

## Board of Directors

Mr. Madhukar Bhagwat	(Chairman & Independent Director)
Mr. Norman Gilsdorf	(Director)
Mr. Gerard Willis	(Director)
Mr. Surendra Rao	(Independent Director)
Mr. Anant Maheshwari	(Director)
Mr. Vikas Chadha	(Managing Director)
Ms. Sneha Padve	(Company Secretary)

Contents	
Notice .....	2-4
Directors' Report.....	5-8
Management Discussion & Analysis Report .....	9-13
Auditors' Report .....	14-17
Balance Sheet .....	18
Profit & Loss Account .....	19
Cashflow Statement .....	20-21
Notes 1 to 43 .....	22-47
Corporate Governance Report ....	48-56

## Senior Management Team

Mr. Ananthanarayanan K. V.	Head - Legal
Mr. Bagaitkar Ravi	Head - Honeywell Operating System
Mr. Bansal Rohit	Head - Sensing & Controls
Mr. Bhagania Anurag	Chief Financial Officer
Mr. Bhatia Vivek	Head - Global Services
Mr. Kelkar Anant	Head - Integrated Supply Chain
Mr. Limaye Prasad	Head - Audit & Internal Controls
Mr. Mellacheruvu Praveen	Head - Strategy & Marketing
Mr. Mitter Kaushik	Head - Human Resources
Mr. Singh Priyanshu	Head - Building Solutions
Mr. Tumkur Savyasachi	Head - Process Solutions

## Registered Office

56 & 57, Hadapsar  
Industrial Estate,  
Pune 411 013.

## Auditors

Price Waterhouse & Co., Bangalore  
Chartered Accountants

## Bankers

Citibank N. A.  
Royal Bank of Scotland

## Registrar & Transfer Agent:

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

NOTICE is hereby given that the **THIRTIETH ANNUAL GENERAL MEETING** of HONEYWELL AUTOMATION INDIA LIMITED will be held at **4.00 p.m. on April 30, 2014** in Honeywell Automation India Limited, 56 & 57, Hadapsar Industrial Estate, Pune 411 013 to transact the following business:

## ORDINARY BUSINESS:

1. To receive and adopt the Directors' Report and Audited Statement of Profit and Loss for the year ended December 31, 2013 and Balance Sheet as at that date.
2. To declare dividend.
3. To appoint Director in place of Mr. M.N. Bhagwat who retires by rotation and is eligible for reappointment.
4. To appoint Director in place of Mr. Norman Gilsdorf who retires by rotation and is eligible for reappointment.
5. To appoint Auditors and to fix their remuneration.

## SPECIAL BUSINESS:

6. **To consider and if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:**

To appoint a Director in place of Mr. Vikas Chadha, who was appointed as an Additional Director of the Company by the Board of Directors with effect from November 11, 2013, under Section 161 of the Companies Act, 2013 and Article 144 of the Articles of Association of the Company and who holds office upto the date of the forthcoming Annual General Meeting but who is eligible for reappointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director pursuant to the provisions of Section 257 of the Companies Act, 1956.

7. **To consider and if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 269, 309 and other applicable provisions of the Companies Act, 1956, the Company hereby approves of the appointment and remuneration of Mr. Vikas Chadha as Managing Director, with effect from January 1, 2014, upon terms and conditions set out in the draft Agreement submitted to this meeting and for identification signed by the Chairman, which is hereby specifically sanctioned with liberty to the Directors to alter and vary the terms and conditions of the said Agreement in such manner as may be agreed to between the Directors and Mr. Vikas Chadha.

## NOTES:

- a) The Company's share are under the compulsory demat list. Shareholders are requested to utilize this facility to their advantage. Shareholders have been sent the ECS facility forms. Shareholders are requested to fill in the forms and take advantage of this facility.
- b) The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, April 15, 2014 to Tuesday, April 22, 2014 (both days inclusive).
- c) A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company.
- d) 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 General Meeting.
- e) Members are requested to promptly notify any change in their address to the Company's Registrars & Share Transfer Agents, namely, TSR DARASHAW PVT. LTD., 6-10 Haji Moosa Patrawala Ind. Estate, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai - 400 011.
- f) Pursuant to the provisions of Section 205 A of the Companies Act, 1956, as amended, dividend for the year ended December 31, 2006, paid on April 27, 2007 will be transferred to the Investor Education and Protection Fund of the Central Government this year. Shareholders who have not encashed the dividend warrant(s) so far for the year ended December 31, 2006 or any subsequent years are requested to make their claim to the Office of the Registrar and

Transfer Agents: TSR DARASHAW PVT. 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.

- g) As per the provisions of the amended Companies Act, 1956, facility for making nomination is now available for shareholders in respect of the shares held by them. Nomination forms can be obtained from the Share Registrars of the Company.
- h) Shareholders are requested to bring their copy of Annual report to the meeting.

Gurgaon, February 5, 2014

By order of the Board of Directors

**Sneha Padve**  
 Company Secretary

**Registered Office:**

56 & 57, Hadapsar  
 Industrial Estate,  
 Pune 411 013

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956**

**Item Nos. 3 and 4:**

Name of Director	Mr. M.N. Bhagwat	Mr. Norman Gilsdorf
Date of Birth	04.06.1932	18.12.1953
Date of Appointment	02.11.2004	06.02.2009
Expertise in specific functional areas	Engineering	Engineering
Qualifications	1. B.E. (Mechanical & Electrical), University of Pune. 2. M.S. Mechanical Engineering, University of Illinois, USA. 3. Diploma in Business Management, Bajaj Management Institute, Mumbai.	1. Chemical engineering degree from Purdue University. 2. MBA in International Business and Finance from the Northwestern University.
List of Public Companies in which outside Directorships held as on December 31, 2013	Kennametal India Limited Walchand People First Limited Technopolis Knowledge Park Ltd.	-
Chairman/ Member of the Committees of the Board of the Companies on which he is a Director as on December 31, 2013	<b>Audit Committee:</b> Kennametal India Limited: Chairman Walchand People First Limited: Chairman	-

**Item No. 6:**

Mr. Vikas Chadha has been appointed by the Board of Directors with effect from November 11, 2013, as an Additional Director on the Board. He, therefore, holds office only upto the date of the forthcoming Annual General Meeting and is eligible for reappointment. The Company has received a notice in writing from a member as required by Section 257 of the Companies Act, 1956, proposing the appointment of Mr. Chadha as a Director.

Mr. Vikas Chadha has been with the Honeywell Group based at Delhi since the last 5 years and has held various positions such as Director - South Asia Security System; Regional Director - South Asia Honeywell Security Systems, Honeywell International India; Regional General Manager - Honeywell Building Solutions, Honeywell Automation India Ltd. Prior to joining Honeywell, he was with McKinsey & Company. Vikas has done his BE (Hons) Electronics from Delhi College of Engineering; Post Graduate Program in Management from Indian School of Business, Hyderabad.

Mr. Vikas Chadha is concerned and interested in the matter.

**Item No. 7:**

Mr. Anant Maheshwari has accepted a position as President, Honeywell India and he remains on the Board of Honeywell Automation India Ltd. Consequent to this change, the Board has passed a resolution, subject to the approval of the shareholders in the Annual General Meeting, appointing Mr. Vikas Chadha as Managing Director for a period of 5 years w.e.f. January 1, 2014, on the following terms and conditions:

- I) Mr. Vikas Chadha shall, as the Managing Director, be Head of the Management Team and shall, subject to the supervision and control of the Board of Directors, be responsible for the overall conduct and functioning of the Company.
- II) **Remuneration:**
  1. Annual Gross Compensation (which includes basic pay, HRA, other allowances and commission etc.) of Rs.1,00,00,000/- (Rupees One crore) to Rs.2,50,00,000/- (Rupees Two crores, fifty lakhs only) per annum, with such increases as may be determined by the Remuneration Committee of Directors from time to time and approved by the Board of Directors of the Company. The annual increment will be merit based and take into account the Company's performance.
  2. **Commission:**  
Such remuneration by way of commission (ICP), in addition to the Annual Gross Compensation payable, calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Board of Directors of the Company at the end of each financial year subject to the overall ceilings stipulated in Sections 198 and 309 of the Act. The specific amount payable to the Managing Director will be based on certain performance criteria to be laid down by the Board and will be payable annually after the annual accounts have been approved by the Board of Directors and adopted by the members. The Managing Director will also be eligible to long term incentives such as stock options, restricted units issued by Honeywell International Inc., from time to time as per Honeywell policy.
  3. **Retirals:**  
Company's contribution to Provident Fund, to the extent it is not taxable under the Income Tax Act; Gratuity payable as per the rules of the Company and encashment of leave at the end of tenure shall not be included in the computation.
  4. **Minimum remuneration:**  
Notwithstanding anything to the contrary herein contained wherein any financial year during the currency of the tenure of the Managing Director, the Company has no profits or inadequate profits, the Company will pay remuneration by way of salary and perquisites as specified above.
- III) The terms and conditions of the said appointment and agreement may be altered and varied from time to time by the Board, as it may, in its discretion, deem fit within the maximum amount payable to Managing Director, subject to the provisions of Section 198, 309 and 310 and Schedule XIII of the Companies Act, 1956, or any other amendments made hereafter in this regard.
- IV) There are other usual provisions in the agreement relating to termination of contract, observing strict secrecy in respect of business matters, etc.

Mr. Vikas Chadha is concerned and interested in the matter.

Dear Members,

The Directors present the **THIRTIETH ANNUAL REPORT** with the audited statements of accounts of the Company for the year ended December 31, 2013.

### 1. FINANCIAL RESULTS:

Particulars	Year ended December 31, 2013 (Rs. in lacs)	Year ended December 31, 2012 (Rs. in lacs)
Sales & Other Income	172563	167192
Operating Profit	13709	13365
Less: Interest	39	34
Depreciation	1392	1399
Profit for the year	12278	11932
Provision for tax	5390	3610
Deferred Tax Adjustment	(1728)	(195)
<b>PROFIT AFTER TAX</b>	<b>8616</b>	<b>8517</b>
Profit brought forward from the previous year	54585	47947
Profit available for appropriations	63201	56464
<b>APPROPRIATIONS</b>		
General Reserve	862	852
Proposed Dividend	884	884
Tax on proposed dividend	150	143
<b>BALANCE CARRIED FORWARD</b>	<b>61305</b>	<b>54585</b>

### 2. DIVIDEND:

Final dividend @Rs.10/- per share of Rs.10/- each was recommended by the Board in their meeting held on February 5, 2014.

### 3. OPERATIONS:

The Management Discussion & Analysis Report annexed herewith provides full details of operational performance and business analysis of these business units.

- **Honeywell Process Solutions (HPS)** serves core industrial sectors of Refining, Oil & Gas, Pulp & Paper, Metal and Cement etc.
- **Honeywell Building Solutions (HBS)** provides solutions and services for facilities such as Commercial & Industrial Buildings, IT & ITES industry, Hospitals, Hotels, Airports etc.
- **Environment and Combustion Control (ECC)** serves multiple brands through channels and offers environmental and combustion products and solutions to commercial, hospitality and industrial segments.
- **Sensing & Control (S&C)** business provides various sensors and switches to manufacturing and automobile industry. This business serves primarily OEMs in various manufacturing industries such as auto, medical instrumentation, IT, etc.
- **Exports Business Group (EBG)** addresses manufacturing and engineering services needs of Honeywell along with some other non Honeywell customers across the globe, leveraging the cost, skills and knowledge arbitrage.

#### **4. COMMUNITY DEVELOPMENT WORK:**

HAIL remains committed to making the world a better place and expanding community outreach through wide-ranging CSR activities with focus on Education, Community Health and Environment.

Some of the initiatives under CSR were as follows:

Education:

- Sponsored 5 female students studying in College of Engineering, Pune who are economically under privileged, through the “Catalyst Project” in order to promote diversity in the engineering talent pool.
- Supported teaching skill development programs for teachers at 13 rural schools in and around Pune, benefitting over 50 teachers and 2500 students during the past year.
- The computer training program for disabled children conducted by employee volunteers is in its 5 consecutive year.
- School kits and merit scholarships have been awarded to over 106 children of contract workforce associated with the Company.
- Over 300 school kits were distributed among underprivileged children in Pune.
- The Company supported vocational skill development programs on plumbing technology conducted by the IIEDR, Wagholi.
- The Company has also supported and enabled 125 school dropouts to appear for the SSC Board exam.

Health:

- A basic health and hygiene awareness camp was conducted in association with students from BJ Medical College for over 200 students from rural areas.
- Blood donation camp for employees at Pune location led to 500 bags of blood being donated.
- The Company continues to support the “AABHA” initiative related to public health awareness in tribal areas of Kolvan valley. 22 local girls from 12 villages in the valley were trained to be “Health Messengers” for their villages.
- The Company sponsored health insurance for 50 school going children and their parents.

Environment:

- Tree plantation and conservation activities have been taken up in association with rural schools leading to the plantation of over 200 trees during the last year.
- The Company has also provided financial and volunteer support to “Project Green Thumb” focused on the de-silting of the Khadakvasala dam.

#### **5. HONEYWELL OPERATING SYSTEM (HOS):**

Your Company has been driving operational excellence initiative of Honeywell Operating System (HOS). Integrated Supply Chain function (ISC) and Global Services (GS) back office supporting the business of Honeywell Process Solutions (HPS) worked further towards sustenance of HOS maturity during 2013, after achieving Silver level accreditation in 2012. Silver is the highest level that an individual HOS site can achieve. Focus in 2014 at these HOS sites will be on Silver Excellence through adopting more advanced version of HOS strongly impacting Safety, Quality, Delivery, Cost and Inventory metrics. Additional drive in 2014 will be on (1) “HOS from day one” at new manufacturing facility of Environmental and Combustion Controls business being set up at Vadodara (Gujarat) (2) Enabling operational excellence for India business and global back office for Honeywell Building Solutions to improve Quality, Delivery and Productivity performance.

#### **6. DIRECTORS:**

As per the provisions of the Companies Act, 1956 and Articles of Association of the Company, Mr. M.N. Bhagwat and Mr. Norman Gilsdorf, retire by rotation and are eligible for reappointment.

**7. HUMAN RESOURCES:**

Honeywell's Positive Employee Relationships (PER) strategy aims at engaged and motivated workforce and to create a positive and productive work environment.

Honeywell's Global PER Assessment Process outlines the Communication, Action Planning, Surveys (Employee and Manager Survey) and Focus Groups to make it more effective.

Honeywell has also made great strides to get the Employee Value Proposition (EVP) in place. It focuses on 5 key themes i.e. 1. Challenging work that matters 2. Right People 3. Talent and Leader Development 4. Differentiated Rewards and 5. Community Engagement.

As on December 31, 2013, the Company's employee strength was 2713 as compared to 2735 as on December 31, 2012.

**8. MANAGEMENT DISCUSSION & ANALYSIS/CORPORATE GOVERNANCE REPORT:**

As per Clause 49 of the Listing Agreement with the Stock Exchanges, Management Discussion and Analysis Report and Corporate Governance report are annexed and form part of the Directors Report.

**9. CODE OF CONDUCT COMPLIANCE:**

As per Clause 49 of the Listing Agreement with the Stock Exchanges, the declaration signed by the Managing Director affirming compliance with the Code of Conduct by Directors and Senior Management, for the Financial Year 2013 is annexed and forms part of the Directors Report.

**10. DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors, based on the representations received from the Operating Management, confirm that -

- a) In the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
- b) They have, in the selection of the accounting policies, consulted the Statutory Auditors and have applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- c) They have taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) They have prepared the annual accounts on a going concern basis.

**11. AUDITORS:**

M/s. Price Waterhouse & Co., Bangalore the Statutory Auditors retire at the forthcoming Annual General Meeting and are eligible for reappointment. The Company has received the certificate from the retiring auditors to the effect that the appointment, if made, will be in accordance with the limits specified in Section 224(1-B) of the Companies Act, 1956.

**12. OTHER INFORMATION:**

Information as per Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 pertaining to absorption of technology, foreign exchange earnings, is given as an Annexure to this Report and forms part of it. As per provisions of Section 219(1)(b)(iv) of the Act, the Directors' Report and Accounts are being sent to the shareholders excluding the statement giving particulars of employees under Section 217(2A) of the Act. Any Shareholder interested in obtaining a copy of the statement may write to the Company Secretary at the Registered Office of the Company.



**13. ACKNOWLEDGMENT:**

The Board 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 the Board**

**M.N. Bhagwat**  
Chairman

Gurgaon, February 5, 2014

**Registered Office:**

56 & 57, Hadapsar Industrial Estate,  
Pune 411 013

---

**Annexure to Directors' Report****A) CONSERVATION OF ENERGY:**

Your Company continues to make every effort to conserve energy required for all its operations. Some of the key initiatives undertaken in 2013 for the same are as under:

- Implementation of electrical load monitoring supervision with help of existing staff.
- Reduced number of hours of operation of AC and lighting loads.
- Changing and adding only energy efficient LED lighting in the office areas.
- Making changes to the Air conditioning to make it more energy efficient.

**B) TECHNOLOGY ABSORPTION:**

HAIL is an affiliate Company of Honeywell International Inc., and on merits it continues to have access to some of the latest products and technology of the parent Company. We continue to roll out new products and technology in the Indian markets.

**C) FOREIGN EXCHANGE EARNINGS AND OUTGO:**

(Rs. in lakhs)

(i)	Foreign exchange earned	63,955
(ii)	Foreign exchange used	60,993



**PERFORMANCE OF KEY FINANCIAL INDICATORS AND HIGHLIGHTS OF 2013**

	2013 (Rs. Cr.)	2012 (Rs. Cr.)	
• External orders	1422	1111	External orders up 28%
• Net revenue from operations	1707	1661	Net revenue up 3%
• Net income	86	85	Net income at 5% of net sales
• Cash flow from operations	192	-17	Positive cash generated from operations

**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 2012, all these macro trends started slowing down, impacting growth. During 2013 (the year under review), the Indian economy continued to slow down. Capital expenditure across various sectors continued to remain stagnant with continued uncertainty in the economy. Inflation continued to remain high leading to interest rate hikes by the Reserve Bank of India, further challenging access to funds for your Company's customers. Significant adverse movement in the USD-INR exchange rate during the third quarter of 2013 has had a large impact on your Company's operating results driving costs of imported items higher. Slowdown in the industrial and infrastructure sectors has now spread to the residential construction sector as well.

Economic and industry conditions impacting industries involved in environment, security and safety also have an impact on your Company's operations. Some of the important market conditions were:

- Delays in incremental investments in sectors critical for the Process Solutions business, including refining, terminals and pipelines, power generation, transmission and distribution, and oil exploration projects continued. Overall investment trends remained uncertain.
- Trends in the construction sector for both commercial and residential verticals continued to remain muted due to sluggish demand for real estate. These trends have impacted your Company's ECC business.
- For the S&C business, slowdown in manufacturing of machinery, capital goods and auto sectors meant significant shrinkage in available opportunities. However, the increasing level of automation in industrial and off-road automotive products is a positive trend for the business.
- The changing geographic mix of global business from the developed regions (North America and Western Europe) to other geographies (e.g., the Middle East, Eastern Europe) has sustained. This affects your Company's ability to derive competitive advantages from the cost benefit of sourcing services from India by Honeywell entities.

**Honeywell Process Solutions (HPS):**

HPS' offerings include distributed control systems, field instruments, programmable logic controllers, emergency shutdown systems (ESD), quality controls systems (QCS), process and business performance improvement solutions and various value added services. HPS business has won several prestigious projects as well as continuing its strong position in the key vertical of oil and natural gas.

2014 is likely to be a challenging year for HPS due to the prevailing economic and political environment, which may cause delays in policy regulation, lower growth of industrial production and continued competitive pressures in the market. Opportunities in the green field refining sector are declining and your Company will have fewer opportunities due to limited investments in petrochemicals/fertilizers and upgrade/expansion of oil terminals/storage projects in India. Your Company has a strong position in each of these areas. With a suite of products and solutions that cater to these sectors, we expect that from among available opportunities, we will win a fair share of the demand.

**Honeywell Building Solutions (HBS):**

HBS provides building solutions that are operationally intelligent and energy efficient. As part of its intelligent buildings suite, HBS provides building management systems (HVAC, lighting and utilities monitoring and control), fire detection and alarm systems, access control systems, video surveillance systems, integrated security systems and integrated building management systems leveraging Honeywell's Enterprise Buildings Integrator™, i.e., EBI™. As part of its operational efficiency promise, HBS provides after market services for all control systems as well as comprehensive utilities operations and maintenance services for all mechanical and electrical systems in buildings. As part of its energy efficiency promise, HBS provides energy management services, energy retrofits and energy performance contracts.

The strong results in this business continued during the year. Its track record in infrastructure, IT, datacenters and office space verticals has accelerated its presence in telecom, healthcare and pharmaceutical verticals in 2013. The highlights of the year were major order wins from many large customers from telecommunications and IT.

**Environment and Combustion Control (ECC):**

With softening of investments in the hospitality and commercial real estate sectors, the ECC business had a tough year to sustain revenue growth, which was marginal as compared to last year. Channel volumes, expansion of distribution footprint to tier-2 and tier-3 cities and key project wins in the building management system (BMS) business were the highlights of the year. The industrial combustion control business continued to see positive trends with revival of industrial demand in the last year. Solar water heaters launched in 2009 continued to report strong sales. Government policies for encouraging renewable energy solutions are helping in leveraging large commercial opportunities in this space. The investment made in the new solar water factory in Vadodara (Gujarat) in 2013 is likely to come on stream in the first half of 2014 – this will continue to help in growing this business.

In 2012, this business also identified synergistic opportunities for a shared management and go-to-market approach with another Honeywell India entity: Honeywell Electrical Devices & Systems (ED&S). Both these businesses target similar end markets in the commercial and residential construction vertical and, therefore, can benefit by sharing their channels and support infrastructure. We believe this will continue to provide your Company an opportunity to expand its reach to tier-3 and tier-4 cities.

Consolidation of the commercial construction and real estate segments, along with urbanization in tier-2 and tier-3 cities, will continue to drive growth of the diversified product portfolio for the business. We remain cautious about the overall liquidity situation and interest rates scenario for 2014, which may affect credit availability in the commercial construction segment, thereby affecting the volume of ECC's business.

**Sensing and Control (S&C):**

With a slowdown in core industrial sectors, especially automotive, construction equipment and off highway equipment, S&C revenue growth rates were lower as compared to historical trends. However, on the back of strong product offering, technology and superior services, S&C growth remained flat in these difficult market conditions for the year across all lines of business, viz. electromechanical, electro sensing, and test and measurement. During the year under review, S&C secured large program orders from key customers, which are expected to support revenue growth in 2014 and beyond.

Your Company will continue to remain focused on verticals such as industrial, transportation, military, aerospace and healthcare. Another important initiative is to expand the distribution network, especially for greater coverage of industrial customers. For this, the channel management team has been expanded through re-organization, which will help the business to focus on the distribution network. During the year there have been significant new business opportunities which resulted in major wins from customers in medical and transportation industries. These new business opportunities are expected to support growth in the coming years.

**Exports:**

Global Services (GS) is engaged with Honeywell entities globally in providing project engineering services, product design solutions, software engineering services, systems manufacturing and staging services. GS is in a unique position to add value in terms of driving overall productivity and cost competitiveness in the current economic conditions. Strong and highly mature deployment of the Honeywell Operating System (HOS), a system designed to drive operational and business