

# Honeywell

**HONEYWELL AUTOMATION INDIA LIMITED**

**2018-19**  
Annual Report

**Honeywell**

**Board of Directors (As on May 13, 2019)**

Mr. Suresh Senapaty	(Chairman & Independent Director)
Mr. Srinath Narasimhan	(Independent Director)
Ms. Neera Saggi	(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 13, 2019)**

Mr. Ashish Gaikwad	Head – Process Solutions
Mr. Aseem Joshi	Head – Building Solutions
Mr. Rahul Sharma	Head – Global Services
Mr. Gajanan Lahane	Head – Global Manufacturing
Mr. Hemant Khattar	Building Management System Leader
Mr. S. Sreekanth	Sensing & IOT Leader
Mr. Amit Tania	Chief Financial Officer (w.e.f. May 16, 2018)
Mr. Abhishek Kumar	Head – Human Resources
Mr. Nikhil Thakkar	Head – Audit & Internal Controls

**Company Secretary**

Ms. Farah Irani

**Registrar & Transfer Agent:**

TSR Darashaw Consultants Pvt. Ltd.  
(Previously 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/en-us/global/en-in/hail>

Contents	
Notice .....	2-11
Board's Report .....	12-45
Management Discussion & Analysis Report.....	46-52
Corporate Governance Report .....	53-71
Business Responsibility Report.....	72-83
Auditors' Report.....	84-93
Balance Sheet .....	94
Profit & Loss Account .....	95
Cash Flow Statement .....	96-97
Statement of Changes in Equity .....	98
Notes 1 to 40 .....	99-147

NOTICE is hereby given that the **THIRTY FIFTH ANNUAL GENERAL MEETING (AGM) of HONEYWELL AUTOMATION INDIA LIMITED** will be held on Friday, August 9, 2019 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, 2019, together with the Reports of the Board of Directors and the Auditors thereon.
2. To declare final dividend of INR 45/- per equity share for the financial year 2018-19.
3. To consider appointing a Director in place of Ms. Nisha Gupta (DIN: 02331771) who retires by rotation and being eligible offers herself for re-appointment.

**SPECIAL BUSINESS:****4. To consider and approve appointment of Ms. Neera Saggi as an Independent 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 Sections 149, 150, 152, Schedule IV, Section 161(1) read with Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable provisions of the Companies Act, 2013 (“Act”) and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or enactment thereof for the time being in force) and pursuant to the recommendation of the Nomination and Remuneration Committee and approval accorded by the Board of Directors of the Company, Ms. Neera Saggi (DIN: 00501029) who was appointed as an Additional Director in the capacity of Independent Director of the Company by the Board of Directors effective February 4, 2019 and who holds office till the date of the Annual General Meeting in terms of Section 161 of the Act, be and is hereby appointed as a Director and Independent Director of the Company for a term of 5 (five) consecutive years with effect from February 4, 2019 to February 3, 2024 and the appointment shall not be subject to retirement by rotation.”

**5. To ratify remuneration of Cost Auditor**

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

“RESOLVED THAT pursuant to Section 148 (3) read with Rule 14 of Companies (Audit and Auditors) Rules, 2014 and all other applicable provisions, if any, of the Companies Act, 2013, the Company hereby ratifies the remuneration of INR 7,00,000 (Rupees Seven Lakhs only) plus GST and re-imbursement of out-of-pocket expenses payable to M/S. C S Adawadkar & Co., Cost Accountants (Firm Registration No. 100401), who were appointed by the Board of Directors as Cost Auditor of the Company to conduct audit of cost records made and maintained by the Company pertaining to various products covered under cost audit for financial year ending March 31, 2020.”

**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. 4 and 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 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. In case of any queries regarding the Annual Report, Members may write to [HAIL.InvestorServices@Honeywell.com](mailto:HAIL.InvestorServices@Honeywell.com). Members desiring any information relating to the financial statements at the meeting are requested to write to us at least ten (10) days before the meeting to enable the Management to keep the information ready and reply at AGM.
6. Only bonafide members of the Company whose names appear on the Register of Members/Proxy holders, in possession of valid attendance slips duly filled and signed will be permitted to attend the meeting. The Company reserves its right to take all steps as may be deemed necessary to restrict non-members from attending the meeting.
7. Non-resident Indian shareholders are requested to inform immediately about the following to the Company or its Share Transfer Agent or the concerned Depository Participant, as the case may be:
  - a. The change in the residential status on return to India for permanent settlement
  - b. The particulars of the NRE Account with a Bank in India, if not furnished earlier.
8. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
9. 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, 2012 or any subsequent years are requested to make their claim to the Office of the Registrar and Transfer Agents: TSR Darashaw Consultants Pvt. Ltd. (previously 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 Company's website at the following link: <https://www.honeywell.com/en-us/global/en-in/hail>
10. 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, 2019.
11. Members holding shares in dematerialised form are requested to update / intimate all changes, if any, pertaining to their bank details such as name of the bank and branch address, bank account number, MICR Code, IFSC Code, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS) mandates, Permanent Account Number (PAN), 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 Consultants Pvt. Ltd. (previously TSR Darashaw Ltd.).

12. 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 Listing Regulations, 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.
13. As per Regulation 40 of the Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialised form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialised form. Members can contact the Company or Company's Registrar and Transfer Agents, TSR Darashaw Consultants Pvt. Ltd. (previously TSR Darashaw Ltd).
14. Pursuant to Section 101 of the Act read with Rule 18 of the Companies (Management and Administration) Rules, 2014, the Annual Report for 2018-19, the Notice of 35<sup>th</sup> 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 email 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 email IDs with the Company/Registrar and Transfer Agents/Depository Participants, a physical copy of the Annual Report for 2018-19 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 Consultants Pvt. Ltd. (previously TSR Darashaw Ltd.)/their respective depository participants. The relevant Consent Form is provided at the end of this Annual Report.
15. 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 Dividend 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](http://www.iepf.gov.in)) and on the Company's website at the following link: <https://www.honeywell.com/en-us/global/en-in/hail>
16. 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, 2019 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 Tuesday, August 6, 2019 (9.00 a.m. IST) and ends Thursday, August 8, 2019 (5.00 p.m. IST). The instructions for remote e-voting is detailed out in the Annexure to this AGM Notice.
17. Mr. Jayavant B. Bhavé, of M/S. J.B. Bhavé & Co., Company Secretaries, has been appointed as the Scrutiniser to scrutinise the voting and remote e-voting process in a fair and transparent manner.
18. 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.

19. 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.
20. The results declared along with the report of the Scrutiniser shall be placed on the website of the Company at the following link: <https://www.honeywell.com/en-us/global/en-in/hail> and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorised by him in writing. The results shall also be immediately forwarded to the BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.
21. 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/en-us/global/en-in/hail> and also on the website of BSE Limited and National Stock Exchange of India Limited.
22. 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. up to the date of the AGM.
23. At the 31<sup>st</sup> AGM of the Company held on 21<sup>st</sup> July, 2015, the members approved 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 for a period of five years from the conclusion of that AGM till the conclusion of the 36<sup>th</sup> AGM, subject to ratification of their appointment by Members at every AGM, if so required under the Act. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the 35<sup>th</sup> AGM.
24. 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.
25. Members are requested to bring their copy of Annual Report to the AGM.
26. 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 13, 2019

**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](mailto:HAIL.InvestorServices@Honeywell.com)

Website: <https://www.honeywell.com/en-us/global/en-in/hail>

**STATEMENT SETTING OUT MATERIAL FACTS*****Pursuant to Section 102 of the Companies Act, 2013*****Item No. 4:**

The Board of Directors of the Company at its meeting held on February 4, 2019 pursuant to the recommendation of the Nomination and Remuneration Committee, appointed Ms. Neera Saggi (DIN: 00501029) as an Additional (Non-Executive Independent) Director of the Company with effect from February 4, 2019, pursuant to Section 161 of the Companies Act, 2013. Ms. Neera Saggi holds office up to the date of this AGM of the Company. The Company has received a notice in writing from a member proposing candidature of Ms. Neera Saggi for the office of a Director in terms of Section 160(1) of the Companies Act, 2013.

The Board of Directors of the Company at its meeting held on February 4, 2019 pursuant to the recommendation of the Nomination and Remuneration Committee and subject to the approval of shareholders at ensuing Annual General Meeting, also appointed Ms. Neera Saggi as an Independent Director of the Company to hold office with effect from February 4, 2019 for a term of 5 (five) consecutive years, not liable to retire by rotation. Ms. Neera Saggi is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.

Accordingly, it is proposed to appoint Ms. Neera Saggi as a Director and an Independent Director of the Company for a term of 5 (five) consecutive years with effect from February 4, 2019 to February 3, 2024 pursuant to Section 149, read with Schedule IV of the Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any amendment thereto or modification thereof. Ms. Neera Saggi will not be liable to retire by rotation. Ms. Neera Saggi will be entitled to coverage under Mediclaim Insurance and Accident Insurance, sitting fees for attending the meetings of the Board and its Committees and remuneration by way of commission pursuant to Sections 197 and 198 of the Companies Act, 2013.

In the opinion of the Board, Ms. Neera Saggi, the Independent Director proposed to be appointed, fulfills the conditions specified in the Companies Act, 2013 and the Rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments made from time to time and Ms. Neera Saggi is independent of the Management.

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

The Board recommends passing of the resolution set out at Item No.4 of the Notice by way of an Ordinary Resolution. Except Ms. Neera Saggi, 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. 5:**

Pursuant to Section 148 (3) of the Companies Act, 2013 read with Rule 14 of Companies (Audit and Auditors) Rules, 2014 and all other applicable provisions, if any, of the Companies Act, 2013, members have to ratify the remuneration of Cost Auditor of the Company.

The Company is required to have the audit of its cost records conducted by a cost accountant in practice under Section 148 of the Act, read with the Companies (Cost Records and Audit) Rules, 2014 ("the Rules"). The Board, on the recommendation of the Audit Committee at its meeting held on May 13, 2019, had approved the appointment and remuneration of M/S. C S Adawadkar & Co., Cost Accountants (Firm Registration No. 100401) as the Cost Auditor of the Company to conduct audit of cost records made and maintained by the Company pertaining to various products covered under cost audit for financial year commencing on 1-April-2019 and ending on 31-March-2020 at a remuneration of INR 7,00,000 (Rupees Seven Lakhs only) plus GST and re-imbursment of out-of-pocket expenses.



In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the members of the Company. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 5 of the notice for ratification of the remuneration payable to the Cost Auditor for the financial year ending March 31, 2020.

The Board recommends the Ordinary Resolution set out at Item No. 5 of the notice for approval by the members. None of the Directors or Key Managerial Personnel (KMP) or relatives of Directors and KMPs 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 Secretarial Standard 2 on General Meetings}*

<b>Name of the Director</b>	<b>Ms. Nisha Gupta</b>	<b>Ms. Neera Saggi</b>
DIN	02331771	00501029
Date of Birth	March 9, 1969	May 13, 1956
Date of appointment on the Board	April 30, 2014	February 4, 2019
Qualification	B.Sc. from Delhi University, Chartered Accountant	International MBA Degree Programme, International Centre of Public Enterprise, Ljubljana, Slovenia Master Degree in English Literature, Delhi University
Experience & Brief profile and nature of expertise in specific functional areas	As provided below separately	As provided below separately
Directorships held in other companies	Nil	10
Memberships / Chairmanships of committees across all other public companies	Nil	8 / 1
Relationship with other Directors /Manager / Key Managerial Personnel	None	None
Shareholding in the Company	Nil	Nil
No. of Board / Committee Meetings attended during the year	5 (Five) / 9 (Nine)	2 (Two) / Nil

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

#### **Experience, brief profile and nature of expertise in specific functional areas - Ms. Nisha Gupta**

Ms. Nisha Gupta heads the taxation function for all the business of Honeywell in India.

In this role, Ms. Nisha Gupta is responsible for tax strategy, planning and compliance. Ms. Nisha Gupta works at the intersection of business and functional objectives to ensure tax compliance for all of Honeywell's businesses in the region.

Ms. Nisha Gupta brings to her role, more than 25 years of experience in tax and accounting. Before joining Honeywell, she worked on public accounting in two of the Big Four firms - PwC and KPMG - where she specialised in international and domestic tax issues, with a focus on planning and developing compliance structures with operational efficiencies. Ms. Nisha Gupta has also represented several multinational companies with tax authorities and the judiciary in India.

**Experience, brief profile and nature of expertise in specific functional areas - Ms. Neera Saggi**

Ms. Neera Saggi has rich experience in the public and private sector. She joined the Indian Administrative Service in 1980 and for 28 years she worked in the state of West Bengal, Ministry of Commerce, Ministry of Textile and Ministry of Shipping in Govt. of India. Besides other assignments Ms. Saggi was the Secretary to Governor of West Bengal, District Magistrate, Hooghly in West Bengal, Dy. Chairperson of the Jawaharlal Nehru Port Trust (JNPT) and Development Commissioner of Special Economic Zones. Ms. Saggi was closely associated with evolving the policy framework of the National Special Economic Zones Act, 2005 by the Ministry of Commerce and Industry. She was the Chief Executive Officer of Larsen & Toubro, Seawoods, the largest Transit Oriented Development in India. She was also CMD (for 3 years) of Hindustan Diamond Corporation, a joint venture between De Beers and Govt. of India.

Ms. Neera Saggi has worked in multiple sectors including infrastructure, real estate, EPC, health, SMEs, export promotion, rural administration, ports and commerce. She has worked with different stakeholders including Government, Private, Non profit, Multilateral Agencies, Chamber of Business and Commerce. She was the First Women President elected of the Bombay Chamber of Commerce and Industry in 166 years.

Ms. Neera Saggi is the Chairperson of CARE India, a non profit, on the Board of CARE International, and on the Board of Governors of IIM Amritsar and on the National Managing Committee of the Indian Cancer Society.

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

**Farah Irani**

Company Secretary

Pune, May 13, 2019

**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/en-us/global/en-in/hail>