



HONEYWELL AUTOMATION INDIA LIMITED

ANNUAL REPORT 2021 - 22



DR. GANESH NATARAJAN

Independent Director
(Non-Executive) and Chairman of
the Board of Directors, Honeywell
Automation India Limited

FROM THE CHAIRMAN'S DESK

Dear Shareholders,

I am delighted to connect with you! I would like to thank you for your continued ownership of Honeywell Automation India Limited ("HAIL") and I sincerely hope that you and your family members are safe and healthy.

The last year has proven our strength and resolve as we emerge from the pandemic. India's economy bounced back and the GDP grew 8.7% in FY2021-22, even as we continue to navigate the challenges of the pandemic. A large share of the population is now fully vaccinated which will help in containing the impact from any further spikes in COVID-19. Even though FY 2021-22 might not have been the best of the years because of unprecedented external macroeconomic factors, their impact is expected to be seen in the future as well. The fundamentals of the Indian economy, however, remain strong. India's democratic political system is more stable and institutionalized than those of other developing economies. This favours policy continuity and institutional stability. Latest GDP estimations shows a growth of 7.2% Y-o-Y which will help boost the Indian economy further.

Last year was a year of recovery for your Company. While Honeywell continues to face challenges such as supply chain disruption and inflation among others, the Company's principles and core behaviors have provided tenets to help guide a roadmap to the future. Under the leadership of a capable management team, your Company was quick to pivot and find opportunities to not only tide over a tough year, but also solve for some of the challenges thrown up by post pandemic external factors. The pandemic accelerated the pace of digital transformation and pushed us faster and further into the digital era. Your Company empowered customers with required digital offerings as and established itself as their preferred automation vendor. Your Company will continue to focus on its core strategies and aggressively pursue new growth levers of digitization, sustainability, and tailwinds across various industry segments like metals, healthcare, and cybersecurity in the country.

All around the world, there is increased focus on sustainability – from alternative fuels to reduced emissions, and commitments by companies and countries to go carbon neutral. Globally, 60% of Honeywell's new product R&D is focussed on solutions that enhance environmental and social outcomes for customers. Your Company remains committed to innovate to create flexible, future-forward, and sustainable solutions that address the challenges of an ever-changing world.

Non Nascor Mihi Solum - Live not for self alone. In partnership with leading non-profit institutions, your Company developed powerful corporate social responsibility (CSR) programs to address the needs of the communities Honeywell serves. Your Company contributed to strengthening of rural healthcare systems and holistic rural development programs and supported non-COVID recovery efforts. We will continue to find ways to help those who are less privileged but certainly not less deserving.

It would be incorrect to say that the economy has turned into the growth phase. There are still some external factors, which may impact your Company's overall growth in near short term. However, with the resilience and dedication of the leadership team, your Company will overcome these turbulent times in the long run. On your behalf, I would like to acknowledge the tremendous efforts of your Company's employees across levels and thank them for their hard work, dedication and continued commitment. I would also like to thank our customers, suppliers, bankers, and financial institutions.

Last but not the least, on behalf of the Board of Directors of Honeywell Automation India Limited, I want to thank you for your continued trust, confidence, and support.

Dr. Ganesh Natarajan
Chairman & Independent Director



ASHISH GAIKWAD

Managing Director, Honeywell
Automation India Limited and
VP-GM, Honeywell Process
Solutions India

FROM THE MANAGING DIRECTOR'S DESK

Dear Shareholders,

Your Company has completed 38 years in India. During these years, your Company has evolved into a trusted brand. From a fledgling entity serving customers in the process industry and commercial buildings with a limited automation portfolio, we have now transformed into a industry leader with a large and diverse portfolio, serving the government and private sectors in India and overseas.

This has been an exciting journey and I have been fortunate to serve the Company for over 30 of these 38 years.

You will agree that FY2021-22 was a tough year for the Company. The post pandemic effect, slowdown in the global economy, and unprecedented external macroeconomic factors impacted us. Overall revenue from operations in FY2021-22 stood at INR 2,948 crore, registering a year-on-year decline of 3.1%. Your Company's profit (after tax) was INR 339 crore. Cost of goods sold was 52.4% of sales against 50.3% in the previous year. Your Company delivered a return of 11.5% on sales as against 15.1% in the previous year.

On a positive note, demand was not an issue for us in FY2021-22, External order booking in the year increased by 31% as compared to the previous year. Supply chain disruptions, inflation, and the continued presence of COVID-19 in the first half of the year proved to be the key challenges. Your Company is already working to address these challenges, and will look at – among other steps – focusing on proactively identifying local manufacturers to avoid supply chain disruptions. This is also in line with the Government of India's Atmanirbhar Bharat Mission.

Responding to needs arising post pandemic, your Company rolled out several offerings for our industrial and commercial buildings customers to enable them to continue their operations remotely. Your Company offered effective remote engineering solutions, remote factory acceptance test set-ups, remote site-commissioning solutions, and remote maintenance solutions. All this was done using our approach to digital transformation with our leading industrial software applications. This also accelerated our customers on their digital transformation/Industry 4.0 journey. Additionally, we offered our Industrial Cybersecurity solutions to protect our customers' digital infrastructure and data.

Your Company developed Honeywell Healthy Buildings solutions portfolio, which makes commercial real estate, workplaces and campuses safer and healthier for occupants and users as they begin weaning away from a 'work from home' practice that was prevalent through much of last year.

Your Company bagged the prestigious Bengaluru Safe City project under the Government's Nirbhaya Fund, which seeks to make the city safer for women. Continued Government spending on the country's core infrastructures such as airports, metros, railways, ports, Smart Cities and large-scale data centers among others are opportunities for value-added services that we excel in. Your Company is well positioned to align with this growing demand in the country.

Over the last few years, your Company has focused to grow the business in the pharma and life sciences industry. The pandemic showed that our foresight was not misplaced. Your Company has a strategic approach to grow in this industry by building a differentiated portfolio relevant to the needs of the Indian customer. Our portfolio of products, software, and solutions align well across the value chain of the pharma and life sciences sector – from R&D for vaccine and drugs discovery to manufacturing, packaging, distribution, and tracking. Our integrated hardware and software solutions enable pharmaceutical manufacturers to meet their key goals – operational excellence, productivity, safety, regulatory compliance, and data driven decision making. The steady growth of this sector coupled with rapid adoption of automation and digitalization solutions by pharmaceutical companies provides an attractive opportunity for your Company to become a trusted automation and digitalization partner for the sector in our country.

In tune with time, your Company is driving the digital transformation -both internally and externally with our customers to help them gain efficiency. We made significant progress on both the fronts in FY2021-22. This also aligns with the Government's Digital India mission.

Sustainability has taken centerstage in a post pandemic world. India is facing a higher demand for sustainable solutions that address energy optimization, natural gas transmission and distribution, renewable energy, and water conservation. Working with global Honeywell experts and powered by Honeywell's leading technologies, your Company is well placed to address these new growth areas. Looking ahead, Sustainable Technology Solutions will be a global business before the turn of the decade and will enable a transition path from the current carbon-intensive industry to the future of new energy. Our play in sustainability and energy transformation will be a key area of growth for Honeywell. We will take steps to bring these highly impactful technologies to market faster, where our customers and the environment will greatly benefit from them.

Enterprises are increasingly turning to sustainability as a force multiplier for competitive advantage. Your Company's building management systems help enable smarter buildings, simplify facility operations, increase occupant comfort, and maintain operational and energy efficiency. Your Company is a key enabler for enterprises in their progression throughout the sustainability journey – offering solutions to manage energy demand and drive business continuity, while achieving compliance and working towards meeting sustainability goals. Backed by more than 50 years' experience in building controls and technologies, Honeywell's Healthy Buildings solutions are part of a comprehensive effort to innovate solutions that help critical sectors of the economy recover, without the need to replace existing infrastructure.

Finally, on your behalf, I would like to express my sincere gratitude towards the Company employees and appreciate their resiliency. They have gone above and beyond their responsibilities to ensure uninterrupted operations, delivering on customer commitments and business priorities. While doing so, they also supported colleagues and their families during this difficult time. With your continued support, and our collective efforts I am confident that we shall emerge stronger and be known as one of the best socially-responsible software industrial companies.

I look forward to your continued support and trust in the Management Team.

Ashish M. Gaikwad
Managing Director

OUR BOARD OF DIRECTORS



**DR. GANESH
NATARAJAN**

Independent Director and
Chairman of the
Board of Directors



ASHISH GAIKWAD

Managing Director and VP-GM,
Honeywell Process Solutions
India



ASHISH MODI

Non-Executive Director
and VP-GM, Honeywell
Building Technologies
India and Rest of Asia



ATUL PAI

Non-Executive Director
and VP, Enterprise Controller
Operations, Honeywell Global
Finance Center



NEERA SAGGI

Independent Director



RAJESH REGE

Non-Executive Director
and President,
Honeywell India

OUR OUR KEY MANAGERIAL PERSONNEL (KMP)



Ashish Gaikwad
Managing Director



Farah Irani
Company Secretary



Pulkit Goyal
Chief Financial Officer

OUR MANAGEMENT TEAM



Anand Pandey
Advanced Sensing
Technologies



Anurag Anand
Building Management
Systems



Dipankar Routray
Global Engineering
Services



Madhavi Bhalerao
Internal Auditor



Mahesh Joshi
Human Resources



Ritwij Kulkarni
Building Solutions



Saurabh Gupta
Global Manufacturing



**Shreeharsha
Karve**
Procurement

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Registrar & Transfer Agent:

TSR Consultants Private Limited
(Previously TSR Darashaw Consultants Private Limited)
C-101, 1st Floor, 247 Park,
Lal Bahadur Shastri Marg,
Vikhroli West, Mumbai 400083
Email: csg-unit@tcplindia.co.in
Website: <https://www.tcplindia.co.in>

Registered Office:

56 & 57, Hadapsar Industrial Estate,
Pune – 411 013, Maharashtra
CIN: L29299PN1984PLC017951
Tel: +91 20 7114 8888
Email: HAIL.InvestorServices@Honeywell.com
Website: <https://www.honeywell.com/in/en/hail>

Auditors

Deloitte Haskins & Sells LLP
Chartered Accountants

Bankers

Citibank N. A.

NOTICE is hereby given that the **THIRTY EIGHTH ANNUAL GENERAL MEETING (AGM) of HONEYWELL AUTOMATION INDIA LIMITED** will be held on Wednesday, August 17, 2022 at 4.00 p.m.(IST) through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") 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, 2022, together with the Reports of the Board of Directors and the Auditors thereon.
2. To declare final dividend of INR 90/- (Rupees Ninety only) per equity share for the financial year 2021-22.
3. To consider appointing a Director in place of Mr. Atul Pai (DIN: 02704506) who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS:

4. **To approve appointment of Mr. Rajesh Rege 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 Sections 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. Rajesh Rege (DIN: 06563934), who was appointed by the Board of Directors as an Additional (Non-Executive) Director of the Company with effect from June 15, 2022, 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."

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 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, 2023."

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 Sections 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, 2022."

NOTES:

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020, April 13, 2020, January 13, 2021, May 5, 2022 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
2. Statement pursuant to Section 102 of the Companies Act, 2013, setting out the material facts in respect of Ordinary and Special Business under Item Nos. 4 to 6 are annexed hereto.
3. 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.
4. As this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
5. Institutional / Corporate Shareholders (i.e., other than individuals, HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authority letter etc., authorising its representative(s) to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting and e-voting at AGM. The said Resolution/Authority letter shall be sent to the Scrutiniser by email through its registered email address to amruta@bokilandpunde.in with a copy marked to evoting@nsdl.co.in
6. In case of any queries regarding the Annual Report or any matter to be placed at the AGM, Members are requested to write to us at least ten (10) days before the AGM through email on HAIL.InvestorServices@Honeywell.com. The same will be replied by the Company suitably. Documents referred to in this Notice will be made available for inspection as per applicable statutory requirements.
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 period ended December 31, 2015 or any subsequent financial years are requested to make their claim to the Office of the Registrar and Transfer Agents: TSR Consultants Pvt. Ltd. (previously TSR Darashaw Consultants Pvt. Ltd.) at C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli West, Mumbai 400083. 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/in/en/hail>

10. The Record Date for determining the names of member eligible for final dividend on equity shares for the financial year 2021-22, if approved by the members at the AGM is Wednesday, August 10, 2022. The payment of such dividend subject to deduction of tax at source will be made on Friday, September 2, 2022.
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, mobile number, 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 Consultants Pvt. Ltd. (previously TSR Darashaw Consultants Pvt. 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 ("remote e-voting") will be provided by National Securities Depository Limited (NSDL). Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM. The instructions for remote e-voting and e-voting at AGM 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 Consultants Pvt. Ltd. (previously TSR Darashaw Consultants Pvt. Ltd.).
14. 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) and on the Company's website at the following link: <https://www.honeywell.com/in/en/hail>

15. 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., Wednesday, August 10, 2022 only shall be entitled to avail the facility of remote e-voting as well as e-voting at the AGM. The remote e-voting period commences from Saturday, August 13, 2022 (9.00 a.m. IST) and ends on Tuesday, August 16, 2022 (5.00 p.m. IST). The instruction for remote e-voting is detailed out in the Annexure to this AGM Notice. During this period, Members holding shares either in physical form or in dematerialised form, as on Wednesday, August 10, 2022 i.e., cut-off date, may cast their vote electronically. The remote e-voting module shall be disabled by NSDL for voting thereafter. Those Members, who will be present in the AGM through VC / OAVM facility and have not

cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.

16. CS Amruta Rajarshi of Bokil Punde & Associates, Company Secretaries, has been appointed as the Scrutiniser to scrutinise the e-voting during the AGM and remote e-voting process in a fair and transparent manner. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again. The scrutiniser shall close thee-voting facility after expiry of 15 minutes from the conclusion of voting at the AGM. The scrutiniser shall first count the votes caste electronically at the meeting and there after unblock the votes cast through remote e-voting and shall make, not later than two working days of the conclusion of the AGM, a consolidated scrutinisers' 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.
17. 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/in/en/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 and NSE where the shares of the Company are listed.
18. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 13, 2020, Notice of the AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2021-22 will also be available on the Company's website <https://www.honeywell.com/in/en/hail>, websites of the Stock Exchanges i.e., BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of NSDL <https://www.evoting.nsdl.com>

To support the 'Green Initiative', members who have not registered/update their email addresses and mobile number are requested to register/update the same with TSR Consultants Pvt. Ltd. (previously TSR Darashaw Consultants Pvt. Ltd.) at https://tcpl.linkintime.co.in/EmailReg/Email_Register.html by following the instructions provided therein /their respective depository participants.

19. Members attending the AGM through VC I OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
20. **Tax on Dividend**

Members may note that the Income Tax Act, 1961, ("the IT Act") as amended by the Finance Act, 2020, mandates that dividends paid or distributed by a company after April 01, 2020 shall be taxable in the hands of members. The Company shall therefore be required to deduct tax at source (TDS) at the time of making the payment of final dividend. In order to enable us to determine the appropriate TDS rate as applicable, members are requested to submit the following documents in accordance with the provisions of the IT Act.

For resident shareholders, taxes shall be deducted at source under Section 194 of the IT Act as follows:

Members having valid PAN	10% or as notified by the Government of India
Members not having PAN I valid PAN	20% as per Section 206AA

However, no tax shall be deducted on the dividend payable to a resident individual if the total dividend to be received by them during Financial Year 2022-23 does not exceed INR 5,000 and also in cases where members provide Form 15G I Form 15H (applicable to individuals aged 60 years or more) subject to conditions specified in the IT Act. Resident shareholders may also submit a lower/Nil deduction certificate obtained