Honeywell

THE POWER OF **CONNECTED**

2016-17

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 25, 2017)

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

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Senior Management Team

Mr. Anant Kelkar	Head - Global Services
Ms. Anjani Ningoo	Head - Audit & Internal Controls
Mr. Aseem Joshi	Head - Building Solutions
Mr. Girish Shastri	Head - Global Manufacturing
Mr. Rohit Bansal	Head - Sensing & IOT
Mr. R. Ravichandran	Chief Financial Officer
Mr. Sudipta Das	Head - Environmental & Energy Solutions
Mr. Kapil Vardhan	Head - Human Resources
Mr. K. V. Ananthanarayanan	Head - Legal

Company Secretary

Ms. Farah Irani

Registered Office

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

Auditors

Deloitte Haskins & Sells LLP
Chartered Accountants

Bankers

Citibank N. A.

Registrar & Transfer Agent:

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

NOTICE is hereby given that the **THIRTY THIRD ANNUAL GENERAL MEETING (AGM) of HONEYWELL AUTOMATION INDIA LIMITED** will be held on Wednesday, August 9, 2017 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, 2017, together with the Reports of the Board of Directors and the Auditors thereon.
2. To declare final dividend of Rs. 10/- (100%) per equity share for the financial year ended March 31, 2017.
3. To consider to appoint a Director in place of Ms. Tina Pierce who retires by rotation and being eligible offers herself for re-appointment.
4. To ratify the appointment of Statutory Auditors for the financial year 2017-18.

   "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 next Annual General Meeting of the Company be and is hereby ratified for the financial year 2017-18 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 Related Party transactions/arrangements with Honeywell International Inc, Honeywell Measurex (Ireland) Limited and Honeywell Turki-Arabia Limited.**

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

   "RESOLVED THAT pursuant to provisions of Section 188 of the Companies Act, 2013 and Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, consent of the Company be and is hereby accorded for entering into contracts, arrangements, or transactions with Honeywell International Inc., Honeywell Measurex (Ireland) Limited and Honeywell Turki-Arabia Limited for estimated amounts as detailed below every financial year.

Nature of Contract/Arrangements/Transactions	Estimated amount every financial year (upto Rs. In lakhs)		
	Honeywell International Inc	Honeywell Measurex (Ireland) Limited	Honeywell Turki-Arabia Limited
	Ultimate Holding Company	Fellow Subsidiary	Fellow Subsidiary
Sale, purchase, or supply of any goods or materials	25,000	47,000	20,000
Avail of or render services	50,000	6,000	27,000
Sale or purchase of fixed assets	2,000	1,000	1,000
Total	**77,000**	**54,000**	**48,000**

RESOLVED FURTHER THAT the Managing Director and the Chief Financial Officer of the Company be and are hereby authorized severally, to do all such acts, matters, deeds, and things with regard to any contract, transaction, or arrangement with the related party and execute such agreements, documents and writings, as may be necessary or desirable for the purpose of giving effect to this resolution."

6. **To consider and approve payment of commission to Directors {other than the Managing Director / Executive Director(s)}**

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

   "RESOLVED THAT pursuant to Section 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 and Rules thereunder, a commission for a sum not exceeding one percent per annum of the net profits of the Company calculated in accordance with the provisions of the above-mentioned Sections of the Act, be paid and distributed amongst the Directors of the Company or some or any of them {other than the Managing Director/Executive Director(s)} in such amounts or proportions and in such manner and in all respects as may be directed by the Board of Directors and such payments shall be made in respect of the profits of the Company for each year of the period of five years commencing with the financials for the year commencing from April 1, 2017.

NOTES:

1. Statement pursuant to Section 102 of the Companies Act, 2013, setting out the material facts in respect of Special Business under item nos. 5 and 6 are annexed hereto.
2. As required under Regulation 36 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) 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 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. Members holding more than ten percent of the total Share Capital of the Company 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 Meeting.
4. Corporate members intending to send their authorized representatives to attend the Meeting 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 Meeting.
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 General Meeting.
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 205A of the Companies Act, 1956 (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, 2010 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.

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 August 2, 2017.

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, e-mail 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 e-voting are annexed to the Notice.

10. To support the 'Green Initiative' Members who have not registered their e-mail addresses are requested to register the same with TSR DARASHAW LTD/their respective Depository Participants.

11. 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., August 2, 2017 only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

12. 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.

13. The Chairman shall at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, 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.

14. The Scrutinizer 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 three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

15. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company at the following link: https://honeywell.com/country/in/Pages/hail.aspx 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.

16. The Annual Report 2016-17, the Notice of 33rd AGM and instructions for remote e-voting, alongwith the Attendance Slip and Proxy form are also being sent by electronic mode to Members who have registered their e-mail IDs with the DPs or with the Company.

17. The Annual Report duly circulated to the Members of the Company, is available on the Company's website at the following link:https://honeywell.com/country/in/Pages/hail.aspx.
18. All documents referred to in the Notice will be available for inspection at the Company's registered office on all working days, during business hours 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

Gurugram, May 25, 2017

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

STATEMENT SETTING OUT MATERIAL FACTS

Pursuant to Section 102 of the Companies Act, 2013

Item No. 5:

Honeywell International Inc (HII), USA, is the ultimate holding company of your Company. Honeywell Measurex (Ireland) Limited (HMI) and Honeywell Turki-Arabia Limited (HTAL) are fellow subsidiaries of Honeywell International Inc, Ultimate Holding Company. Being a part of a Honeywell, your Company works closely with these entities to meet its business objectives. The Company has a range of transactions with these entities, including purchase and sale of goods and services in ordinary course of business.

The Company expects to have transactions not exceeding an estimated value of Rs. 77,000 Lakhs, Rs. 54,000 Lakhs and

Name of Related Party	Honeywell International Inc.	Honeywell Measurex (Ireland) Limited	Honeywell Turki-Arabia Limited
Nature of Relationship	Ultimate Holding Company	Fellow Subsidiary	Fellow Subsidiary
Nature, Material Terms & Particulars of Contract	Estimated amount every financial year (upto Rs. in Lakhs)		
Sale, purchase or supply of any goods or materials [Sec 188(1)(a) of Companies Act, 2013]	25,000	47,000	20,000
Availing or rendering of any services [Sec 188(1)(d) of Companies Act, 2013]	50,000	6,000	27,000
Selling or otherwise disposing of, or buying, property of any kind [Sec 188(1)(b) of Companies Act, 2013]	2,000	1,000	1,000
Name of Interested Director/Key Managerial Personnel	Mr. Ashish Gaikwad, Mr. Vikas Chadha, Ms. Nisha Gupta and Ms. Tina Pierce are considered to be interested, being Promoter Directors		
Ordinary Course of Business	Yes		
Arm's length	Yes		

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

Save and except the above, 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.

Item No. 6:

At the Twenty-Ninth Annual General Meeting held on May 3, 2013, the Members had approved the payment of commission to Directors of the Company or some or any of them (other than the Managing Director) for a sum not exceeding one percent per annum of the net profits of the Company for each year of the period of five years commencing with the financials for the year commencing January 1, 2012. The said approval has expired on March 31, 2017. Hence, it is proposed to renew the said resolution for a further period of five years commencing with the financials for the year commencing April 1, 2017; by approving the payment of commission to Directors of the Company or some or any of them {other than the Managing Director/Executive Director(s)} for a sum not exceeding one percent per annum of the net profits of the Company calculated as per provisions of Section 198 of the Companies Act, 2013.

The Board recommends the passing of the resolution set out at Item No.6 of the Notice.

Mr. Suresh Senapaty and Mr. N. Srinath – Independent Directors are interested in this Resolution. Save and except the above, none of the other Directors or Key Managerial Personnel of the Company or their relatives are concerned or

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

{Pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Standard 1.2.5 of SS-2, Secretarial Standard on General Meetings}

Name of the Director	Ms. Tina Pierce
DIN	07714933
Date of Birth	November 27, 1966
Date of appointment on the Board	February 6, 2017
Qualification	Bachelor's degree in finance from Ball State University and a master's degree in business administration from Florida State University. Tina is also a Certified Public Accountant (C.P.A.) and Certified Management Accountant (C.M.A.).
Experience & Brief profile and nature ofexpertise in specific functional areas	Ms. Tina Pierce is Vice President and Chief Financial Officer of Honeywell Process Solutions (HPS), one of the world's leading suppliers of automation and control systems. Most recently, Tina worked as Vice President, Finance Transformation, leading several corporate initiatives to drive a more contemporary finance organization. Prior to this, she worked at UOP for five years as the Vice President and CFO. Since joining Honeywell, Ms. Tina Pierce has held a number of finance leadership roles across all three Honeywell strategic business groups. She was the CFO for the Honeywell Electronic Materials business and also completed a 2.5 year assignment in Hong Kong and Singapore. In 2011, she completed the Northwestern Kellogg School of Management Executive Scholar Program, including the Board of Directors Development Program for Women. In 2012, she completed the Becoming a Strategic CFO at Wharton and Audit Committees in a New Era of Governance at Harvard University. In 2015, she completed the Honeywell Executive Development
Directorships held in other companies.	Nil
Memberships / Chairmanships of committees	Nil
Relationship with other Directors/Manager/Key	None
Shareholding in the Company	Nil
No. of Board/Committee Meetings attended	1 (One) / N.A.

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

Gurugram, May 25, 2017

Farah Irani
Company Secretary

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

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 Sunday, August 6, 2017 (9:00 a.m.) and ends on Tuesday, August 8, 2017 (5:00 p.m.). During this period members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date of August 2, 2017, 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/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-

   a. Open email and open PDF file viz; “HWL remote e-voting.pdf” with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password. If you are already registered with NSDL for e-Voting then you can use your existing user ID and password.

   b. Launch internet browser by typing the following URL: https://www.evoting.nsdl.com. Click on Shareholder – Login.

   c. Enter user ID and password noted in step (a) above. Click Login.

      NOTE: Shareholders who forgot the User Details/Password can use “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com.

      In case Shareholders are holding shares in demat mode, USER-ID is the combination of (DPID + Client ID).

      In case Shareholders are holding shares in physicalmode, USER-ID is the combination of (Even No + Folio No).

   d. After successful login, you can change the password with new password of your choice.

   e. Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.

   f. Select “REVEN” of Honeywell Automation India Limited.

   g. Now you are ready for remote e-voting as “Cast Vote” page opens.

   h. Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.

   I. Upon confirmation, the message “Vote cast successfully” will be displayed.

   j. Once you have voted on the resolution, you will not be allowed to modify your vote.

   k. For the votes to be considered valid, the corporate and institutional shareholders (companies, trusts, societies, etc.) are required to send a scanned copy (PDF/JPG format) of the relevant Board Resolution/Appropriate Authorization etc. together with attested specimen signature of the duly authorized signatory(ies), to the Scrutinizer through e-mail at jbbhave@gmail.com with a copy marked to evoting@nsdl.co.in.

3. Members whose email IDs are not registered with the Company/Depository Participants(s) will receive a physical copy of the Notice of AGM alongwith Attendance Slip and Proxy form. The following instructions are to be followed -

   a. Initial password is provided at the bottom of the Attendance Slip for the AGM