-15, 2015-16	79.02	11.29
VAT	Delhi AVATO	2012-13	5.99	-
CST	Commerical tax officer, Andhra Pradesh	2010-11	0.34	-
VAT	Commerical tax officer, Kerala	2008-09, 2011-12	144.67	15.59
CST	Commerical tax officer, Telegana	2014-15	52.41	-
VAT	Deputy Commissioner (Commercial Tax)Kerala	2013-14	46.46	20.39
VAT	Deputy Commissioner (CT), Andhra Pradesh	2010-11	7.66	-
VAT	Deputy Commissioner (CT), Uttar Pradesh	2008-09	65.35	-
VAT	Deputy Commissioner Jharkhand	1997-98, 1998-99, 1999-2000	39.73	-
VAT	Deputy Commissioner, Kerala	2009-10	0.74	0.19
CST	Deputy commissioner, Maharashtra	2012-13	519.87	40.00
Entry Tax	Deputy Commissioner, Uttar Pradesh	2005-06, 2006-07	26.00	-
VAT/CST	Deputy Commissioner, Uttar Pradesh	2006-07, 2013-14, 2014-15	306.57	0.19
VAT/CST	Deputy Commissoner (A) Gujrat	2001-02, 2008-09	48.44	10.00
VAT	Deputy Commissoner (A) Kerala	2011-12, 2012-13	119.16	9.63
VAT/CST	Deputy Commissoner (A) Rajasthan	2009-10 to 2012-13	92.05	-
CST	Joint Commissioner (A) Karnataka	2009-10	0.23	17.80
VAT/CST	Joint Commissioner (A) West Bengal	2010-11 to 2013-14	289.34	40.71
CST	Joint Commissioner (A)Maharashtra	2001-02	212.98	-
MWCT	Joint Commissioner (A)Maharashtra	2001-02	13.19	-
VAT/CST	Joint Commissioner (A)Maharashtra	2007-08, 2009-10	219.75	71.64
VAT/CST	Joint commissioner, Delhi	2012-13, 2014-15, 2015-16	1,338.62	-
VAT	Joint commmissioner, Karnataka	2010-11, 2011-12	28.92	65.00
VAT/CST	Joint commmissioner, Maharshtra	2010-11, 2011-12	253.61	51.96
CST	Sales tax officer, Uttar Pradesh	2010-11	13.69	16.50
VAT/CST	Special Commissioner, Delhi	2007-08	341.48	-
VAT	Senior joint Commissioner, West Bengal	2007-08	19.25	-
The Customs Act, 1962				
Nature of Dues	**Forum where dispute is pending**	**Period to which amount relates**	**Amount Paid (Rs. in Lakhs)**	**Amount unpaid (Rs. in Lakhs)**
Customs	Deputy Commissioner (Customs), Mumbai	1994-95, 2007-08	-	81.35
The Central Excise Act, 1944				
Nature of Dues	**Forum where dispute is pending**	**Period to which amount relates**	**Amount Paid (Rs. in Lakhs)**	**Amount unpaid (Rs. in Lakhs)**
Excise	Deputy/Assistant Commissioner, Excise Pune	2000-01	-	2.40

(viii) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause 3 (viii) of the Order is not applicable to the Company.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable to the Company.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc., as required by the applicable accounting standards.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with them and hence provisions of Section 192 of the Act are not applicable to the Company.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sunil S. Kothari
Partner
(Membership No. 208238)

Pune, 14th May, 2018

(Rupees in lakhs)

Particulars	Notes	As at 31st March 2018	As at 31st March 2017
Assets			
Non-current assets			
(a) Property, plant and equipment	4	8,382	7,857
(b) Capital work in progress	4	110	269
(c) Intangible assets	5	10	24
(d) Financial assets			
(i) Trade receivables	7	854	418
(ii) Other financial assets	10	2,108	2,710
(e) Income tax assets (net)	11	7,162	5,100
(f) Deferred tax assets (net)	12	7,666	6,844
(g) Other non-current assets	13	9,461	7,294
Total non-current assets		**35,753**	**30,516**
Current assets			
(a) Inventories	14	7,977	9,691
(b) Financial assets			
(i) Investments	6	7,777	8,275
(ii) Trade receivables	7	59,112	50,032
(iii) Cash and cash equivalents	8	65,878	49,075
(iv) Bank balances other than (iii) above	9	18,265	8,772
(v) Other financial assets	10	2,893	2,023
(c) Other current assets	13	45,535	36,764
Total current assets		**207,437**	**164,632**
Total Assets		**243,190**	**195,148**
Equity and Liabilities			
Equity			
(a) Equity share capital	15	884	884
(b) Other equity	16	140,984	117,144
Total Equity		**141,868**	**118,028**
Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Trade payables	18	179	76
(b) Provisions	17	1,224	1,268
Total non-current liabilities		**1,403**	**1,344**
Current liabilities			
(a) Financial liabilities			
(i) Trade payables	18	77,078	57,244
(ii) Other financial liabilities	19	688	181
(b) Other current liabilities	20	13,324	11,259
(c) Provisions	17	8,829	7,092
Total current liabilities		**99,919**	**75,776**
Total Equity and Liabilities		**243,190**	**195,148**

See accompanying notes to the financial statements
In terms of our report of even date
For **Deloitte Haskins & Sells LLP**
Firm Registration Number - FRN 117366W/W100018
Chartered Accountants

Sunil S Kothari
Partner
Membership No: 208238

Place : Pune
Date : May 14, 2018

For and on behalf of the Board

Suresh Senapaty
Chairman

Ashish Gaikwad
Managing Director

Farah Irani
Company Secretary

R Ravichandran
Chief Financial Officer

Place : Pune
Date : May 14, 2018

(Rupees in lakhs)

Particulars	Notes	Year ended 31st March 2018	Year ended 31st March 2017
(I) Revenue from operations	21	269,814	244,472
(II) Other Income	22	3,312	3,803
(III) Total Income (I + II)		273,126	248,275
(IV) Expenses:			
Cost of materials consumed	23	114,337	108,704
Purchases of Stock in Trade		25,564	20,705
Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	777	605
Excise duty on sale of goods		816	3,465
Employee benefits expense	25	44,974	41,393
Finance costs	26	28	26
Depreciation and amortization expense	4 & 5	1,520	1,635
Other expenses	27	46,987	41,011
Total expenses		235,003	217,544
(V) Profit before tax (III - IV)		38,123	30,731
(VI) Income tax expense:			
- Current tax		13,874	10,468
- Deferred tax		(724)	408
- Relating to earlier years		-	2,910
Total tax expense		13,150	13,786
(VII) Profit for the year (V-VI)		24,973	16,945
(VIII) Other comprehensive income			
A (i) Items that will not be reclassified to Profit or Loss			
(a) Remeasurements losses of the defined benefit plans		(193)	(226)
A (ii) Income tax relating to items that will not be reclassified to profit or loss		68	78
B (i) Items that may be reclassified to Profit or Loss			
(a) Effective portion of gains and loss on designated portion of hedging instruments in cashflow hedge		(86)	-
B (ii) Income tax relating to items that may be reclassified to profit or loss		30	-
Total other comprehensive income (A (i-ii) + B (i-ii))		(181)	(148)
(IX) Total comprehensive income for the year (VII + VIII)		24,792	16,797
Earning per equity share (In Rs.)			
Basic and Diluted	31	282.45	191.65
Nominal value per share: Rs.10			

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Chief Financial Officer

Place : Pune
Date : May 14, 2018

(Rupees in lakhs)

	Particulars	Year ended 31st March 2018	Year ended 31st March 2017
A.	**Cash flow from operating activities**		
	Profit for the year	**24,973**	**16,945**
	Adjustments for:		
	Income tax expense recognised in profit and Loss account	13,150	13,786
	Depreciation and amortisation of non current assets	1,520	1,635
	Loss on sale / write off of tangible and intangible assets (net)	424	71
	Interest income recognised in profit or loss	(2,103)	(1,877)
	Dividend income in profit or loss	(352)	(383)
	Employee stock options provisions	112	94
	Effects of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies	(192)	48
	Effect of unrealized exchange (Gain)/Loss	114	(18)
	Interest (Refer Note 32)	28	26
	Liabilities no longer required written back	(356)	(311)
	Interest on Other financial assets carried at amortised cost	(69)	(63)
	Expected credit loss allowance	(71)	(347)
	Movements in working capital:		
	(Increase) / decrease in trade and other receivables	(10,280)	1,106
	(Increase) / decrease in amount due from customers under construction contracts	(7,897)	2,214
	(Increase) in inventories	1,714	374
	(Increase) / decrease in other assets	(3,037)	(1,440)
	Increase / (decrease) in trade payables	20,975	1,535
	Increase / (decrease) in provisions	1,500	355
	Increase / (decrease) in other current liabilities	2,152	967
	Cash generated from operations	**42,305**	**34,717**
	Income taxes paid (net of refund, if any)	(16,015)	(13,198)
	Net cash generated from operations	**26,290**	**21,519**
B.	**Cash flow from investing activities**		
	Payments for Property, Plant and equipment	(1928)	(1,280)
	Proceeds from disposal of property, plant and equipment	52	47
	Payment for intangible assets	-	(13)
	Payments to acquire financial assets net of proceeds	86	(331)
	Interest received	1,818	1,859
	Fixed deposits placed during the year	(46,000)	(37,500)
	Proceeds from fixed deposits matured during the year	36,507	28,758
	Redemption of Mutual funds	850	-
	Net cash generated from investing activities	**(8,615)**	**(8,460)**
C.	**Cash flow from financing activities**		
	Dividend paid (including dividend distribution tax of Rs 180 lakhs (Previous year Rs 180 lakhs) there on)	(1,064)	(1,064)
	Net cash used in financing activities	**(1,064)**	**(1,064)**
	Net change in cash and cash equivalents	**16,611**	**11,995**
	Cash and cash equivalents as at the beginning of the Year	49,075	37,128
	Effects of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies	192	(48)
	Cash and cash equivalents as at the end of the Year	65,878	49,075
	Movement in cash and cash equivalents	**16,611**	**11,995**

(Rupees in lakhs)

Cash and cash equivalents consist of	31st March 2018	31st March 2017
Bank Balances		
Current Accounts	25,576	26,653
Cheques on hand	463	-
Demand deposits (Original maturity less than 3 months)	39,839	22,422
	65,878	**49,075**

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Place : Pune
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Chief Financial Officer

Place : Pune
Date : May 14, 2018

A. Equity share capital

(Rupees in lakhs)

	Amount
Balance as at 31st March 2017	884
Changes in equity share capital	-
As at 31st March 2018	884

B. Other equity

(Rupees in lakhs)

	Reserves and surplus				Other comprehensive Income		Total
	Securities Premium Reserves	General Reserves	Retained earnings	Share based payment reserve	Remeasurements of the defined benefit plans	Effective portion of cash flow hedge	
Balance as at 31st March 2016	**1,577**	**16,858**	**83,047**	**183**	**(348)**	**-**	**101,317**
Profit for the year	-	-	16,945	-	-	-	16,945
Transfer to general reserves	-	1,694	(1,694)	-	-	-	-
Other comprehensive income for the year, net of income tax	-	-	-	-	(148)	-	(148)
Total comprehensive income for the year	**-**	**1,694**	**15,251**	**-**	**(148)**	**-**	**16,797**
Dividend Paid	-	-	(884)	-	-	-	(884)
Dividend Distribution Tax Paid	-	-	(180)	-	-	-	(180)
Recognition of share-based payments	-	-	-	94	-	-	94
Balance as at 31st March 2017	**1,577**	**18,552**	**97,234**	**277**	**(496)**	**-**	**117,144**
Profit for the year	-	-	24,973	-	-	-	24,973
Other comprehensive income for the year, net of income tax	-	-	-	-	(125)	(56)	(181)
Total comprehensive income for the year	**-**	**-**	**24,973**	**-**	**(125)**	**(56)**	**24,792**
Dividend Paid	-	-	(884)	-	-	-	(884)
Dividend Distribution Tax Paid	-	-	(180)	-	-	-	(180)
Transfer to general reserves	-	-	-	-	-	-	-
Recognition of share-based payments	-	-	-	112	-	-	112
Balance as at 31st March 2018	**1,577**	**18,552**	**121,143**	**389**	**(621)**	**(56)**	**140,984**

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Company Secretary

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Chief Financial Officer

Place : Pune
Date : May 14, 2018

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - GENERAL INFORMATION:

Honeywell Automation India Limited (the 'Company') is engaged primarily in the business of Automation & Control systems on turnkey basis and otherwise. The Company is a public limited company and is listed on the Bombay Stock Exchange, Mumbai (BSE) and the National Stock Exchange (NSE).

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES:

A. Statement of Compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non current classification of assets and liabilities.

B. Basis of Preparation and Presentation

The financial statements have been prepared on a historical cost convention and on an accrual basis, except for the following material items that have been measured at fair value as required by relevant Ind AS:

i) Derivative financial instruments

ii) Certain financial assets and financial liabilities measured at fair values (as required by the relevant Ind AS)

iii) Share based payment transactions and

iv) Defined benefit and other long term employee benefits

Historical cost is generally based on the fair value of the consideration given in exchange of goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the company takes into account the characteristics of the assets or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and disclosure purpose in these financial statement is determined on such basis, except for share-based transactions that are within scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

For financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilites that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly;

Level 3 inputs are unobservable inputs for the asset or liability.

C. Property, Plant and Equipment

Tangible assets are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any.

Items of Property, plant and equipment that have been retired from active use and are held for disposal are stated at the lower of their net book value and net realisable value and are shown separately in the financial statements. Any expected loss is recognised immediately in the Statement of Profit and Loss.

Losses arising from the retirement of, and gains or losses arising from disposal of Property, plant and equipment are recognised in the Statement of Profit and Loss.

Freehold land is not depreciated.

The Company depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows:

Class of Assets	Useful Lives
Buildings	30 years
Plant and Machinery*	10 years
Demo Equipment*	4 years
Computers	3 years
Office Equipment	5 - 6 years
Furniture and Fixture	5 - 10 years
Vehicles*	4 - 5 years

* Based on technical evaluation, the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence, the useful lives for these assets are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

Assets installed in leased premises are depreciated over lease period or useful life of assets whichever is lower.

The estimated useful life of the Property, plant and equipment are reviewed at the end of each financial year, with the effect of any changes in estimate accounted for on a prospective basis.

D. Intangible Assets and Amortization

Intangible assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis over their estimated useful lives. The amortisation period and the amortisation method are reviewed at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

Losses arising from the retirement of, gain or losses arising from disposal of an intangible asset are recognised in the Statement of Profit and Loss. The Purchased Software are amortized over a period of 3 years.

The estimated useful life of the other intangible assets are reviewed at the end of each financial year, with the effect of any changes in estimate accounted for on a prospective basis.

E. Impairment of Tangible and Intangible Assets other than Goodwill

Assessment is done at each Balance Sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of

the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.

F. Inventories

Inventories are stated at lower of cost and net realisable value. Cost is determined using the technique of standard cost method, which approximates the actual cost using the Moving Weighted Average basis. The cost of finished goods and work in progress comprises design costs, raw materials, direct labour, other direct costs and related production overheads. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

G. Revenue Recognition

i) Revenue in respect of projects for construction of plants and systems is recognized on the basis of percentage of completion method in accordance with Ind AS 11 – Construction Contracts. Percentage of completion is determined by the proportion that "contract costs" incurred for work done till date bears to the estimated total contract costs (Input method). Difference between costs incurred plus recognized profits / less recognized losses and the amount of invoiced sale is disclosed as contracts in progress. Determination of revenues under the percentage of completion method necessarily involves making estimates by the Company, some of which are of a technical nature, concerning where relevant, the percentage of completion, costs to completion, the expected revenue from the contract and the foreseeable losses to completion. Contractual claims are recognized on raising of the claim. Income from non-contractual claims is recognized only on acceptance of the claim by the customer.

'Unbilled revenues' represent cost and earnings in excess of billings as at the end of the reporting period.

'Unearned revenues' represent billing in excess of revenue recognized. Advance payments received from customers for which no services are rendered are presented as 'Advance from customers'.

ii) Revenue from sales of products and services are recognized when all the revenue recognition criteria as per Ind AS 18 are met.

iii) Revenue from short term software development services includes revenue from time and material and fixed price contracts. Revenues from time and material contracts are recognized as related services are performed. With reference to fixed price contracts, revenue is recognized in accordance with proportionate completion method.

H. Foreign Currency Transactions

i) Functional currency

The functional currency of the company is the Indian rupee. These financial statements are presented in Indian rupees (rounded off to Lakhs).

ii) Initial Recognition

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction.

iii) Subsequent Recognition

As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

All monetary assets and liabilities in foreign currency are restated at the end of accounting period.

Exchange differences on restatement of all other monetary items are recognised in the Statement of Profit and Loss.

I. Employee Benefits

The Company participates in various employee benefit plans. Post-employment benefits are classified as either defined contribution plans or defined benefit plans:

i) Superannuation fund:

Contribution towards superannuation fund for certain employees is made to the Life Insurance Corporation, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

ii) Provident Fund:

Provident Fund contributions are made to a Trust administered by the Company. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of the year and any shortfall in the fund size maintained by the Trust set up by the Company is additionally provided for.

iii) Gratuity:

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to eligible employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each financial reporting period.

iv) Compensated Absences:

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year end are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

v) Termination Benefits:

Termination benefits in the nature of voluntary retirement benefits are recognised in the Statement of Profit and Loss as and when incurred.

Actuarial gain or losses and remeasurements:

Actuarial gains or losses on defined benefit obligations are recognized in other comprehensive income. Further, the profit or loss does not include an expected return on plan assets. Instead net interest recognized in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognized as part of re-measurement of net defined liability or asset through other comprehensive income.

Remeasurements comprising actuarial gains or losses and return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are not reclassified to profit or loss in subsequent periods.

J. Share Based Payments

Certain employees of the Company receive remuneration in the form of equity settled instruments given by the ultimate holding company (Honeywell International Inc.), for rendering services over a defined vesting period. Equity instruments granted are measured by reference to the fair value of the instrument at the date of grant.

The expense is recognized in the statement of profit and loss with a corresponding increase to the share based payment reserve, as a component of equity. The equity instruments generally vest in a graded manner over the vesting period. The fair value determined at the grant date is expensed over the vesting period of the respective tranches of such grants. The stock compensation expense is determined based on the Company's estimate of equity instruments that will eventually vest.

K. Income Tax

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period.

Current tax:-

Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdictions.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred tax:-

Deferred tax is recognized using the balance sheet approach. Deferred tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements.

Deferred tax asset are recognized to the extent that it is probable that taxable profit will be available against which such deferred tax assets can be realised.The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred tax liabilities are recognized for all taxable temporary differences.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

L. Provisions and Contingencies

Provisions: Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are discounted to its present value as appropriate.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for onerous contracts are measured at the present value of lower of the expected net cost of fulfilling the contract and

the expected cost of terminating the contract.

Contingent Liabilities: Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is termed as a contingent liability.

M. Leases

At the inception of a lease, the lease arrangement is classified as either a finance lease or an operating lease, based on the substance of the lease arrangement.

As a lessee:

Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalized at fair value or present value of the minimum lease payments at the inception of the lease, whichever is lower.

Lease payments under operating leases are recognised as an expense on a straight line basis in the statement of profit and loss over the lease term except where the lease payments are structured to increase in line with expected general inflation.

N. Financial Instruments

Financial assets and financial liabilities are recognised when a company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

O. Financial Assets

All purchases or sales of financial assets are recognised and derecognised on a trade date basis including delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

i. Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition) :

a) the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

b) the contractual terms of the instrument give rise on specified date to cash flows that are solely payments of principal and interest on the principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (FVTOCI) (except for debt instruments that are designated as at fair value through profit or loss on initial recognition) :

a) the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and

b) the contractual terms of the instrument give rise on specified date to cash flows that are solely payments of principal and interest on the principal and interest on the principal amount outstanding.

Interest income is recognised in profit or loss for FVTOCI debt instruments. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss.

All other financial assets are subsequently measured at fair value.

ii. Effective interest method

The effective interest method is a method of calculating the amortised cost of debt instrument and of allocating interest over the relevant period. The effective interest rate is the rate that discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income recognised on an effective interest basis for debt instruments other than those financial assets classified as FVTPL. Interest income is recognised in profit and loss and is included in "Other income" .

iii. Financial assets at fair value through profit or loss (FVTPL):

Investments in equity instruments are classified as FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investment in equity instruments which are not held for trading.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria are measured at FVTPL. In addition, debt instruments that meet amortised cost criteria or FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduced a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporate any dividend or interest earned on the financial asset and is included in 'Other income'. Dividend on financial asset at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that economic benefits associated with dividend will flow to the entity, the dividend does not represent recovery of part of cost of the investment and the amount of dividend can be measured reliably.

iv. Impairment of financial assets

The company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instrument at FVTOCI, trade receivables, other contractual right to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the company expects to receive, discounted at the original effective interest rate (or credit-Adjusted effective interest rate for purchased or originated credit-impaired financial assets). The company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the company measures the loss allowance for that financial instrument at an amount equal to 12 month expected credit losses. 12 month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the company again measures the loss allowance based on 12 month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the company uses the change in the risk of a default accruing over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financials asset that results from transactions that are within the scope of Ind AS 11 and Ind AS 18, the company measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix based on judgement considering past experience.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI expect that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

v. Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flow from the asset expired or when it transfer the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred assets the Company recognises its retained interest in the asset and then associated liability for amounts it may have to pay.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such

gain or loss would have otherwise been recognised in profit or loss on disposal of that financial assets.

On derecognition of a financial asset other than in its entirety, the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of relative fair values of those part on the date of the transfer. The difference between carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that has been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair value of those parts.

vi. Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss.

Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in other comprehensive income.

For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured amortised cost. Thus, the exchange difference on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

Vii. Derivative financial instruments and hedge accounting

In the ordinary course of business, the Company uses certain derivative financial instruments to reduce business risks which arise from its exposure to foreign exchange fluctuations. The instruments are confined principally to foreign exchange forward contracts. The instruments are employed as hedges of transactions included in the financial statements or for highly probable forecast transactions/firm contractual commitments. These derivatives contracts do not generally extend beyond six months.

Derivatives are initially accounted for and measured at fair value from the date the derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period

The Company adopts hedge accounting for forward and interest rate contracts wherever possible. At the inception of each hedge, there is a formal, documented designation of the hedging relationship. This documentation includes, inter alia, items such as identification of the hedged item or transaction and the nature of the risk being hedged. At inception each hedge is expected to be highly effective in achieving an offset of changes in fair value or cash flows attributable to the hedged risk. The effectiveness of hedge instruments to reduce the risk associated with the exposure being hedged is assessed and measured at the inception and on an ongoing basis. The ineffective portion of designated hedges is recognised immediately in the statement of profit and loss.

When hedge accounting is applied:

a. for fair value hedges of recognised assets and liabilities, changes in fair value of the hedged assets and liabilities attributable to the risk being hedged, are recognised in the statement of profit and loss and compensate for the effective portion of symmetrical changes in the fair value of the derivatives.

b. for cash flow hedges, the effective portion of the change in the fair value of the derivative is recognised directly in equity and the ineffective portion is taken to the statement of profit and loss. If the cash flow hedge of a firm commitment or forecasted transaction results in the recognition of a nonfinancial asset or liability, then, at the time the asset or liability is recognised, the associated gains or losses on the derivative that had previously been recognised in equity are included in the initial measurement of the asset or liability. For hedges that do not result in the recognition of a non-financial asset or a liability, amounts deferred in equity are recognised in the statement of profit and loss in the same period in which the hedged item affects the statement of profit and loss.

In cases where hedge accounting is not applied, changes in the fair value of derivatives are recognised in the statement of profit and loss as and when they arise.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss on the hedging instrument recognised in equity is retained in equity until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to the statement of profit and loss for the period.

P. Financial Liabilities and Equity Instruments

i. Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of financial liability and equity instrument.

ii. Equity instruments

An equity instrument is any contract that evidences residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue cost.

iii. Financial liabilities

All financial liabilities are subsequently measured at amoritised cost using effective interest method of FVTPL.

a) Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or designated as at FVTPL.

Financial liability at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in 'Other Income'.

b) Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held for trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amount of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expenses that is not capitalised as part of cost of an asset is included in 'finance cost'.

The effective interest method is a method of calculating the amoritised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that

exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

c) Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instrument and are recognised in other income.

The fair value of financial liabilities denominated in foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liability that are measured at FVTPL, the foreign exchange component forms part of fair value gains or losses and is recognised in profit or loss.

iv) Derecognition of financial liabilities

The Company derecognises financial liability when, and only when, the Company obligations are discharged, cancelled and have expired. An exchange between with a lender of debt instrument is substantially different term is accounted for as and extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of a term of existing financial liability is accounted for as and extinguishment of the original financial liability and recognition of new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Q. Recent Accounting Pronouncements

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

Ind AS 115- Revenue from Contract with Customers: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount,timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors.
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach). The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The Company will adopt the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted.

NOTE 3 - CRITICAL JUDGEMENTS, ESTIMATIONS AND ASSUMPTIONS IN APPLYING ACCOUNTING POLICIES

In the application of the Company's accounting policies, which are described in note 3, the directors of the company are required to make judgements estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

1. The preparation of financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses for the reporting period. Specifically, the Company estimates the probability of collection of accounts receivable by analyzing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

2. The company uses the percentage-of-completion method in accounting for its contract revenue. Use of the percentage-of-completion method requires the company to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

3. The stock compensation expense is determined based on the Company’s estimate of equity instruments that will eventually vest.

4. Provision for warranty is considered based on the rolling average warranty expense incurred in the preceding 12 months, the warranty period for which ranges from 12 months to 24 months as per provisions of the contracts.

5. In case of Property, plant and equipment, The charge in respect of periodic depreciation is derived after determining an estimate of an asset’s expected useful life and the expected residual value at the end of its life. The useful lives and residual values of company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

Notes to the financial statements

NOTE 4 - PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS (Rupees in lakhs)

	31st March 2018	31st March 2017
Carrying amounts of :		
Freehold land	30	30
Buildings	3,941	3,447
Plant and machinery	3,044	2,893
Computers	804	986
Furniture and fixtures	356	359
Office equipments	205	122
Vehicles	2	20
	8,382	7,857
Capital work-in-progress	110	269
	8,492	8,126

(Rupees in lakhs)

	Freehold land	Buildings	Plant and machinery	Computers	Furniture and fixtures	Office equipments	Vehicles	Total
Cost or deemed cost								
Balance at March 31, 2016	**30**	**3,861**	**3,519**	**1,449**	**591**	**192**	**221**	**9,863**
Additions	-	-	495	698	4	20	-	1,217
Disposals / assets written off	-	(4)	(144)	(12)	(47)	(2)	(58)	(267)
Balance at March 31, 2017	**30**	**3,857**	**3,870**	**2,135**	**548**	**210**	**163**	**10,813**
Additions	-	883	950	449	101	124	-	2,507
Disposals / assets written off	-	(238)	(375)	(11)	(15)	-	(93)	(732)
Balance at March 31, 2018	**30**	**4,502**	**4,445**	**2,573**	**634**	**334**	**70**	**12,588**
Accumulated depreciation and impairment								
Balance at March 31, 2016	**-**	**212**	**512**	**496**	**114**	**46**	**114**	**1,494**
Eliminated on disposal / assets written off	**-**	-	(68)	(10)	(20)	(1)	(50)	(149)
Depreciation expenses	**-**	198	533	663	95	43	79	1,611
Balance at March 31, 2017	**-**	**410**	**977**	**1,149**	**189**	**88**	**143**	**2,956**
Eliminated on disposal of assets	**-**	(30)	(117)	(9)	(7)	-	(93)	(256)
Depreciation expenses	**-**	181	541	629	96	41	18	1,506
Balance at March 31, 2018	**-**	**561**	**1,401**	**1,769**	**278**	**129**	**68**	**4,206**
Carrying Amount								
Balance at March 31, 2017	**30**	**3,447**	**2,893**	**986**	**359**	**122**	**20**	**7,857**
Balance at March 31, 2018	**30**	**3,941**	**3,044**	**804**	**356**	**205**	**2**	**8,382**

Notes to the financial statements

NOTE 5 - INTANGIBLE ASSETS

(Rupees in lakhs)

	31st March 2018	31st March 2017
Computer software	10	24
Product distribution rights HSPL	-	-
	10	24

(Rupees in lakhs)

	Computer software	Product distribution rights HSPL
Cost or deemed cost		
Balance at March 31, 2016	**63**	**-**
Additions	13	-
Disposals	-	-
Balance at March 31, 2017	76	-
Additions	-	-
Disposals	-	-
Balance at March 31, 2018	76	-
Accumulated depreciation and impairment		
Balance at March 31, 2016	**28**	**-**
Depreciation expenses	24	-
Balance at March 31, 2017	52	-
Depreciation expenses	14	-
Balance at March 31, 2018	66	-
Carrying Amount		
Balance at March 31, 2017	**24**	**-**
Balance at March 31, 2018	**10**	**-**

Notes to the financial statements

NOTE 6 - CURRENT INVESTMENTS

(Rupees in lakhs)

	As at 31st March 2018	As at 31st March 2017
Investment in mutual funds (Unquoted):		
43,42,036 units at NAV of Rs: 100.30 (31st March 2017 : 45,95,073 at NAV of Rs:100.30) in DHFL Pramerica Insta Cash Plus Fund - Direct Plan - Daily Dividend -Reinvestment (previously known as DWS Insta Cash Plus Fund-Direct Plan - Daily Dividend -Reinvestment)	4,355	4,609
3,42,044 units at NAV of Rs: 1000.81 (31st March 2017 :3,66,480 at NAV of RS. 1000.81) in DSP Blackrock Liquidity Fund- Direct Plan - Daily Dividend -Reinvestment	3,422	3,666
Total	**7,777**	**8,275**

NOTE 7 - TRADE RECEIVABLES

(Rupees in lakhs)

	As at 31st March 2018	As at 31st March 2017
Non-Current		
(a) Secured, considered good	-	-
(b) Unsecured, considered good	854	418
(c) Doubtful	62	28
	916	446
Expected credit loss allowance	(62)	(28)
Total	**854**	**418**
Current		
(a) Secured considered good	-	-
(b) Unsecured, considered good	59,112	50,032
(c) Doubtful	6,302	5,578
	65,414	55,610
Expected credit loss allowance	(6,302)	(5,578)
Total	**59,112**	**50,032**

Notes to the financial statements

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. This provision matrix is based on judgement considering past experience. The provision matrix at the end of reporting period is as follows:

	Expected credit loss %	
Ageing	**31st March 2018**	**31st March 2017**
0-90 days past due	1.69%	0.07%
More than 90 days past due	36.86%	35.45%

Age of receivables

(Rupees in lakhs)

	As at 31st March 2018	As at 31st March 2017
0-90 days past due	44,753	34,709
More than 90 days past due	15,213	15,741
Total	**59,966**	**50,450**

Movement in the expected credit allowance

(Rupees in lakhs)

	As at 31st March 2018	As at 31st March 2017
Balance at beginning of the year	5,606	6,247
Add: Expected credit loss during the year	4,580	3,533
Less: Amounts recovered / reversed in the current year	(3,822)	(4,174)
Balance at the end of the year	6,364	5,606

The concentration of credit risk is limited due to the fact that the customer base is large.

The Composition of trade receivables representing more than 5% of trade receivables are as under:

(Rupees in lakhs)

As at	Number of customers	Outstanding balance
31st March 2018	3	11,675
31st March 2017	2	8,288

NOTE 8 - CASH AND CASH EQUIVALENTS

(Rupees in lakhs)

	As at 31st March 2018	As at 31st March 2017
Bank balances		
In current accounts	25,576	26,653
Cheques on hand	463	-
Demand deposits (Original maturity less than 3 months)	39,839	22,422
Total	**65,878**	**49,075**

There are no repatriation restrictions with regards to cash and cash equivalents as at the end of the reporting period and prior periods.

Notes to the financial statements

NOTE 9 - BANK BALANCES OTHER THAN (III) ABOVE (Rupees in lakhs)

	As at 31st March 2018	As at 31st March 2017
Other bank balances		
Long term deposits with original maturity more than 3 months but less than 12 months	18,241	8,749
Unpaid dividend account	24	23
Total	**18,265**	**8,772**

NOTE 10 -OTHER FINANCIAL ASSETS (Rupees in lakhs)

	As at 31st March 2018	As at 31st March 2017
Non-Current		
Deposits against bank guarantee	1,046	1,823
Security deposits	1,062	887
Total	**2,108**	**2,710**
Current		
Deposits against bank guarantee	917	131
Interest accrued on deposits with banks	840	555
Security deposits [net of allowance Rs.108 Lakhs, (31 st March 2017 Rs. 95 Lakhs)]	263	262
Earnest money deposits [net of allowance Rs. 382 Lakhs, (31 st March 2017 Rs. 295 Lakhs)]	873	1,075
Total	**2,893**	**2,023**

NOTE 11 - INCOME TAX ASSETS (NET) (Rupees in lakhs)

	As at 31st March 2018	As at 31st March 2017
Taxes paid in advance less provisions [Net of Provision for tax Rs. 73,828 Lakhs (31st March 2017 Rs. 59,955 Lakhs)]	7,162	5,100
	7,162	**5,100**

The income tax expense for the year can be reconciled to the accounting profit as follows:

	As at 31st March 2018	As at 31st March 2017
Profit before tax	38,123	30,731
Tax expenses	13,150	13,786
Effective tax rate	**34.49%**	**44.86%**
Net impact of deduction/exemption and disallowance	0.12%	-0.78%
Additional tax provision for earlier years arising out of proceedings with the authorities during the current year	0.00%	-9.47%
Tax rate as per Income tax act	**34.61%**	**34.61%**

The applicable Indian statutory tax rate for financial year ended March 31, 2018 and March 31, 2017 is 34.61%.

Notes to the financial statements

NOTE 12 - DEFERRED TAX ASSET (NET)

(Rupees in lakhs)

	As at 31st March 2018	As at 31st March 2017
Deferred tax liability (A)	68	266
Deferred tax assets (B)	7,734	7,110
Deferred tax assets (Net) (B-A)	**7,666**	**6,844**

Deferred tax assets and deferred tax liabilities have been offset as they relate to the same governing taxation laws.

	Opening Balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
2017-18				
Deferred tax assets / (liabilities) in relation to				
Depreciation and amortisation	(266)	198	-	(68)
Total	**(266)**	**198**	**-**	**(68)**
Provision for trade and other receivables	2,917	(170)	-	2,747
Provision for estimated cost to complete	726	578	-	1,304
Provision for compensated absences	437	20	-	457
Provision for other expenses	1,572	123	-	1,695
Provision for Gratuity	305	(77)	49	277
Provision for Bonus	755	142	-	897
Others	398	(90)	49	357
Total	**7,110**	**526**	**98**	**7,734**
2016-17				
Deferred tax assets / (liabilities) in relation to				
Depreciation and amortisation	(281)	15	-	(266)
Total	**(281)**	**15**	**-**	**(266)**
Provision for trade and other receivables	3,035	(118)	-	2,917
Provision for estimated cost to complete	733	(7)	-	726
Provision for compensated absences	386	51	-	437
Provision for other expenses	2,290	(718)	-	1,572
Gratuity	194	(156)	267	305
Bonus	590	165	-	755
Others	227	360	(189)	398
Total	**7,455**	**(423)**	**78**	**7,110**

Notes to the financial statements

NOTE 13 - OTHER ASSETS

(Rupees in lakhs)

	As at 31st March 2018	As at 31st March 2017
Non-current		
Advance rent	125	49
Balances with Government authorities (including payments made under protest)	9,254	7,188
Prepaid expenses	82	57
Total	**9,461**	**7,294**
Current		
Advance rent	60	64
Balances with Government authorities	6,938	5,211
Advances recoverable in cash or kind	647	799
Amounts due from customers under construction contracts (refer note 37 and note below) [Net of Expected Credit loss of Rs. 1,425 Lakhs; (31st March 2017 Rs. 2,361 Lakhs)]	35,039	27,142
Unbilled services [Net of Expected Credit loss of Rs. 72 Lakhs ; (31st March 2017 Rs. 69 Lakhs)]	2,299	1,866
Advances to employees	438	1,603
Prepaid expenses	114	79
Total	**45,535**	**36,764**

Movement in the expected credit allowance on Amounts due from customers under construction contracts

(Rupees in lakhs)

	As at 31st March 2018	As at 31st March 2017
Balance at beginning of the year	2,361	2,190
Add: Expected credit loss during the year	373	973
Less: Amounts recovered / reversed in the current year	(1,309)	(802)
Balance at the end of the year	1,425	2,361

NOTE 14 - INVENTORIES

(Rupees in lakhs)

	As at 31st March 2018	As at 31st March 2017
Inventories (lower of cost and net realisable value)		
Raw materials [includes in transit: Rs. 958 lakhs (31st March 2017 : Rs. 965 lakhs)]	4,817	5,754
Work-in progress	292	157
Finished goods	132	314
Stock-in-trade (in respect of goods acquired for trading)	2,736	3,466
Total	**7,977**	**9,691**

The mode of valuation of Inventories is stated in Note 2.(f)

Notes to the financial statements

NOTE 15 - EQUITY SHARE CAPITAL

(Rupees in lakhs)

	As at 31st March 2018	As at 31st March 2017
Authorised:		
10,000,000 (March 31, 2017: 10,000,000) equity shares of Rs.10 each	1,000	1,000
	1,000	**1,000**
Issued:		
8,841,697 (March 31, 2017: 8,841,697) equity shares of Rs.10 each	884	884
	884	**884**
Subscribed and paid up		
8,841,523 (March 31, 2017: 8,841,523) equity shares of Rs. 10 each (fully paid up)	884	884
Total	**884**	**884**

(a) Rights, preferences and restrictions attached to the shares

Equity shares: The Company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(b) Reconciliation of shares:

Particulars	As at March 31, 2018		As at March 31, 2017	
	Number of shares	Amount	Number of shares	Amount
Equity shares				
Balance as at the beginning and end of the year	8,841,523	884	8,841,523	884

(c) Shares held by the holding company

Particulars	As at March 31, 2018		As at March 31, 2017	
	Number of shares	Amount	Number of shares	Amount
Equity shares:				
Honeywell Asia Pacific Inc. (Holding company)	6,631,142	663	6,631,142	663

(d) Number of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Particulars	As at March 31, 2018		As at March 31, 2017	
	Number of shares	Percentage	Number of shares	Percentage
Honeywell Asia Pacific Inc. (Holding company)	6,631,142	75	6,631,142	75

e) 6,631,142 (March 31, 2017 : 6,631,142) Equity shares constituting 75% (March 31,2017 : 75%) of the paid-up capital of the Company are held by Honeywell International Inc., the ultimate holding company, through its 100% subsidiary, Honeywell Asia Pacific Inc.

f) The Company has neither allotted any shares as fully paid up bonus shares nor pursuant to contract(s) payment being received in cash during 5 years immediately preceding March 31, 2018.

Notes to the financial statements

NOTE 16 - OTHER EQUITY

(Rupees in lakhs)

	As at 31st March 2018	As at 31st March 2017
Securities Premium Reserves (A)	1,577	1,577
Share based payment reserve (B)	389	277
General Reserve (C)	18,552	18,552
Other comprehensive Income (D)		
Remeasurements of the defined benefit plans (net)	(621)	(496)
Effective portion of cash flow hedge (net)	(56)	-
Retained Earnings (E)	121,143	97,234
Total (A+B+C+D+E)	**140,984**	**117,144**

NOTE 17 - PROVISIONS

(Rupees in lakhs)

	As at 31st March 2018	As at 31st March 2017
Non Current		
Gratuity and other retirement benefits (Refer note 36)	938	1,019
Provision for Warranty (Refer note 35)	286	249
	1,224	**1,268**
Current		
Compensated absences	1,308	1,263
Gratuity and other retirement benefits (Refer note 36)	1,000	1,000
Provision for Warranty and other potential claims (Refer note 35)	905	1,149
Provision for litigations / disputes (Refer note 35)	1,873	1,569
Provision for estimated cost to complete on contracts (Refer note 35)	3,743	2,111
	8,829	**7,092**

NOTE 18 - TRADE PAYABLES

(Rupees in lakhs)

	As at 31st March 2018	As at 31st March 2017
Non current		
Trade Payable	179	76
Total	**179**	**76**
Current		
Trade Payables others	76,067	56,871
Trade Payable to Micro Small and Medium Enterprise (refer note 32)	1,011	347
Acceptances	-	26
Total	**77,078**	**57,244**

Notes to the financial statements

NOTE 19 - OTHER FINANCIAL LIABILITIES

(Rupees in lakhs)

	As at 31st March 2018	As at 31st March 2017
Current		
Unclaimed dividend	24	23
Foreign currency forward contracts designated in hedge accounting relationships	86	-
Creditors for capital goods	578	158
	688	**181**

NOTE 20 - OTHER CURRENT LIABILITIES

(Rupees in lakhs)

	As at 31st March 2018	As at 31st March 2017
Deferred revenue	5,888	3,553
Amount due to customers under construction contract (refer note 37)	4,087	4,779
Advances from customers	326	771
Statutory dues (including Provident Fund and Tax deducted at Source)	3,023	1,902
Other payables	-	254
	13,324	**11,259**

NOTE 21 - REVENUE FROM OPERATIONS (GROSS)

(Rupees in lakhs)

	Year ended 31st March 2018	Year ended 31st March 2017
Manufactured products and jobs	150,531	136,803
Traded products	36,344	30,412
Sale of services	82,821	77,156
Other operating revenue		
Scrap sale	26	46
Refund of taxes and duties	92	55
Total	**269,814**	**244,472**

Notes to the financial statements

NOTE 22 - OTHER INCOME

(Rupees in lakhs)

	Year ended 31st March 2018	Year ended 31st March 2017
Interest income earned on financial assets that are not designated as a fair value through profit and loss account		
i) Bank Deposits	2,103	1,877
ii) Other financial assets carried at amortised cost	69	63
Interest on income tax refund	347	1,152
Liabilities no longer required written back	356	311
Dividend on current investments	352	383
Miscellaneous income	85	17
Total	**3,312**	**3,803**

NOTE 23 - COST OF MATERIALS CONSUMED

(Rupees in lakhs)

	Year ended 31st March 2018	Year ended 31st March 2017
Raw materials consumed		
Opening inventory	5,754	5,522
Add: Purchases (net)	113,400	108,936
Less: Inventory at the end of the year	4,817	5,754
Cost of raw materials consumed	**114,337**	**108,704**

NOTE 24 - CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND TRADED GOODS

(Rupees in lakhs)

	Year ended 31st March 2018	Year ended 31st March 2017
(Increase) / decrease in stock		
Stock at the beginning of the year		
Finished goods	314	794
Work in progress	157	433
Stock-in-trade (in respect of goods acquired for trading)	3,466	3,315
Total (A)	3,937	4,542
Stock at the end of the year		
Finished goods	132	314
Work in progress	292	157
Stock-in-trade (in respect of goods acquired for trading)	2,736	3,466
Total (B)	3,160	3,937
(Increase) / decrease in stock (A-B)	**777**	**605**

Notes to the financial statements

NOTE 25 - EMPLOYEE BENEFIT EXPENSES

(Rupees in lakhs)

	Year ended 31st March 2018	Year ended 31st March 2017
Salaries, wages and bonus	41,517	38,257
Share based payment	112	94
Contribution to Provident and Other Funds (Refer note 36)	2,401	2,048
Staff welfare expenses	944	994
Total	**44,974**	**41,393**

NOTE 26 - FINANCE COST

(Rupees in lakhs)

	Year ended 31st March 2018	Year ended 31st March 2017
Interest (Refer Note 32)	28	26
Total	**28**	**26**

NOTE 27 - OTHER EXPENSES

(Rupees in lakhs)

	Year ended 31st March 2018	Year ended 31st March 2017
Power and fuel	905	840
Rent [(Refer note 2 (M) and 30]	2,255	2,252
Rates and taxes	1,312	1,589
Repairs and maintenance		
Plant and machinery	43	53
Others	1,010	890
	1,053	943
Auditors remuneration		
As Auditors	46	46
Others(including tax audit)	12	26
Out of pocket expenses	1	3
	59	75
Travelling and conveyance	22,057	16,702
Communication expenses	583	633
Insurance	92	75
Loss on sale / write off of tangible and intangible assets (net)	424	71
Sales commission	134	268
Professional fees	3,018	2,783
Foreign exchange loss (Net)	450	1,022
Bad debts written off (Net of expected credit loss allowance) (refer note 27.1)	532	307
Customer deductions\claims	464	438
Corporate overhead allocations	10,688	11,011
Expenditure towards Corporate Social Responsibility (Refer note 39)	469	348
Bank Charges	352	249
Miscellaneous expenses	2,140	1,405
Total	**46,987**	**41,011**

Notes to the financial statements

NOTE 27.1 - BAD DEBTS WRITTEN OFF NET OF EXPECTED CREDIT LOSS ALLOWANCE (Rupees in lakhs)

	Year ended 31st March 2018	Year ended 31st March 2017
Bad debts written off	603	654
Expected credit loss allowance	(71)	(347)
Bad debts written off (Net of expected credit loss allowance)	532	307

NOTE 28 - SEGMENT INFORMATION

Information reported to the Chief operating decision maker (CODM) for the purposes of resource allocation and assessment of segment performance focuses only on one business segment i.e. Automation & Control Systems. There are no other reportable segments.

Geographical Information:

The Company operates in two principal geographical areas, viz. India and Others. Revenue by location of operations and information about its non- current assets is given below:

(Rupees in lakhs)

Particulars	Revenue from external customer for the year ended		Non current assets* as at	
	31st March 2018	31st March 2017	31st March 2018	31st March 2017
India	149,731	139,661	8,502	8,150
Other	120,083	104,811	-	-
Total	**269,814**	**244,472**	**8,502**	**8,150**

* Property, Plant and Equipment and Intangibles used in the Company's business have not been identified to "India" or "Other", as they are used interchangeably.

The Company generates more then 10% of the revenue only from Honeywell group.

Notes to the financial statements

NOTE 29 - RELATED PARTY DISCLOSURE :

List of related parties (as identified and certified by the Management)

i)	**Parties where control exists**	
	Honeywell Asia -Pacific Inc., Holding company Honeywell International Inc., Ultimate holding company	
	Other related parties with whom transactions have taken place during the year:	
ii)	**Fellow Subsidiaries**	
	Honeywell Middle East B.V. Honeywell Technology Solutions Qatar Honeywell Tianjin Limited Honeywell Life Safety AS Honeywell B.V. Honeywell & Co. Oman L.L.C. Honeywell Pte Ltd. Honeywell Automation & Control Solutions South Africa (Pty) Ltd. Honeywell Kuwait K.S.C. Automation and Control Solutions, S. de R.L. de C.V. Honeywell Europe N.V. Honeywell Systems (Thailand) Ltd. Honeywell Ltd. (Hong Kong) Enraf B.V. Honeywell Technology Solutions Lab Pvt. Ltd. Pittway Systems Technology Group Europe Ltd. Honeywell Taiwan Inc. Honeywell Life Safety AS Honeywell Building Solutions Gmbh Novar Systems Ltd. Honeywell Middle East FZE Honeywell Controls International Ltd. Tridium Inc. Honeywell Limited (New Zeland) Honeywell Austria Gesellschaft mbh Honeywell A.B. Matrikon Pty Ltd. Trend Control Systems Ltd. Honeywell (China) Advanced Solutions Co. Ltd. Honeywell Southern Africa (Proprietary) Ltd. Honeywell Japan Inc. Honeywell Angola Lda Honeywell E.P.E. HONEYWELL LIMITED Honeywell S.A. [France] HONEYWELL TEKNOLOJI A.S MK Electric (Malaysia) SDN BHD Intermec Technologies (S) Pte Ltd Honeywell Hometown Solutions India Foundation Honeywell Trading (Shanghai) Co. Ltd. UOP Limited	Honeywell International (India) Private Limited Honeywell Limited Australia Honeywell Limited Honeywell Enraf Americas, Inc. Honeywell Measurex (Ireland) Limited Honeywell Turki-Arabia Limited Honeywell Controls System Limited Honeywell International Middle East Ltd. MST Technology GMBH Honeywell Security France S.A. Honeywell GMBH Honeywell S.A. (Belgium) Honeywell Airport Systems Gmbh Honeywell s.r.l. UOP India Private Limited Honeywell Engineering Sdn. Bhd. Honeywell Co., Ltd. (Korea) Honeywell S.L. Honeywell Portugal, Automacao e Contolo, S.A. Honeywell Automation & control Solutions Carribean Ltd. Honeywell AS Norway Honeywell OY Matrikon Middle East Co WLL Honeywell Environmental & Combustion Controls (Tianjin) Co., Ltd. Honeywell International s.a.r.l. Honeywell Sensing & Control China Co, Ltd. Honeywell Technologies SARL Honeywell AG Matrikon Inc. Honeywell NV [Belgium] Honeywell S.A.I.C. Eclipse Combustion (Pvt.) Ltd. Elster GmbH Elster Metering Private Limited Elster Solutions GmbH Energy ICT N.V. Honeywell Teknoloji Anonim Sirketi (Previously: Honeywell Otomasyon ve Kontrol Sistemleri Sanayi ve Ticaret A.S.) Metrologic Asia (Pte) Ltd Xtralis Pty Ltd

Notes to the financial statements

	Other related parties with whom transactions have taken place during the year:	
	Honeywell Fire Systems LLC Life Safety Germany GmbH Honeywell Automotive de Mexico, S.A. de C.V. Honeywell A/S (Denmark) Automation And Control Solutions Limited PT Honeywell Indonesia Life Safety Distribution AG Enraf Tanksystem AG Honeywell Analytics Ltd. Sinpoec Honeywell Tianjin Ltd. ZAO Honeywell Maxon Corporation Honeywell ASCa Inc. Maxon Combustion Equipment (Shanghai) Co. Ltd. Maxon International BVBA BW Technologies Partnership Inncom International Inc Bryan Donkin RMG Gas Controls Ltd. Honeywell, S.L. [Spain] Honeywell Iraq LLC Saia-Burgess Controls AG Honeywell spol. s.r.o. [Slovak Republic] Integrated Technical Innovation Company for General Services & Trade Honeywell Specialty Chemicals (Singapore) Pte. Ltd. Honeywell Taiwan Limited Honeywell, S.A. de C.V. Mercury Instruments LLC RMG Messtechnik GmbH Honeywell China co. Ltd. Honeywell Iraq Company for Technology Solutions and Services Ltd. Honeywell Chile S.A. Intelligrated Systems LLC Eclipse Combustion Equipment (Suzhou) Co. Ltd. Honeywell Algerie S.a.r.l. Matrikon Europe Limited	Honeywell International Services S.r.l. HSM Technology LLC Honeywell HBS Solutions LLC UOP L.L.C. Honeywell Aerospace B.V. Honeywell Turbo Technologies (India) Private Limited Honeywell Electrical Devices and Systems India Pvt. Ltd. Honeywell do Brasil Ltda. Honeywell Egypt Limited Honeywell EOOD Matrikon International, Inc. Novar Gmbh Honeywell Integrated Technology (China) Co Ltd. Ademco Asia Pacific Ltd. Tridium Asia Pacific Pte Ltd. Honeywell Building Solutions SES Corporation Honeywell Romania s.r.l. Honeywell Marine SAS Honeywell Europe Services S.A.S. Honeywell Automation and Control Soluitons West Africa Limited Honeywell Automation Controls System LLP (Kazakhstan) Honeywell (Macau) Limited KAC Alarm Company Limited Elster Water Metering Limited Honeywell Sp. z o.o. Honeywell Szabályozástechnikai Kft. Honeywell spol. s.r.o. [Czech Republic] Honeywell Technology Solutions Inc. Matrikon Business Systems Inc. Novar ED&S Limited Salisbury Electrical Safety L.L.C. Honeywell Gas Technologies GmbH Honeywell spol. s.r.o. Honeywell Resins & Chemicals LLC Elster Holdings US, Inc. Honeywell Automation Control Solutions (China) Co. Ltd. Movilizer GmbH EnviteC-Wismar GmbH
iii)	**Key Management Personnel**	
	Mr. Vikas Chadha, Managing Director [Resigned w.e.f. July 31, 2016 (close of business hours)] Mr. Ashish Gaikwad, Managing Director [Appointed w.e.f. October 1, 2016] Mr. Anurag Bhagania, CFO [Resigned w.e.f. June 26, 2016 (close of business hours)] Mr. R Ravichandran, CFO [Appointed w.e.f. June 27, 2016] Ms. Sangeet Hunjan, Company Secretary [Resigned w.e.f. November 24, 2016 (close of business hours)] Ms. Farah Irani, Company Secretary [Appointed w.e.f. May 16, 2017]	

Notes to the financial statements

(Rupees in lakhs)

Transactions with Related Parties	Volume of transactions for year ended		Amount outstanding as at			
Description of the nature of transactions	31st March 2018	31st March 2017	31st March 2018		31st March 2017	
			Receivable	Payable	Receivable	Payable
Sale of goods, services and reimbursement of expenses						
Holding Company						
Honeywell International Inc.	23,243	18,941	1,242	-	1,402	-
Total	**23,243**	**18,941**	**1,242**	**-**	**1,402**	**-**
Fellow Subsidiaries						
Honeywell Ltd. (Australia)	3,262	3,998	328	-	1,229	-
Honeywell Turki-Arabia Limited	15,199	15,262	2,532	-	1,915	-
Honeywell Middle East B.V.	10,827	9,649	363	-	2,337	-
Honeywell Co., Ltd. (Korea)	4,102	9,510	1,890	-	859	-
Other Fellow Subsidiaries	43,843	37,642	11,000	-	6,939	-
Total	**77,233**	**76,061**	**16,113**	**-**	**13,279**	**-**
Purchase of goods, services and fixed assets (including GIT)						
Holding Company						
Honeywell International Inc.	13,619	14,035	-	2,023	-	653
Total	**13,619**	**14,035**	**-**	**2,023**	**-**	**653**
Fellow Subsidiaries						
Honeywell Measurex (Ireland) Limited	12,977	18,371	-	3,346	-	1,604
Honeywell International (India) Private Limited	9,814	7,755	-	1,455	-	985
Other Fellow Subsidiaries	19,440	19,771	-	6,866	-	1,265
Total	**42,231**	**45,897**	**-**	**11,667**	**-**	**3,854**

Remuneration to Key Management Personnel

(Rupees in lakhs)

	Year ended	
	31st March 2018	31st March 2017
Short term benefits	323	312
Post-employment benefits	18	11
Other long-term benefits	20	14
Share-based payments	62	50
Termination benefits	-	-

The Company generates a large percentage of its sales and profits from its business with the Honeywell group (Honeywell), its major shareholder. Sales to Honeywell group accounted for approximately 37% and 39% of our total net sales for the year ended March 31, 2018 and year ended March 31, 2017 respectively. The Company's ability to maintain or grow its business with Honeywell depends upon a number of performance factors. However, the Company cannot be assured that its level of sales and profits associated with its relationship with Honeywell will continue. Honeywell-specific business considerations (independent of its shareholding in the Company), including changes in Honeywell's strategies regarding utilization of alternate opportunities available to it to source products and services currently provided by the Company (including from alternate sources which Honeywell may acquire or develop within its own group), may also reduce the level and/or mix of Honeywell's business with the Company.

Notes to the financial statements

NOTE 30 - LEASE TRANSACTIONS:

As a Lessee in Operating Lease

Rentals for office premises, land, building under operating leases of Rs. 2,255 ('lakhs) [Previous period Rs. 2,252 ('lakhs)] have been included under Rent Expense.

Non-Cancellable

The Company has hired premises under non-cancellable operating lease arrangements at stipulated rentals. The future minimum lease payments under these leases as of March 31, 2018 are as follows:

	Not later than 1 year	Later than 1 year but not later than 5 years	Later than 5 years
Minimum lease payments	1,529	5,384	2,157
	(1,576)	(3,940)	(872)

Previous year figures are indicated in brackets.

NOTE 31 - EARNING PER SHARE (EPS):

EPS is calculated by dividing the profit attributable to the equity shareholders by the average number of shares outstanding during the year. The basic and diluted earnings per share have been calculated as under:

	For the year ended	
	31st March 2018	31st March 2017
Profit after tax (Rs. in lakhs)	24,973	16,945
Weighted average number of equity shares	8,841,523	8,841,523
Basic / Diluted earnings per share (Rs.)	282.45	191.65
Face value per share (Rs.)	10	10

Notes to the financial statements

NOTE 32- DISCLOSURE IN ACCORDANCE WITH SECTION 22 OF MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

(Rupees in lakhs)

Sr No	Particulars	31st March 2018	March 31, 2017
i)	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the accounting period		
	- Principal amount outstanding	1,011	347
	- Interest thereon	28	26
ii)	The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting period	-	-
	- Interest paid in terms of Section 16	-	-
	- Delayed principal payments	13	40
iii)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006		
	- Normal Interest accrued during the year, for all the delayed payments, as per the agreed terms and not as payable under the Act	-	-
	- Normal Interest payable during the year, for the period of delay in making payment, as per the agreed terms and not as payable under the Act.	-	-
iv)	The amount of interest accrued and remaining unpaid at the end of each accounting period		
	- Total interest accrued during the period	28	26
	- Total Interest remaining unpaid out of the above as at the balance sheet date	28	26
v)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.		
	Outstanding interest at the end of current year	184	156
	Outstanding interest at the end of previous year	156	130

The Company has compiled this information based on intimations received from suppliers of their status as Micro or Small enterprises and / or its registration with the appropriate authority under Micro, Small and Medium Enterprises Development Act, 2006.

Notes to the financial statements

NOTE 33 - SHARE BASED PAYMENTS

Employee share option plan of the company

Honeywell International Inc (HII), the ultimate holding company, may grant stock options and restricted stock awards to certain employees under its stock incentive plan.

Stock Options—The exercise price, term and other conditions applicable to each option granted under the stock plans are generally determined by the Management Development and Compensation Committee of the Board of Honeywell International Inc. The exercise price of stock options is set on the grant date and may not be less than the fair market value per share of our stock on that date. The fair value is recognized as an expense over the employee's requisite service period (generally the vesting period of the award). Options generally vest over a four-year period and expire after ten years.

Restricted Stock Units—Restricted stock unit (RSU) awards entitle the holder to receive one share of common stock for each unit when the units vest. RSUs are issued to certain employees as compensation at fair market value at the date of grant. RSUs typically become fully vested over periods ranging from three to seven years and are payable in Honeywell common stock upon vesting.

Fair value of share options granted in the year

The fair value of each stock option award is estimated on the date of grant using the Black-Scholes option-pricing model. Expected volatility is based on implied volatilities from traded options on common stock of HII and historical volatility of common stock of HII. Monte Carlo simulation model is used to derive an expected term which represents an estimate of the time options are expected to remain outstanding. Such model uses historical data to estimate option exercise activity and post-vest termination behavior. The risk-free rate for periods within the contractual life of the option is based on the U.S. treasury yield curve in effect at the time of grant.

The inputs used in the measurement of the fair values at grant date of the Stock options were as follows.

Grant Date	27-Feb-18	28-Feb-17	25-Feb-16	26-Feb-15	27-Feb-14
Exercise price	$ 155.39	$ 124.99	$ 103.07	$ 103.31	$ 93.44
*Exercise price in equivalent INR	10,127	8,146	6,717	6,733	6,089
Expected volatility	18.93%	18.96%	23.07%	21.55%	23.07%
Option life	4.95	5.04	4.97	4.96	4.99
Dividend yield	2.49%	2.81%	2.92%	1.98%	2.05%
Risk-free interest rate	2.71%	2.02%	1.29%	1.61%	1.48%
Fair value per share	$ 23.65	$ 16.65	$ 15.59	$ 17.21	$ 16.35
Fair value per share in equivalent INR*	1,541	1,085	1,016	1,122	1,066

* converted into INR using exchange rate 65.17

Notes to the financial statements

The following share-based payment arrangements were in existence during the current and previous year :

Options series	Number	Grant date	Expiry date	Exercise price	Fair value at grant date	Equivalent fair value INR*
Restricted stock option						
2011	1,000	25-Jul-14	NA	NA	$ 89.80	5,852
2011	700	31-Jul-15	NA	NA	$ 98.28	6,405
2011DIV	670	25-Feb-16	NA	NA	$ 103.65	6,755
2011DIV	590	26-Feb-15	NA	NA	$ 103.90	6,771
2016	2,000	29-Jul-16	NA	NA	$ 106.79	6,960
2016DIV	2,000	29-Jul-16	NA	NA	$ 115.78	7,545
2016DIV	320	28-Feb-17	NA	NA	$ 124.99	8,146
2016DIV	1,300	27-Jul-17	NA	NA	$ 137.53	8,963
2016DIV	300	27-Feb-18	NA	NA	$ 155.39	10,127
Stock options						
2011	2,611	26-Feb-15	25-Feb-25	103.31	$ 17.21	1,122
2011	1,500	27-Feb-14	26-Feb-24	93.44	$ 16.35	1,066
2011	4,000	25-Feb-16	24-Feb-26	103.07	$ 15.59	1,016
2016	2,200	28-Feb-17	27-Feb-27	124.99	$ 16.65	1,085
2016	2,100	27-Feb-18	26-Feb-28	155.39	$ 23.65	1,541

* converted into INR using exchange rate 65.17

Movements in Restricted Stock Units during the year	Restricted Stock Units	
	2017-18	2016-17
	No of Units	No of Units
Balance at beginning of year	7,277	5,272
Granted during the year	1,600	4,320
Forfeited during the year	-	-
Vested and issued during the year	1,198	2,315
Expired during the year	-	-
Balance at end of year	7,679	7,277

Notes to the financial statements

Movements in share options during the year	Employee stock option plan			
	2017-18		2016-17	
	No of Options	Weighted average exercise price	No of Options	Weighted average exercise price
Balance at beginning of year	10,311	118.45	10,500	100.97
Granted during the year	2,100		2,200	
Forfeited during the year	-		-	
Exercised during the year	2,579		2,389	
Expired during the year	-		-	
Balance at end of year	9,832		10,311	

Restricted Stock Units vested and issued during the year

	Number Settled	Issue date
2011DIV	594	26-Feb-18
2011	604	25-Jul-17

NOTE 34 - CONTINGENT LIABILITIES AND COMMITMENTS

A) Contingent liabilities

(Rupees in lakhs)

Particulars		31st March 2018	31st March 2017
a)	Income tax liability that may arise in respect of matters in appeal	9,647	8,342
b)	Excise duty claims against the Company	51	75
c)	Sales tax liability that may arise in respect of matters in appeal	4,101	8,643
d)	Customs duty claims against the Company	187	262
e)	Third party Claims against the Company not acknowledged as debts	3,226	3,498

Note: It is not practicable for the Company to estimate the timing of cash outflow, if any, in respect of the above pending resolutions of the respective proceedings.

B) Estimated amount of contracts remaining to be executed on capital accounts and not provided for (net of advances) - Rs. 211 ('lakhs) [31st March 2017 Rs. 281('lakhs)]

Notes to the financial statements

NOTE 35 - DISCLOSURE AS REQUIRED BY IND AS -37

(Rupees in lakhs)

	Year ended 31st March	Opening balance	Additions	Utilizations	Reversals	Total
Disputed statutory matters (A)	2018	1,569	304	-	-	1,873
	2017	1,000	569	-	-	1,569
Provision for warranty (B)	2018	1,399	859	(791)	(276)	1,191
	2017	953	1,039	(694)	101	1,399
Provision for estimated cost to complete on contracts (C)	2018	2,111	2,761	(509)	(620)	3,743
	2017	2,236	739	(243)	(621)	2,111
Total	2018	5,079	3,924	(1,300)	(896)	6,807
	2017	4,189	2,347	(937)	(520)	5,079

A Disputed statutory matters mainly include:

a) Provision for disputed statutory matters comprises matters under litigation with Sales Tax and Local authorities.

b) The amount of provision made by the Company is based on the estimate made by the Management considering the facts and circumstances of each case.
To the extent the Company is confident that it may have a strong case that portion is disclosed under contingent liabilities.

c) The timing and the amount of cash flows that will arise from these matters will be determined by the Appellate Authorities only on settlement of these cases.

B Warranty

Provision for warranty is considered based on the rolling average warranty expense incurred in the preceding 12 months, the warranty period for which ranges from 12 months to 24 months as per provisions of the contracts.

C Provision for Estimated Cost to complete on Contracts

A provision for estimated cost to complete on construction contracts is recognized when it is probable that the total contract cost will exceed total contract revenue. The provision shall be utilized as and when the contract gets executed.

NOTE 36 - EMPLOYEE BENEFIT PLANS

A Defined contribution plans

The company has recognized the following amounts in the statement of profit and loss for the period.

(Rupees in lakhs)

Sr no	Particulars	31st March 2018	31st March 2017
1	Contribution to employees' superannuation fund	83	87
	Total	**83**	**87**

Notes to the financial statements

B Defined benefit plans (gratuity and other retirement benefits)

The Company also provides for gratuity, covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment.

Provident Fund contributions are made to a Trust administered by the Company for its qualifying employees. This defined benefit plans is administered by separate trust that is legally separated from the entity. The board of the trust is required by law and by its trust deed to act in the interest of the fund and of all the relevant stakeholders in the scheme; i.e. active employees, inactive employees, retirees, employers. The board of the fund is responsible for the investment policy with regard to the assets of the fund.

The Principal assumptions used for the purposes of the actuarial valuations were as follows:

Sr.No.	Particulars	31st March 2018	31st March 2017
1	Discount rate	7.65%	6.95%
2	Yield on asset based on the Market Value	8.09%	7.43%
3	Rate considered for actuarial valuation for PF interest shortfall	8.65%	8.65%
4	Salary escalation rate	8.00%	8.00%

The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.

Total expense recognised in the statement of Profit and loss Account

(Rupees in lakhs)

Sr. No.	Particulars	For the year ended	
		31st March 2018	31st March 2017
1	Current service cost	652	503
2	Past service cost	-	-
3	Net Interest cost	128	59
	Component of defined benefit costs recognised in profit or loss	**780**	**562**
4	Remeasurement of defined benefit liability :		
5	Return on plan assets (excluding amounts included in net interest expenses)		
6	Actuarial (gain) / losses arising from changes in demographic assumptions	-	(88)
7	Actuarial (gain) / losses arising from changes in financial assumptions	(378)	1,043
8	Actuarial (gain) / losses arising from changes in experience adjustments	612	(193)
9	Return on plan assets (greater) / less than discount rate	(71)	9
10	Adjustments for restriction on defined benefit asset		-
	Component of defined benefit costs recognised in other comprehensive income	**163**	**771**
	Total	**943**	**1,333**

The current service cost and the net interest expenses for the year are included in 'Employee benefits expense' in the statement of profit and loss.
The remeasurement of the net defined benefit liability is included in other comprehensive income.

Notes to the financial statements

Movements in the present value of the defined benefit obligation are as follows.

(Rupees in lakhs)

Sr. No.	Particulars	For the year ended	
		31st March 2018	31st March 2017
1	Present value of obligation as at beginning of the year	5,027	3,894
2	Current service cost	652	503
3	Interest cost	337	248
4	Remeasurement (gains)/losses:		
	Actuarial (gain) / losses arising from changes in demographic assumptions	-	(88)
	Actuarial (gain) / losses arising from changes in financial assumptions	(378)	1,043
	Actuarial (gain) / losses arising from changes in experience adjustments	611	(193)
5	Curtailment cost/(credit)	-	-
6	Settlement cost/(credit)	-	-
7	Benefits paid	(519)	(380)
8	Present value of obligation as at end of the year	5,730	5,027

Movements in the fair value of the plan assets are as follows.

(Rupees in lakhs)

Sr. No.	Particulars	For the year ended	
		31st March 2018	31st March 2017
1	Fair value of plan assets as at beginning of the year	3,008	2,487
2	Interest income	-	-
3	Remeasurement gain/(loss)	71	(9)
4	Expected return on plan assets	209	189
5	Employers' contribution	1,002	700
6	Benefits payment from plan asset	(498)	(359)
7	Fair value of plan assets as at end of the year	3,792	3,008

Amount recognized in the Balance Sheet (for gratuity and other retirement benefits) including a reconciliation of the present value of defined benefit obligation and the fair value of assets.

(Rupees in lakhs)

Sr. No.	Particulars	31st March 2018	31st March 2017
1	Present value of funded obligation	5,730	5,027
2	Fair value of plan assets	3,792	3,008
3	Net liability recognized in the Balance Sheet	1,938	2,019

Notes to the financial statements

Amount recognized in the Balance Sheet (for provident fund) including a reconciliation of the present value of defined benefit obligation and the fair value of assets.

(Rupees in lakhs)

Sr. No.	Particulars	31st March 2018	31st March 2017
1	Present value of funded obligation	21,129	16,646
2	Fair value of plan assets	21,417	17,433
3	Net liability	(288)	(787)

Note - There is a net surplus position in PF valuation and however as per the PF trust act, no surplus can be transferred to the company as it is separate from the company, the company would not be accounting for any amount in its books in this position.

Sensitivity Analysis

Sensitivity analysis indicates the influence of a reasonable change in certain significant assumptions on the outcome of the Present value of obligation (PVO) and aids in understanding the uncertainty of reported amounts.

1. Sensitivity analysis for each significant actuarial assumptions viz. Discount rate and Salary escalation rate as of the end of the reporting period, showing how the defined benefit obligation would have been affected by changes is called out in the table above.
2. The assumptions used in preparing the sensitivity analysis is

   Discount rate at +100bps and – 100 bps

   Salary escalation rate at +100 bps and -100 bps
3. The method used to calculate the liability in these scenarios is by keeping all the other parameters and the data same as in the base liability calculation except for the parameters to be stressed .
4. There is no change in the method from the previous period and the points/percentage by which the assumptions are stressed are same as that in the previous year.

Impact of change in discount rate when base assumption is decreased/increased by 100 basis point.

(Rupees in lakhs)

Discount rate	March 31, 2018 Present value of Obligation	March 31, 2017 Present value of Obligation
a) Discount rate -100 basis point	6,286	5,546
b) Discount rate +100 basis point	5,254	4,581

Impact of change in salary increase rate when base assumption is decreased/increased by 100 basis point

(Rupees in lakhs)

Salary escalation rate	31st March 2018	31st March 2017
a) Salary escalation rate -100 basis point	5,254	4,581
b) Salary escalation rate +100 basis point	6,279	5,531

In presenting the above sensitivity analysis, the present value of the defined benefit obligations has been calculated using Projected Unit Credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognied in the Balance sheet.

Notes to the financial statements

Percentage of each category of plan assets to total fair value of plan assets

Sr. No.	Particulars	31st March 2018	31st March 2017
1	Insurer managed funds	100%	100%

The overall expected rate of return on assets is based on the expectation of the average long term rate of return expected on investments of the Fund during the estimated term of the obligations.

The actual return on plan assets is as follows

(Rupees in lakhs)

Sr. No.	Particulars	For the year ended	
		31st March 2018	31st March 2017
a	Actual return on plan assets	280	180

A note on other risks

Investment risk: The funds are invested with an external insurer (LIC of India). The insurer manages the Gratuity Fund and provides quarterly interest returns. Considering LIC is a state insurer with a sovereign guarantee and no history of defaults the investment risk is not significant.

Interest Risk: The Gratuity fund managed by an external insurer (LIC of India) is in the form of cash accumulation scheme with interest rates declared annually – A significant fall in interest (discount) rates may not be offset by an increase in value of Gratuity Fund, hence may pose an interest rate risk.

Longevity Risk: Since Gratuity is paid at retirement in form of lump sum and also during service at the time of termination to vested members, longevity risk is not applicable since maximum duration for benefit is till retirement age.

Salary Risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Expected future cash flow of defined benefit obligation:

(Rupees in lakhs)

Year	Amount
Year -1	465
Year -2	465
Year -3	411
Year -4	491
Year -5	484
Years 6 to 10	2,374

Notes to the financial statements

NOTE 37- CONTRACTS IN PROGRESS

(Rupees in lakhs)

	Particulars	31st March 2018	31st March 2017
a)	Aggregate amount recognized as contract revenue	109,639	93,844
b)	In respect of Contracts in Progress		
	i. Aggregate amount of contract costs incurred and recognized profits (less recognized losses) as at end of the financial period for all contracts in progress up to as at that date.	334,458	316,734
	ii. Amount of customer advances received	82	382
	iii. Amount of retentions	1,653	365
c)	Gross amount due from customers for contract work	35,039	27,142
d)	Gross amount due to customers for contract work	4,087	4,779
e)	(c) - (d)	**30,952**	**22,363**

NOTE 38 - FINANCIAL INSTRUMENT

Categories of financial instrument

(Rupees in lakhs)

	31st March 2018	31st March 2017
Financial assets		
Measured at Fair Value through Profit or Loss (FVTPL)		
(i) Investment in mutual funds (Basis of Valuation : Level -1 described in Note 2. B)	7,777	8,275
Measured at amortised cost		
(i) Trade Receivables	59,966	50,450
(ii) Cash and cash equivalents	65,878	49,075
(iii) Bank balances other than (iii) above	18,265	8,772
(iv) Other financials assets		
(a) Deposits against bank guarantee	1,963	1,954
(b) Interest accrued on deposits with banks	840	555
(c) Security deposits	1,325	1,149
(d) Earnest money deposits	873	1,075
Financial Liabilities		
Measured at amortised cost		
(i) Trade payables	77,257	57,320
(ii) Other financials Liabilities		
(a) Creditors for capital goods	578	158
(b) Unclaimed dividend	24	23
Measured at Fair Value through Other Comprehensive Income		
(i) Other financials Liabilities		
(a) Foreign currency forward contracts designated in hedge accounting relationships (Basis of Valuation : Level -1 described in Note 2.B)	86	-

Notes to the financial statements

Financial risk management objectives

Company is exposed to foreign exchange risk on account of import risk and hedging activities; and export transactions which is monitored periodically. The Company leverages the global treasury operations of Honeywell to improve mitigation of risk relating to foreign exchange.

Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The carrying amounts of the companies foreign currency denominated monentary assets and monentary liabilities at the end of the reporting period are as follows:

Unhedged by derivative instruments / or otherwise

(Rupees in lakhs)

Particulars	31st March 2018	31st March 2017
a) Liability - Trade Creditors		
In GBP	4	4
(Equivalent approximate in Rs.)	411	356
In USD	223	176
(Equivalent approximate in Rs.)	14,542	11,414
In EURO	29	14
(Equivalent approximate in Rs.)	2,376	968
In CAD	1	1
(Equivalent approximate in Rs.)	52	28
In AUD	1	0
(Equivalent approximate in Rs.)	38	3
In JPY	12	61
(Equivalent approximate in Rs.)	7	35
In SGD	-	-
(Equivalent approximate in Rs.)	-	-
In CNY	110	78
(Equivalent approximate in Rs.)	1,134	731
In CHF	-	-
(Equivalent approximate in Rs.)	9	13
In NOK	-	-
(Equivalent approximate in Rs.)	-	-
In ZAR	-	-
(Equivalent approximate in Rs.)	-	-
In THB	2	1
(Equivalent approximate in Rs.)	5	2

Notes to the financial statements

In RUB	1	1
(Equivalent approximate in Rs.)	1	1
In AED	-	-
(Equivalent approximate in Rs.)	6	-
In MYR	-	-
(Equivalent approximate in Rs.)	-	-
In IDR	55	-
(Equivalent approximate in Rs.)	-	-
In BDT	14	-
(Equivalent approximate in Rs.)	11	-
In SAR	2	-
(Equivalent approximate in Rs.)	38	-
In PHP	-	7
(Equivalent approximate in Rs.)	-	9
In DZD	5	-
(Equivalent approximate in Rs.)	3	-
In RON	-	-
(Equivalent approximate in Rs.)	1	-
b) Asset - Trade Receivables		
In GBP	-	1
(Equivalent approximate in Rs.)	26	49
In EURO	5	3
(Equivalent approximate in Rs.)	422	204
In USD	274	256
(Equivalent approximate in Rs.)	17,879	16,597
c) Asset - Bank Balances		
In USD	395	357
(Equivalent approximate in Rs.)	25,764	23,130

*Amount below the rounding off norm adopted by the company

Foreign currency exchange rate risk:

The fluctuation in foreign currency exchange rates may have potential impact on the income statement and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the company. Considering the countries and economic environment in which the company operates, its operation are subject to risks arising from fluctuations in exchange rates in those countries. The risk primarily relate to U.S. Dollars against the functional currency of Honeywell Automation India Limited.

Notes to the financial statements

The company, as per its Hedging policy, uses forward contracts to hedge foreign exchange exposure. The company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. It hedges a part of these risks by using forward contractcs in accordance with its risk management policies.

The company uses forward exchange contracts to hedge its exposure in foreign currency. The information on derivative instruments is as follows :

Particulars	As At	Bought / Sold	Currency	Amount in foreign Currency (Lakhs)	Amount in Rs. (Lakhs)
Foreign Exchange contracts	March 31,2018	Sold	USD/INR	236	15,541
	March 31,2017	NA	NA	Nil	Nil

The Table below analyzes the derivative financial instruments into relevant maturity groupings based on the remaining period as of the balance sheet

(Amount in USD lakhs)

	31st March 2018	31st March 2017
Not Later than one month	29	NA
Later than one month but not later than three months	43	NA
Later than three month but not later than one year	164	NA

Foreign currency sensitivity analysis

The Company is exposed mainly to the fluctuation in the value of USD and EURO. The following table details the company sensitivity to a 5% increase and decrease in functional currency against the relevant foreign currency. The sensitivity analysis includes only outstanding foreign currency denominated monentary items and adjust there translation at the period end for a 5 % change in foreign currency rate.

	31st March 2018	31st March 2017
USD Impact		
5% Appreciation in USD		
Impact on profit or loss for the year {Gain/(Loss)}	1,457	1,416
Impact on total equity as at the end of the reporting period	1,457	1,416
5% Depreciation in USD		
Impact on profit or loss for the year {Gain/(Loss)}	(1,457)	(1,416)
Impact on total equity as at the end of the reporting period	(1,457)	(1,416)
EURO Impact		
5% Appreciation in EURO		
Impact on profit or loss for the year {Gain/(Loss)}	(85)	(38)
Impact on total equity as at the end of the reporting period	(85)	(38)
5% Depreciation in EURO		
Impact on profit or loss for the year {Gain/(Loss)}	77	38
Impact on total equity as at the end of the reporting period	77	38

Notes to the financial statements

Credit risk management

Credit risk refers to the risks that a counterparty may default on its contractual obligations resulting in financial loss to the Company. The Company deals only with credit worthy counterparties and takes appropriate measures to mitigate the risk of financial loss from defaults. Trade receivable consists of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

Liquidity risk management

The Company manages liquidity risk by maintaining adequate reserves, banking facility and by continuously monitoring forecasts and actual cash flows and by matching the maturity profiles of financial assets and liabilities.

NOTE 39

As set out in section 135 of the Companies Act, 2013 the Company is required to contribute / spent Rs. 469 lakhs towards Corporate Social Responsibility activities, as calculated basis 2% of its average net profits of the last three financial years. Accordingly, during the current year, the Company has spent Rs. 469 lakhs (previous year Rs. 348 lakhs including Rs.9 lakhs toward administration cost).

NOTE 40

The financial statements were approved for issue by the board of directors on May 14, 2018. The Board of Directors have recommended dividend of Rs. 32 per equity share for the financial year ended March 31, 2018 (previous year ended March 31, 2017: Rs. 10 per equity share) for approval of shareholders. The face value of the equity share is Rs. 10 each.

For and on behalf of the Board

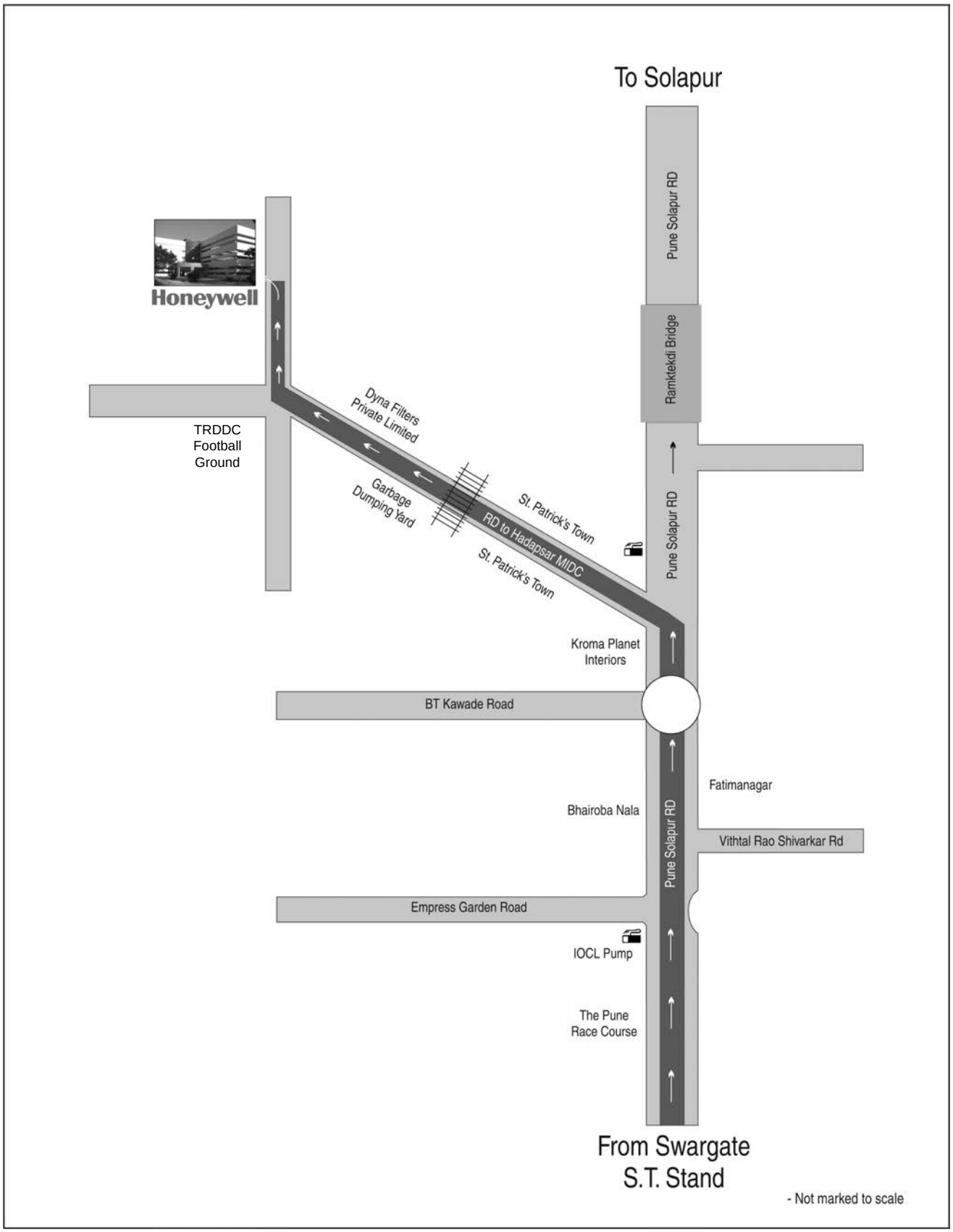
Suresh Senapaty
Chairman

Ashish Gaikwad
Managing Director

Farah Irani
Company Secretary

R Ravichandran
Chief Financial Officer

Place : Pune
Date : May 14, 2018


To Solapur
Pune Solapur RD
Ramktekdi Bridge
Honeywell
TRDDC
Football
Ground
Dyna Filters
Private Limited
Garbage
Dumping Yard
St. Patrick's Town
RD to Hadapsar MIDC
St. Patrick's Town
Pune Solapur RD
Kroma Planet
Interiors
BT Kawade Road
Fatimanagar
Bhairoba Nala
Vithtal Rao Shivarkar Rd
Pune Solapur RD
Empress Garden Road
IOCL Pump
The Pune
Race Course
From Swargate
S.T. Stand
- Not marked to scale

HONEYWELL AUTOMATION INDIA LIMITED

Registered Office: 56 & 57, Hadapsar Industrial Estate, Pune – 411 013, Maharashtra
CIN: L29299PN1984PLC017951, Tel: +91 20 6603 9400; Fax: +91 20 6603 9800
Email: HAIL.InvestorServices@Honeywell.com, Website: https://www.honeywell.com/worldwide/en-in/hail

CONSENT FOR RECEIVING DOCUMENTS IN ELECTRONIC FORM

Dear Shareholders,

Pursuant to Section 101 of the Companies Act, 2013 read with Rule 18 of the Companies (Management and Administration) Rules, 2014, your Company has sent the Annual Report through electronic mode to those Shareholders whose E-mail IDs are registered. Please note that as a Shareholder, you will be entitled to receive physical copies of all notices and documents free of cost, upon specific request to the Company.

The Annual Report and the Notice of General Meetings and other documents will also be available on the Company's website at : https://www.honeywell.com/worldwide/en-in/hail

Shareholders holding shares in physical mode and wishing to register / update their E-mail ID to receive the Annual Report and other documents in electronic mode are requested to fill the form below and send the same to our Registrar and Share Transfer Agents viz., **TSR DARASHAW LTD., 6-10 Haji Moosa Patrawala Ind. Estate, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai - 400 011.** The Company will not be in a position to send the documents in electronic mode unless the duly filled in form given below is received.

Shareholders holding shares in the dematerialized mode and wishing to register / update their E-mail ID to receive the Annual Report and other documents in electronic mode are requested to register / update their E-mail ID with the Depository Participant where their demat account is maintained.

Honeywell Automation India Limited

Place: Pune
Date: May 14, 2018

Farah Irani
Company Secretary

HONEYWELL AUTOMATION INDIA LIMITED

Registered Office: 56 & 57, Hadapsar Industrial Estate, Pune – 411 013, Maharashtra
CIN: L29299PN1984PLC017951, Tel: +91 20 6603 9400; Fax: +91 20 6603 9800
Email: HAIL.InvestorServices@Honeywell.com, Website: https://www.honeywell.com/worldwide/en-in/hail

CONSENT FOR RECEIVING DOCUMENTS IN ELECTRONIC FORM

I/We agree to receive documents in electronic mode pursuant to Section 101 of the Companies Act, 2013 read with Rule 18 of the Companies (Management and Administration) Rules, 2014. Please register / update* the E-mail ID as mentioned below.
*Strike out whichever is not applicable.

1. **Name(s) of Shareholder(s) (including joint holders, if any)** : _____
2. **No. of Shares held** : _____
3. **Registered Folio No. / DP ID & Client ID No.** : _____
4. **E-mail ID for receipt of documents in electronic mode** :

Place : _____

_____
(Signature of First holder)

Date : _____

_____
(Name of First holder)

For Physical shares : Kindly send to TSR DARASHAW LTD
For Demat shares : Kindly register / update the E-mail ID with the Depository Participant where your demat account is maintained.

HONEYWELL AUTOMATION INDIA LIMITED

CIN: L29299PN1984PLC017951
Regd. Office: 56 & 57, Hadapsar Industrial Estate, Pune - 411 013 | Phone: +91 20 66039400, Fax: +91 20 66039800
E-mail: HAIL.InvestorServices@Honeywell.com | Website: https://www.honeywell.com/worldwide/en-in/hail

ATTENDANCE SLIP

(To be presented at the entrance duly signed)

I hereby record my presence at the 34th ANNUAL GENERAL MEETING of the Company at Honeywell Automation India Ltd., 56 & 57 Hadapsar Industrial Estate, Pune 411 013 at 4.00 p.m. on Monday, August 6, 2018.

SIGNATURE OF THE ATTENDING MEMBER / PROXY : _____

ELECTRONIC VOTING PARTICULARS

Electronic Voting Event Number (EVEN)	User ID	Password

Note – Please refer to the instructions printed under the Notes to the Notice of 34th ANNUAL GENERAL MEETING. The company has engaged NSDL to provide e-voting facility. The e-voting period begins on August 3, 2018 (9:00 am) and ends on August 5, 2018 (5:00 pm).

HONEYWELL AUTOMATION INDIA LIMITED

CIN: L29299PN1984PLC017951
Regd. Office: 56 & 57, Hadapsar Industrial Estate, Pune - 411 013 | Phone: +91 20 66039400, Fax: +91 20 66039800
E-mail: HAIL.InvestorServices@Honeywell.com | Website: https://www.honeywell.com/worldwide/en-in/hail

PROXY FORM

Name of the member(s) :

Registered address :

E-mail ID :

Folio No/Client ID :

DP ID :

I/We, being the member (s) of ……..……. shares of the above named company, hereby appoint

1. Name :
   Address :
   E-mail Id :
   Signature : or failing him
2. Name :
   Address :
   E-mail Id :
   Signature : or failing him
3. Name :
   Address :
   E-mail Id :
   Signature :

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 34th Annual General Meeting of the Company, to be held on Monday, August 6, 2018 at Honeywell Automation India Limited, 56 & 57, Hadapsar Industrial Estate, Pune 411 013 at 4.00 p.m. and at any adjournment thereof in respect of such resolutions as are indicated below:

Ordinary Business:

1. Adoption of the Audited Financial Statements for the financial year ended March 31, 2018 and the Board's Report and Auditor's Report thereon.
2. Declaration of dividend @ ₹ 32 (320%) per equity share of ₹ 10 each for the financial year ended March 31, 2018.
3. Appointment of Mr. Vikas Chadha as Director, who retires by rotation and is eligible for re-appointment
4. Ratification of appointment of Statutory Auditors

Special Business

5. Appointment of Mr. Brian Buffington as a Director of the Company.

Affix ₹ 1/- Revenue stamp

Signed this ……. day of ……., 2018

Signature of the shareholder : _____

Signature of Proxy holder(s) : _____

Signature across the stamp

Notes: 1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of 34th Annual General Meeting.

Honeywell Automation India Limited
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