

Honeywell

2015-16
Annual Report

We are building a world
that's safer and more secure....
more comfortable and energy efficient....
more innovative and productive.
We are Honeywell.

Board of Directors

Mr. Suresh Senapaty	(Chairman & Independent Director)
Mr. Srinath Narasimhan	(Independent Director)
Mr. Norman Gilsdorf	(Director)
Mr. Anant Maheshwari	(Director)
Mr. Vikas Chadha	(Managing Director)
Ms. Nisha Gupta	(Director)

Senior Management Team

Mr. Anant Kelkar	Head - Global Services
Ms. Anjani Ningoo	Head - Internal Audit
Mr. Anurag Anand	Head - Environmental & Energy Solutions
Mr. Anurag Bhagania	Chief Financial Officer
Mr. Aseem Joshi	Head - Sensing & Productivity Solutions
Mr. Kapil Vardhan	Head - Human Resources
Mr. K.V. Ananthanaryanan	Head - Legal
Mr. Priyanshu Singh	Head - Building Solutions
Mr. Rajarshi Datta	Head - Sales, Process Solutions
Mr. Ritwaj Kulkarni	Head - Services, Process Solutions
Mr. Vivek Bhatia	Head - Projects Execution, Process Solutions

Company Secretary

Ms. Sangeet Hunjan

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

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NOTICE is hereby given that the **THIRTY SECOND ANNUAL GENERAL MEETING (AGM) of HONEYWELL AUTOMATION INDIA LIMITED** will be held on **Wednesday, August 10, 2016 at 3.00 p.m.** 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, 2016, together with the Reports of the Board of Directors and the Auditors thereon.
2. To declare dividend for the financial year ended March 31, 2016.
3. To appoint a Director in place of Ms. Nisha Gupta who retires by rotation and is eligible for reappointment.
4. To ratify the appointment of Statutory Auditors.

SPECIAL BUSINESS:

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

“RESOLVED THAT pursuant to the provisions of Section 149, 152, and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Rules made thereunder, read with Schedule IV to the Act, as amended from time to time, Mr. Suresh Senapaty (DIN: 00018711), who was appointed by the Board of Directors as an Additional (Independent) Director of the Company with effect from March 8, 2016, and who holds office upto the date of this Annual General Meeting, in terms of Section 161 of the Act and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act, proposing his candidature for the office of a Director, be and is hereby appointed as an Independent Director of the Company, not be liable to retire by rotation, to hold office for a term of 5 (five) consecutive years with effect from March 8, 2016.

RESOLVED FURTHER THAT the Directors of the Company, the Chief Financial Officer and the Company Secretary be and are hereby severally authorized, to do all such acts, deeds, matters or things as may be necessary or desirable to give effect to this resolution.”

6. To consider and if thought fit, to pass with or without modification(s), 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., the Ultimate Holding Company, for an estimated amount of up to Rs. 55,000 lacs every financial as per details given below:

Nature of Contract/ Arrangements/ Transactions	Estimated amount every financial year (Rs. In lacs)
Sale, purchase or supply of any goods or materials	17,500
Sale or purchase of services	37,000
Sale or purchase of fixed assets	500

RESOLVED FURTHER THAT 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.”

NOTES:

1. Statement pursuant to Section 102 of the Companies Act, 2013, setting out the material facts in respect of Special Business under items 5 & 6, is 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, 2009 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 3, 2016.
8. Members holding shares in dematerialized 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 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. 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 3, 2016 only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

11. Mr. Jayavant B. Bhawe, of J.B. Bhawe & Co., Company Secretaries, has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
12. 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.
13. 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.
14. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.honeywellautomationindia.com 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.
15. The Annual Report 2015-16, the Notice of 32nd AGM and instructions for 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
16. 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.
17. Members are requested to bring their copy of Annual Report to the AGM.
18. A route map to the venue of the AGM has been provided at the end of the Annual Report.

By order of the Board of Directors

Gurgaon, May 17, 2016

Sangeet Hunjan
Company Secretary

Registered Office:

56 & 57, Hadapsar Industrial Estate,
Pune 411 013
CIN : L29299PN1984PLC017951
Phone : + 91 20 6603 9400; Fax : + 91 20 6603 9800
Email : HAIL.InvestorServices@Honeywell.com
Website : www.honeywellautomationindia.com

STATEMENT SETTING OUT MATERIAL FACTS

Pursuant to Section 102 of the Companies Act, 2013

Item No. 5:

The Board of Directors, appointed Mr. Suresh Senapaty as an Additional (Independent) Director of the Company with effect from March 8, 2016, pursuant to Section 161 of the Companies Act, 2013. Mr. Suresh Senapaty holds office upto the date of the ensuing AGM of the Company.

The Company has received a notice in writing from a member, along with requisite deposit under Section 160 of the Companies Act, 2013, proposing candidature of Mr. Suresh Senapaty for the office of Independent Director. to be appointed as such under the provisions of Section 149 of the Companies Act, 2013. The Company has received a declaration from Mr. Suresh Senapaty to the effect that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

Accordingly, it is proposed to appoint Mr. Suresh Senapaty as an Independent Director of the Company for a term of 5 (five) consecutive years with effect from March 8, 2016 up to March 7, 2021 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder. He will not be liable to retire by rotation.

In the opinion of the Board, Mr. Suresh Senapaty, the Independent Director proposed to be appointed, fulfills the conditions specified in the Companies Act, 2013 and the Rules made thereunder and he is independent of the Management.

Brief profile of Mr. Suresh Senapaty is provided in the Annexure to this Notice.

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

Except Mr. Suresh Senapaty, 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:

Honeywell International Inc (HII), USA is the ultimate holding company of your Company. Being a part of Honeywell, your Company works closely with HII to meet its business objectives. The Company has a range of transactions with HII, including purchase and sale of goods and services, in the ordinary course of business.

The Company expects to have transactions not exceeding an estimated value of Rs. 55,000 lacs every financial year with HII as below:

Name of Related Party	Honeywell International Inc.		
Nature of Relationship	Ultimate Holding Company		
Nature, Material Terms & Particulars of Contract	Sale, purchase or supply of any goods or materials [Sec 188(1)(a) of Companies Act, 2013]	Availing or rendering of any services [Sec 188(1)(d) of Companies Act, 2013]	Selling or otherwise disposing of, or buying, property of any kind [Sec 188(1)(b) of Companies Act, 2013]
Estimated amount every financial year (Rs lacs)	17,500	37,000	500
Name of Interested Director/ Key Managerial Personne	Mr. Norman Gilsdorf, Mr. Anant Maheshwari and Ms. Nisha Gupta 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.6 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.

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. Nisha Gupta	Mr. Suresh Senapaty
DIN	02331771	00018711
Date of Birth	09.03.1969	03.03.1957
Date of Appointment on the Board	30.04.2014	08.03.2016
Qualification	B.Sc., Chartered Accountant	B.Com, Chartered Accountant
Brief profile and nature of their expertise in specific functional areas	Ms.Nisha Gupta has been working with Honeywell for the past 8 years. She heads the Tax function for all the businesses of Honeywell in India. She is also the India Finance Council Leader.	Mr. Suresh Senapaty has proven industry experience spanning more than three decades in finance, governance, and strategy. He has held leadership and board positions at several Wipro companies. He has received several industry accolades and recognitions.
Directorships held in other public companies.	Nil	5 private companies 3 public companies including a listed company
Memberships / Chairmanships of committees across all other public companies	Nil	Member of a committee of another listed company
Relationship with other Directors/Manager/Key Managerial Personnel	None	None
Shareholding in the Company	Nil	Nil
No. of Board Meetings attended during the year	4	Nil (No meeting held during the year after appointment)

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

Gurgaon, May 17, 2016

Registered Office:
56 & 57, Hadapsar Industrial Estate,
Pune 411 013

Sangeet Hunjan
Company Secretary

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 7, 2016 (9:00 am) and ends on Tuesday, August 9, 2016 (5:00 pm). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of August 3, 2016 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 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.
 - b. Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>. Click on Shareholder – Login
 - c. Enter user ID and password as initial password/PIN noted in step (a) above. Click Login.
 - d. Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - 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
 - b. Please follow all steps from Sr. No. 2 (a) to 2 (k) above, to cast your vote.
4. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
5. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.

6. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
7. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of August 3, 2016.
8. Any person, who acquires shares of the Company and become member of the Company after dispatch of the Notice of AGM and holding shares as of the cut-off date i.e. of August 3, 2016 may obtain the login ID and password by sending a request at evoting@nsdl.co.in or hwlevoting2016@tsrdarashaw.com. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you have forgotten your password, you can reset your password by using “Forgot User Details/Password” option available on www.evoting.nsdl.com.

Dear Members,

The Directors present the **THIRTY SECOND ANNUAL REPORT** with the audited statements of accounts of the Company for the year ended March 31, 2016.

1. FINANCIAL RESULTS:

(Rs. in lacs)

Particulars	Year ended March 31, 2016	Period ended March 31, 2015*
Sales & Other Income	221,095	242,611
Operating Profit	23,742	23,454
Less: Interest	38	44
Depreciation	1,540	1,686
Profit for the year (Before Exceptional Item)	22,164	21,724
Exceptional Item	-	4,002
Profit for the year (After Exceptional Item)	22,164	17,721
Provision for tax	8,490	7,684
Deferred Tax Adjustment	168	(1,382)
Deferred Tax Adjustment related to earlier year	(345)	
PROFIT AFTER TAX	13,851	11,420
Profit brought forward from the previous year	70,253	61,305
Profit available for appropriations	84,104	72,725
APPROPRIATIONS		
General Reserve	1,385	1,142
Proposed Dividend	884	1,105
Tax on proposed dividend	180	225
BALANCE CARRIED FORWARD	81,655	70,253

*2014-15 represents a 15 month period.

2. DIVIDEND:

Payment of final dividend @ Rs.10/- per equity share of Rs.10/- each was recommended by the Board in their meeting held on May 17, 2016. The dividend, if approved by the members at the ensuing Annual General Meeting (AGM), will result in a total cash pay-out of Rs. 1,064 lacs including dividend distribution tax.

3. TRANSFER TO RESERVES:

The Company proposes to transfer Rs.1,385 lacs to the General Reserve out of the amount available for appropriation and an amount of Rs. 81,655 lacs is proposed to be retained in the Profit and Loss account.

4. OPERATIONS:

The Management Discussion & Analysis Report annexed herewith provides full details of operational performance and business analysis of the following 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 Commercial & Industrial Buildings, IT & ITES industry, Hospitals, Hotels, Airports etc.
- **Environmental & Energy Solutions (E&ES)** serves multiple brands through channels and offers environmental and combustion products and solutions to commercial, hospitality and industrial segments.
- **Sensing & Productivity Solutions (S&PS)** 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 - Global Services (GS) & Global Manufacturing (GM)** addresses manufacturing and engineering services needs of Honeywell along with some other non-Honeywell customers across the globe, leveraging the competitive advantage of cost, skills and knowledge.

5. HONEYWELL OPERATING SYSTEM (HOS):

Your company is continuing on the operational excellence journey with strong focus on driving the Honeywell Operating System (HOS). HOS is favorably impacting Safety, Quality, Delivery, Cost and Inventory metrics. In 2015-16 the major part of the GS supporting Honeywell Process Solutions has been sustained at Silver Level. The Global Business Operations of HBS, achieved the feat of HOS Bronze certification in June-2015 and is striving towards HOS silver certification in 2016. Honeywell Airport Business, HBS, Pune completed their HOS Bronze certification in Aug 2015.

6. HUMAN RESOURCES:

Honeywell is committed to hiring, developing and retaining the best minds in the industry. The Company has key internal processes and initiatives that support this vision. The Company has developed a strong employee value proposition that focuses on key pillars of challenging work that matters, hiring and retaining the right people, sustained focus on talent and leadership development, differentiated rewards to drive exceptional performance and community engagement.

Talent management is a shared responsibility between business leaders and the Human Resources function at Honeywell, enabling a strong focus on succession planning for key roles and actively promoting internal move to drive career growth. Talent management is supported by a strong learning architecture that enables leadership and functional development. This is supported by a Positive Employee Relations (PER) strategy that aims to build an engaged and motivated workforce.

As on March 31, 2016, the Company's employee strength was 2930 as compared to 2842 as on March 31, 2015.

7. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

During the year, Mr. Surendra Rao resigned as the Chairman and Independent Director w.e.f. the close of business hours of February 12, 2016.

Mr. Suresh Senapaty was appointed as an Additional (Independent) Director w.e.f. March 8, 2016 and holds office upto the forthcoming AGM of the Company. Necessary resolution for appointment of Mr. Suresh Senapaty as Independent Director has been included in the Notice convening the AGM, and details of the proposal are mentioned in the Annexure to the AGM Notice.

As per the provisions of the Companies Act, 2013, Ms. Nisha Gupta, retires by rotation at the forthcoming AGM and being eligible, offers herself for reappointment. The Board recommends her reappointment.

Ms. Sneha Padve resigned as the Company Secretary w.e.f. close of business hours of May 4, 2015. Ms. Sangeet Hunjan was appointed as the Company Secretary w.e.f. May 25, 2015.

Mr. Vikas Chadha, Managing Director, Mr. Anurag Bhagania, Chief Financial Officer (CFO) and Ms. Sangeet Hunjan, Company Secretary are the Key Managerial Personnel (KMP) of the Company, pursuant to the provisions of Companies Act, 2013, as on the date of this Report.

Mr. Anurag Bhagania will be moving to a new role within Honeywell as India Finance Leader and hence tendered his resignation as CFO in the Board Meeting held on May 17, 2016, to be effective June 26, 2016. Mr. R. Ravichandran was appointed as the CFO (KMP) of the Company in the Board Meeting of May 17, 2016 and his appointment will be effective June 27, 2016.

The Board places on record its appreciation of the valuable contribution made by Mr. Surendra Rao, Ms. Sneha Padve and Mr. Anurag Bhagania.

8. BOARD MEETINGS:

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

9. COMMITTEES OF BOARD:

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

10. DECLARATION BY INDEPENDENT DIRECTORS:

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

11. BOARD EVALUATION:

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

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

12. CODE OF CONDUCT COMPLIANCE:

The declaration signed by the Managing Director affirming compliance with the Code of Conduct by Directors and Senior Management, for the financial year ended March 31, 2016 is given in Report on Corporate Governance, which forms a part of this Report.

13. CORPORATE SOCIAL RESPONSIBILITY (CSR) :

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

14. AUDITORS:

Statutory Audit

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the rules framed thereunder M/s Deloitte Haskins & Sells LLP (Firm Registration No. 117366W/W-100018) were appointed as the Statutory Auditors for a

period of 5 years to hold office from the conclusion of the last AGM of the Company held on July 21, 2015, subject to ratification of their appointment at every AGM.

A resolution seeking ratification of their appointment forms part of the Notice of AGM.

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

Cost Audit

In terms of the provisions of Section 148 and other applicable provisions of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, Cost Audit was not applicable to your Company for the financial year 2015-16.

Your Company filed the Cost Audit Report for the financial period ended March 31, 2015, duly audited by M/s C S Adawadkar & Co., Cost Accountants, with the Ministry of Corporate Affairs within the stipulated time period.

Secretarial Audit

In terms of the provisions of Section 204 of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company appointed M/s. Bokil Punde & Associates, Practising Company Secretaries as Secretarial Auditors of the Company for the financial year 2015-16. The report of the Secretarial Auditors is enclosed as 'Annexure - 2' to this report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

15. RELATED PARTY TRANSACTIONS

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

16. RISK MANAGEMENT POLICY

Your Company has an Enterprise Risk Management Framework, for identification, assessment, monitoring and mitigation of operational, financial and strategic business risks that are key in achieving our business objectives. Risks are identified and prioritized based on Impact, and probability of occurrence. Mitigating controls are evaluated and reviewed periodically, and assessed for enhancement.

17. COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

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

18. WHISTLE BLOWER POLICY / VIGIL MECHANISM

The Company has established a vigil mechanism for its employees and Directors and to report their genuine concerns. The details of the same are explained in the Corporate Governance Report.

19. INTERNAL FINANCIAL CONTROLS

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

20. HOLDING COMPANY

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

21. TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

As required under Section 205C of the Companies Act, 1956 (Section 124 of the Companies Act, 2013), the unclaimed dividend amount aggregating to Rs. 277,690/- lying with the Company for a period of seven years pertaining to year ended on December 31, 2007, was transferred during the year 2015, to the Investor Education and Protection Fund established by the Central Government.

22. PARTICULARS OF EMPLOYEES

A statement containing particulars of employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in 'Annexure - 8' forming part of this report. Having regard to the provisions of the first proviso to Section 136(1) of the Act, the Annual Report is being sent to the members excluding the aforesaid annexure. The said information is available for inspection at the registered office of the Company during working hours and any member interested in obtaining such information may write to the Company Secretary and the same will be furnished on request. The full Annual Report including the aforesaid information is available on the Company's website.

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

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

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

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

No complaints on sexual harassment were received by the Company during the financial year under review.

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

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

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

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

26. SIGNIFICANT AND MATERIAL ORDERS

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations.

27. DEPOSITS

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

28. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE

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

29. MANAGEMENT DISCUSSION & ANALYSIS/CORPORATE GOVERNANCE REPORT:

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

30. EXTRACT OF ANNUAL RETURN

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

31. DIRECTORS' RESPONSIBILITY STATEMENT:

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

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- (b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as on March 31, 2016 and of the profit for the year April 1, 2015 to March 31, 2016;
- (c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the Directors have prepared the annual accounts on a going concern basis;
- (e) the Directors, have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- (f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

32. ACKNOWLEDGEMENT:

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

For and on behalf of the Board

Gurgaon, May 17, 2016

Suresh Senapaty
Chairman
DIN: 00018711

Registered Office:

56 & 57, Hadapsar Industrial Estate,
Pune 411 013

ANNEXURE - 1

Annual Report on Corporate Social Responsibility (CSR) Activities

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

We, at Honeywell, are committed to creating tools and solutions to improve people's quality of life and to making a measurable difference in our own neighborhoods and communities. Honeywell, in partnership with leading public and non-profit institutions, has developed programs to address needs in the communities it serves. By applying the same rigor and business tools we use in the workplace, we build such programs.

In 2014-15 the Company funded Safe Kids at Home India program, an educational program for teachers and parents to help prevent and reduce common injuries to children at home. Safe Kids at Home has trained 37,000+ children in Pune about home safety in the first year. Many of the Company's employees are participating in training conducted by Safe Kids Foundation India and becoming volunteers.

With the 2015-16 CSR commitment, the Company added a new not-for-profit partner, Agastya International Foundation (AIF). AIF is a Bangalore based non-profit organisation that brings innovative hands-on science education and peer-to-peer learning to economically disadvantaged children and government school teachers across India.

Read the CSR Policy here –

<https://honeywell.com/sites/acs-india/InvestorRelations/Documents/Corporate%20Social%20Responsibility%20Policy.pdf>

2. The Composition of CSR Committee

- Ms. Nisha Gupta, Chairperson
- Mr. N Srinath - Member
- Mr. Vikas Chadha - Member

3. Average net profit of the company for last three financial years – Rs. 15,156 lacs**4. Prescribed CSR Expenditure (2% of the amount as in item 3 above) – Rs. 303 lacs****5. Details of CSR spent during the financial year**

(a) Total amount spent for the financial year - During the period under review, your Company has contributed a sum of Rs. 303 lacs towards its CSR commitment. Of this, Rs. 296 lacs was contributed to Agastya International Foundation for the aforementioned project, which will be spent by Agastya International Foundation over the period 2016-19. The amount of Rs.7 lacs was the overhead expenditure during 2015-16.

(b) Amount unspent, if any - NIL

(c) Manner in which the amount spent during the financial year is detailed below

(1)	CSR project or activity identified	Agastya International Foundation science centers, mobile science labs, and student mentors
(2)	Sector in which the Project is covered	Education
(3)	Projects or programs (1) Local Area or other (2) Specify the State and district where projects or programs was undertaken	(1) Bangalore, Karnataka, and NCR (2) Karnataka, NCR
(4)	Amount outlay(budget) projects or programs wise	Rs 303 lacs
(5)	Amount spent on the projects or programs Subheads (1) Direct expenditure on projects or program (2) Overheads	(1) Rs. 296 lacs (2) Rs. 7 lacs
(6)	Cumulative expenditure upto the reporting period	Rs. 303 lacs
(7)	Amount spent: Direct or through implementing agency	Through implementing agency: Agastya International Foundation Address: No. 101, Varsav Plaza, 12, Jayamahar Main Road, Bangalore – 560 046

6. Responsibility Statement

The CSR committee confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

Vikas Chadha
Managing Director

Nisha Gupta
Chairperson CSR Committee

Gurgaon, May 17, 2016

ANNEXURE - 2

Secretarial Audit Report

For The Financial Year Ended 31st March, 2016

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

To,

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

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

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we here by report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2016 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board – processes and compliance – mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on 31st March 2016, according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, as applicable to the Company.
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Take overs) Regulations 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not Applicable to the Company during the audit period)
 - d. The Securities and Exchange Board of India (Share based employees benefits) Regulations, 2014; (Not Applicable to the Company during the audit period)
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable to the Company during the audit period)
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not Applicable to the Company)
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not Applicable to the Company during the audit period)

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. The Listing Agreements entered into by the Company with Bombay Stock Exchange Ltd and National Stock Exchange of India Ltd and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

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

We further report that:

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

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

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

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

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

**For Bokil Punde & Associates
Company Secretaries**

Amit P Punde
Partner

FCS No. 5872 C.P. No. 5268

Date – May 16, 2016
Place - Pune

ANNEXURE - 3

Form No. AOC - 2

For the Financial Year ended March 31, 2016

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

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

- 1. Details of contracts or arrangements or transactions not at arm's length basis:** There were no contracts or arrangements of transactions entered into during the financial year ended March 31 2016, which were not on arm's length basis.
- 2. Details of material contracts or arrangement or transactions at arm's length basis:**

Name(s) of the related party	Nature of relationship	Nature of Contract/ Arrangement / transaction	Duration of Contract/ Arrangement/ transaction	Salient Terms	Amount (Rs. Lacs)
Honeywell International Inc.	Ultimate Holding Company	Sale, purchase or supply of goods or materials	Ongoing	In the ordinary course of business and based on purchase orders / agreements	9,109
		Sales of engineering services, Purchase of services	Ongoing		12,745
		Corporate allocations	Ongoing		5,413

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

For and on behalf of the Board

Suresh Senapaty

Chairman

DIN: 00018711

Gurgaon, May 17, 2016

ANNEXURE - 4**Nomination & Remuneration Policy****Objective**

The Nomination & Remuneration Committee ("NRC") of Honeywell Automation India Limited ("Company") comprises of three board members and plays the role of:

- Identification of potential candidates for becoming members of the Board based on the needs and requirements of the company and also identify persons to be recruited in the Key Managerial Personnel of the Company and;
- Ensuring the Company's compensation packages and other human resource practices are effective in maintaining a competent workforce and make recommendations relating to compensation of the Managing Director, Whole-time Directors, the Key Managerial Personnel, and Head – Audit & Internal Controls of the Company.

Constitution

The committee comprises of three Directors. At least half of the nominees to the committee shall be Independent Directors, the Chairperson being the Independent Director. The Chairperson of the Company may be a member but shall not chair such Committee. The Chairperson of this Committee or in case of his absence, any other person authorized by him shall attend the general meetings of the Company.

Meaning of terms used

- A. "Act" refers to the Companies Act, 2013 including the rules, schedules, clarifications, and guidelines issued by the Ministry of Corporate Affairs from time to time.
- B. "Board" refers to the Board of Directors of Honeywell Automation India Limited
- C. "Company" refers to Honeywell Automation India Limited

Roles & responsibilities of the committee include

The roles and responsibilities of the Committee shall be to perform duties listed below and it will have the authority to undertake other specific duties as the Board prescribes from time to time. The below mentioned roles and responsibilities are derived from the approved Nominations & Remuneration Committee Charter. Key responsibilities include:

A. Role played with respect to nominations:

- Recommend for approval by the Board, candidates for appointment or re-appointment of Managing Director, Independent Directors and other Directors, in case of any vacancy or restructuring the composition of the Board.
- Recommend to the Board, the set up and composition of the board and its committees, including the formulation of the criteria for determining qualifications, positive attributes and independence of a director.
- The Committee may periodically consider reviewing the composition of the board based on age, gender, experience, knowledge, skills and independence.
- Assess extension or continuation of term of independent directors based on report of performance evaluation.
- Note any changes in Chief Financial Officer, Company Secretary and Senior Management (personnel who are members of core management team comprising all members of management one level below the executive directors, including the functional heads).
- Carry out evaluation of every director's performance and support the board and independent directors in evaluation of the performance of the board, its committees, and individual directors. This shall include "formulation of criteria and attributes for evaluation of performance of Independent Directors, the Board of Directors & its committees."

- Review performance appraisals of the Managing Director and Executive Director, Chief Financial Officer, Company Secretary and Internal Auditor.
- Review and reassess the NRC Policy and provide appropriate recommendations to the Board to update the policy based on changes brought about due to regulatory amendments or internal mandates.
- Oversee familiarization programmes for directors.
- Oversee the human resource philosophy, human resource strategy, and human resource practices including those for leadership development, rewards and recognition, talent management and succession planning (specifically for the board, key management personnel and executive team).
- Performing such other duties and responsibilities as may be consistent with the provisions of the committee charter.

B. Role played with respect to remuneration:

Remuneration policy: Remuneration policy in the company is designed to create a high performance culture. It enables the company to attract, retain and motivate employees towards achievement of business results. Our Company promotes and rewards achievement of goals and behaviour described by the 12 Honeywell behaviours. Our pay models are compliant with local regulations. The Company pays remuneration by way of salary, benefits, perquisites and allowances and variable incentives to its Managing Director and the Executive Directors. Annual increments are reviewed by the Nomination and Remuneration Committee within the compensation scales approved by the members of the Company and are effective April 1 of each year. NRC reviews and approves the commission to be paid to the Managing Director and the Executive Directors out of the profits for the financial year and within the limits prescribed under the Act based on the performance of the company as well as the individuals. The company also reimburses the out-of-pocket expenses incurred by the directors for attending the meetings. Other duties include:

- Review and recommend to the Board, compensation payable to the Managing & Executive Director, Chief Financial Officer, Company Secretary and Internal Auditor.
- Advise the Board on payment of annual commission to the Non-Executive Directors.
- Advise the Board on revision in sitting fees.
- Remuneration payable to directors in any other capacity, if any (e.g., for services rendered in professional capacity).

For and on behalf of the Board

Suresh Senapaty

Chairman

DIN: 00018711

Gurgaon, May 17, 2016

ANNEXURE - 5

Statement of Disclosure of Remuneration

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

a. Remuneration disclosures for Executive Directors and Key Managerial Personnel (KMP) for the financial year ended March 31, 2016

Name	Designation	Ratio of remuneration to median remuneration of employees	Percentage increase in Remuneration ⁽¹⁾	Remuneration as a % of Net Profit for FY 2015-16
Mr. Vikas Chadha	Managing Director	24:1	-	1.22
Mr. Anurag Bhagania	Chief Financial Officer	14:1	13%	0.72
Ms. Sangeet Hunjan ⁽²⁾	Company Secretary	2:1	NA	0.11

⁽¹⁾ Based on Cost to Company as at the end of respective years.

⁽²⁾ Ms. Sangeet Hunjan was appointed as Company Secretary effective May 25, 2015. Ms. Sneha Padve resigned as Company Secretary effective May 4, 2015, and therefore is not considered for the above disclosure.

b. Remuneration disclosures for Independent Directors for the financial year ended March 31, 2016

(Rs. Lacs)

Name	Designation	Sitting Fees ⁽¹⁾	Commission	Total Remuneration
Mr. Surendra Rao ⁽²⁾	Chairman & Independent Director	2.50	14.70	17.20
Mr. Suresh Senapaty ⁽³⁾	Chairman & Independent Director	-	1.30	1.30
Mr. N. Srinath	Independent Director	2.70	15.00	17.70

⁽¹⁾ Sitting fees paid to Independent Directors was revised from Rs. 20,000/- to Rs. 30,000/- w.e.f. February 12, 2016 for each Board, Audit Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee meeting attended by them.

⁽²⁾ Ceased to be Chairman and Independent Director effective close of office hours on February 12, 2016, consequent to his resignation.

⁽³⁾ Appointed as Additional (Independent) Director and Chairman effective March 8, 2016 subject to approval of shareholders

c. Variations in the market capitalisation of the Company, price earnings ratio

Particulars	As on March 31, 2015	As on March 31, 2016
Market Capitalization	At BSE – Rs. 752,095 lacs At NSE – Rs. 752,683 lacs	At BSE – Rs. 764,792 lacs At NSE – Rs. 760,022 lacs
Price Earnings ratio	66.76	54.32
Closing Market Price of the Equity Shares of the Company	At BSE – Rs. 8,506 At NSE – Rs. 8,513	At BSE – Rs. 8,650 At NSE – Rs. 8,596

The closing share price of the equity shares of the Company at BSE and NSE on March 31, 2016 have grown 86400% and 85860% respectively, since the last Public Offer.

d. Other details

- Independent Directors of the Company are entitled for sitting fees and commission as per the Statutory Provisions and within the limits approved by the Shareholders. As a Policy, the Non-Executive - Non-Independent Directors are neither paid sitting fee nor paid any commission.
- There were 2930 permanent employees on the rolls of Company as on March 31, 2016.
- There was an increase of 8% in the median remuneration of employees, which was in line with the performance of the Company.
- The revenue growth (prorated) during 2015-16 over 2014-15 was 14% and Profit Before Tax (before exceptional item) grew by 28 %. Average percentage increase in salaries of employees other than KMPs was 8%. The average increase in the remuneration of KMPs was 6.5%. KMPs were paid approx. 2.05% of the net profit for the year.
- The variable remuneration availed by the executive directors is determined on the following parameters:
 - Annual Operating Plan (AOP) approved by the Board with focus based on the Key Result Areas (KRAs) / Measurable Key Performance Indicators (KPIs) and Implementation of the strategy of the Company and financial performance.
- During the financial year 2015-16, no employee received remuneration in excess of the highest paid Director.
- The remuneration paid is as per the Remuneration policy of the Company.

For and on behalf of the Board

Suresh Senapaty

Chairman

DIN: 00018711

Gurgaon, May 17, 2016

ANNEXURE - 6

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 during the year ended March 31, 2016 for the same are as under:

- Technical staff monitoring electrical load within the facility by touring the facility at regular intervals.
- AC and lighting are operated within office hours and the use is regulated after office hours and holidays.
- HVAC STL (Thermal Storage Plant) used to reduce the load during peak hours.
- Thermo conductive Oil is used for all Domestic Air-condition units to minimize the power/cost.
- Air-conditioner system revamped to support non-working hours so as to eliminate the usage of HVAC.

The Company also received Power Factor Credit, TOD credit and Prompt discount during the year.

B) TECHNOLOGY ABSORPTION:

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

C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

	(Rs. In lacs)
(i) Foreign exchange earned	86,010
(ii) Foreign exchange used	71,483

For and on behalf of the Board

Suresh Senapaty
Chairman
DIN: 00018711

Gurgaon, May 17, 2016

ANNEXURE - 7

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

*As on financial year ended on March 31, 2016**Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.***I. REGISTRATION & OTHER DETAILS:**

1	CIN	L29299PN1984PLC017951
2	Registration Date	January 13, 1984
3	Name of the Company	Honeywell Automation India Limited
4	Category/Sub-category of the Company	Public Company Limited by shares
5	Address of the Registered office & contact details	56 & 57, Hadapsar Industrial Estate, Pune - 411013
6	Whether listed company	Yes
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	TSR Darashaw Limited 6-10 Haji Moosa Patrawala Industrial Estate, 20 Dr. E. Moses Road, Mahalaxmi, Mumbai – 400011 Ph: +91-22-6656 8484 Fax: +91-22-6656 8494 Email: csg-unit@tsrdarashaw.com Website: www.tsrdarashaw.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Manufacture of electronic systems and components	26	60
2	Repair and maintenance	33	28
3	Trading of machinery, equipments and supplies	46	12

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Honeywell Asia Pacific Inc. 2711, Centerville Road, Suite 400, Wilmington DE 19808, United States	Foreign Company	Holding	75%	Sections 2(46) and 2(87)

IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

	Category of Shareholders	No. of Shares held at the beginning of the year April 1, 2015				No. of Shares held at the end of the year March 31, 2016				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
	A. Promoters									
(1)	Indian									
(a)	Individuals / Hindu Undivided Family	-	-	-	-	-	-	-	-	
(b)	Central Government / State Governments(s)	-	-	-	-	-	-	-	-	
(c)	Bodies Corporate	-	-	-	-	-	-	-	-	
(d)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	
(e)	Any Other (Specify)	-	-	-	-	-	-	-	-	
	Sub-Total (A) (1)	-	-	-	-	-	-	-	-	
(2)	Foreign									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	-	-	-	-	-	-	-	-	
(b)	Bodies Corporate	6,631,142	-	6,631,142	75.00	6,631,142	-	6,631,142	75.00	
(c)	Institutions	-	-	-	-	-	-	-	0.00	
(d)	Qualified Foreign Investor	-	-	-	-	-	-	-	0.00	
(e)	Any Other (specify)	-	-	-	-	-	-	-	0.00	
	Sub-Total (A) (2)	6,631,142	-	6,631,142	75.00	6,631,142	-	6,631,142	75.00	
	Total Shareholding of Promoter and Promoter Group (A)	6,631,142	-	6,631,142	75.00	6,631,142	-	6,631,142	75.00	
	B. Public Shareholding									
(1)	Institutions									
(a)	Mutual Funds / UTI	1,302,656	100	1,302,756	14.73	1,338,237	100	1,338,337	15.14	
(b)	Financial Institutions / Banks	660	-	660	0.01	725	-	725	0.01	
(c)	Central Government / State Governments(s)	285	-	285	-	285	-	285	-	
(d)	Venture Capital Funds	-	-	-	-	-	-	-	-	
(e)	Insurance Companies	7,673	-	7,673	0.09	2,060	-	2,060	0.02	
(f)	Foreign Institutional Investors	23,741	-	23,741	0.27	662	-	662	0.01	
(g)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	
(h)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	
(i)	Foreign Portfolio Investors (Corporate)	-	-	-	-	23,288	-	23,288	0.26	
(j)	Any Other (specify)	-	-	-	-	-	-	-	-	
	Sub-Total (B) (1)	1,335,015	100	1,335,115	15.10	1,365,257	100	1,365,357	15.44	
(2)	Non-Institutions									
(a)	Bodies Corporate	116,629	605	117,234	1.33	92,567	605	93,172	1.05	
(b)	Individuals -									
	Individual shareholders holding nominal share capital upto Rs. 1 lakh	605,304	123,719	729,023	8.25	595,138	116,795	711,933	8.05	
ii	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	28,120	-	28,120	0.32	38,870	-	38,870	0.44	
(c)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	
(d)	Any Other									
(i)	Trust	889	-	889	0.01	1,049	-	1,049	0.01	
(ii)	Directors & their relatives	-	-	-	-	-	-	-	-	
	Sub-total (B) (2)	750,942	124,324	875,266	9.90	727,624	117,400	845,024	9.56	
	Total Public Shareholding (B)=(B)(1)+(B)(2)	2,085,957	124,424	2,210,381	25.00	2,092,881	117,500	2,210,381	25.00	
	TOTAL (A)+(B)	8,717,099	124,424	8,841,523	100.00	8,724,023	117,500	8,841,523	100.00	
	C. Shares held by Custodians and against which Depository Receipts have been issued									
(1)	Promoter and Promoter Group	-	-	-	-	-	-	-	-	
(2)	Public	-	-	-	-	-	-	-	-	
	GRAND TOTAL (A)+(B)+(C)	8,717,099	124,424	8,841,523	100.00	8,724,023	117,500	8,841,523	100.00	

(ii) Shareholding of Promoter

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year April 1, 2015			Shareholding at the end of the year March 31, 2016			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Honeywell Asia Pacific Inc	6631142	75.00	-	6631142	75.00	-	-

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

There was no change in the Promoter's shareholding during the Financial Year 2015-16.

(iv) Shareholding Pattern of top ten Shareholders

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

Sl.No	Name of the ShareHolder	Shareholding at the beginning of the year as on April 1, 2015		Date	Reason	Purchase of Shares/Decrease in Shareholding		Cumulative Shares during the year	
		No of Shares	% of total Shares of the Company						
1	Reliance Capital Trustee Company Limited A/C	722,451	8.17			-	-	722,451	8.17
				01.05.2015	Purchase	926	0.01	723,377	8.18
				29.05.2015	Purchase	6,810	0.08	730,187	8.26
				16.10.2015	Sale	-946	-0.01	729,241	8.25
				06.11.2015	Sale	-1,148	-0.01	728,093	8.23
				13.11.2015	Sale	-8,200	-0.09	719,893	8.14
				27.11.2015	Sale	-281	0.00	719,612	8.14
				04.12.2015	Sale	-7	0.00	719,605	8.14
				25.12.2015	Sale	-682	-0.01	718,923	8.13
				08.01.2016	Sale	-94	0.00	718,829	8.13
				31.03.2016	At the end of year	-	-	718,829	8.13
2	Birla Sun Life Trustee Company Private Limited A/C	320,125	3.62			-	-	320,125	3.62
				10.04.2015	Sale	-1,126	-0.01	318,999	3.61
				10.04.2015	Purchase	2,126	0.02	321,125	3.63
				24.04.2015	Sale	-7,200	-0.08	313,925	3.55
				24.04.2015	Purchase	10,200	0.12	324,125	3.67
				24.04.2015	Sale	-1,000	-0.01	323,125	3.65
				01.05.2015	Purchase	1,850	0.02	324,975	3.68
				08.05.2015	Sale	-175	0.00	324,800	3.67
				08.05.2015	Purchase	1,748	0.02	326,548	3.69
				15.05.2015	Purchase	2,515	0.03	329,063	3.72
				22.05.2015	Sale	-2,092	-0.02	326,971	3.70
				22.05.2015	Purchase	5,380	0.06	332,351	3.76
				29.05.2015	Purchase	3,011	0.03	335,362	3.79
				05.06.2015	Purchase	2,161	0.02	337,523	3.82
12.06.2015	Purchase	972	0.01	338,495	3.83				

Sl.No	Name of the ShareHolder	Shareholding at the beginning of the year as on April 1, 2015		Date	Reason	Purchase of Shares/Decrease in Shareholding		Cumulative Shares during the year	
		No of Shares	% of total Shares of the Company						
				19.06.2015	Purchase	990	0.01	339,485	3.84
				26.06.2015	Purchase	1,027	0.01	340,512	3.85
				30.06.2015	Sale	-2,016	-0.02	338,496	3.83
				30.06.2015	Purchase	2,556	0.03	341,052	3.86
				03.07.2015	Purchase	1,350	0.02	342,402	3.87
				08.07.2015	Purchase	810	0.01	343,212	3.88
				08.07.2015	Sale	-24	0.00	343,188	3.88
				10.07.2015	Sale	-700	-0.01	342,488	3.87
				10.07.2015	Purchase	630	0.01	343,118	3.88
				14.07.2015	Purchase	1,330	0.02	344,448	3.90
				17.07.2015	Purchase	1,350	0.02	345,798	3.91
				21.07.2015	Purchase	630	0.01	346,428	3.92
				24.07.2015	Sale	-1,045	-0.01	345,383	3.91
				24.07.2015	Purchase	1,675	0.02	347,058	3.93
				31.07.2015	Purchase	1,710	0.02	348,768	3.94
				07.08.2015	Purchase	1,620	0.02	350,388	3.96
				14.08.2015	Purchase	1,470	0.02	351,858	3.98
				21.08.2015	Purchase	1,845	0.02	353,703	4.00
				28.08.2015	Purchase	2,340	0.03	356,043	4.03
				04.09.2015	Purchase	1,638	0.02	357,681	4.05
				04.09.2015	Sale	-65	0.00	357,616	4.04
				11.09.2015	Purchase	2,070	0.02	359,686	4.07
				18.09.2015	Purchase	1,271	0.01	360,957	4.08
				25.09.2015	Purchase	514	0.01	361,471	4.09
				30.09.2015	Purchase	720	0.01	362,191	4.10
				02.10.2015	Purchase	360	0.00	362,551	4.10
				09.10.2015	Purchase	1,620	0.02	364,171	4.12
				16.10.2015	Sale	-4,760	-0.05	359,411	4.07
				16.10.2015	Purchase	5,580	0.06	364,991	4.13
				23.10.2015	Purchase	810	0.01	365,801	4.14
				30.10.2015	Purchase	1,251	0.01	367,052	4.15
				06.11.2015	Purchase	693	0.01	367,745	4.16
				13.11.2015	Purchase	448	0.01	368,193	4.16
				20.11.2015	Purchase	1,346	0.02	369,539	4.18
				27.11.2015	Purchase	1,596	0.02	371,135	4.20
				04.12.2015	Purchase	774	0.01	371,909	4.21
				11.12.2015	Purchase	948	0.01	372,857	4.22
				18.12.2015	Purchase	1,933	0.02	374,790	4.24
				18.12.2015	Sale	-101	0.00	374,689	4.24
				25.12.2015	Purchase	534	0.01	375,223	4.24
				31.12.2015	Purchase	864	0.01	376,087	4.25
				01.01.2016	Purchase	286	0.00	376,373	4.26
				08.01.2016	Purchase	990	0.01	377,363	4.27
				15.01.2016	Purchase	1,062	0.01	378,425	4.28
				22.01.2016	Purchase	1,638	0.02	380,063	4.30
				29.01.2016	Purchase	720	0.01	380,783	4.31
				05.02.2016	Purchase	486	0.01	381,269	4.31
				12.02.2016	Sale	-1,241	-0.01	380,028	4.30

Sl.No	Name of the ShareHolder	Shareholding at the beginning of the year as on April 1, 2015		Date	Reason	Purchase of Shares/Decrease in Shareholding		Cumulative Shares during the year	
		No of Shares	% of total Shares of the Company						
				12.02.2016	Purchase	1,017	0.01	381,045	4.31
				19.02.2016	Purchase	1,970	0.02	383,015	4.33
				26.02.2016	Purchase	815	0.01	383,830	4.34
				04.03.2016	Sale	-75	0.00	383,755	4.34
				04.03.2016	Purchase	1,211	0.01	384,966	4.35
				11.03.2016	Sale	-37	0.00	384,929	4.35
				11.03.2016	Purchase	856	0.01	385,785	4.36
				18.03.2016	Purchase	1,197	0.01	386,982	4.38
				25.03.2016	Purchase	783	0.01	387,765	4.39
				31.03.2016	Purchase	549	0.01	388,314	4.39
				31.03.2016	At the end of year	-	-	388,314	4.39
3	Sundaram Mutual Fund A/C	185,266	2.10			-	-	185,266	2.10
				10.04.2015	Sale	-732	-0.01	184,534	2.09
				22.05.2015	Sale	-500	-0.01	184,034	2.08
				26.06.2015	Sale	-350	0.00	183,684	2.08
				30.06.2015	Sale	-63	0.00	183,621	2.08
				03.07.2015	Sale	-216	0.00	183,405	2.07
				08.07.2015	Sale	-1,007	-0.01	182,398	2.06
				10.07.2015	Sale	-243	0.00	182,155	2.06
				14.07.2015	Sale	-865	-0.01	181,290	2.05
				17.07.2015	Sale	-188	0.00	181,102	2.05
				21.07.2015	Sale	-1,000	-0.01	180,102	2.04
				24.07.2015	Sale	-1,500	-0.02	178,602	2.02
				07.08.2015	Sale	-1,667	-0.02	176,935	2.00
				14.08.2015	Sale	-2,718	-0.03	174,217	1.97
				21.08.2015	Sale	-6,562	-0.07	167,655	1.90
				28.08.2015	Sale	-107	0.00	167,548	1.90
				04.09.2015	Sale	-436	0.00	167,112	1.89
				11.09.2015	Sale	-250	0.00	166,862	1.89
				16.10.2015	Sale	-315	0.00	166,547	1.88
				23.10.2015	Sale	-510	-0.01	166,037	1.88
				30.10.2015	Sale	-812	-0.01	165,225	1.87
				06.11.2015	Sale	-628	-0.01	164,597	1.86
				27.11.2015	Sale	-12	0.00	164,585	1.86
				04.12.2015	Sale	-182	0.00	164,403	1.86
				18.12.2015	Sale	-306	0.00	164,097	1.86
				31.12.2015	Sale	-654	-0.01	163,443	1.85
				15.01.2016	Sale	-100	0.00	163,343	1.85
				22.01.2016	Sale	-6	0.00	163,337	1.85
				29.01.2016	Sale	-84	0.00	163,253	1.85
				05.02.2016	Sale	-103	0.00	163,150	1.85
				12.02.2016	Sale	-2,139	-0.02	161,011	1.82
				11.03.2016	Sale	-829	-0.01	160,182	1.81
				18.03.2016	Sale	-561	-0.01	159,621	1.81
				25.03.2016	Sale	-549	-0.01	159,072	1.80
				31.03.2016	Sale	-98	0.00	158,974	1.80
				31.03.2016	At the end of year	-	-	158,974	1.80

Sl.No	Name of the ShareHolder	Shareholding at the beginning of the year as on April 1, 2015		Date	Reason	Purchase of Shares/Decrease in Shareholding		Cummlative Shares during the year	
		No of Shares	% of total Shares of the Company						
4	Aadi Financial Advisors Lp	53,683	0.61	01.01.2016	Sale	-46	0.00	53,683	0.61
				31.03.2016	At the end of year	-	-	53,637	0.61
5	Canara Robeco Mutual Fund A/C Canara Robeco Emerging Equities	5,780	0.07	10.04.2015	Purchase	2,031	0.02	5,780	0.07
				24.04.2015	Purchase	1,000	0.01	7,811	0.09
				01.05.2015	Purchase	200	0.00	8,811	0.10
				08.05.2015	Purchase	103	0.00	9,011	0.10
				15.05.2015	Purchase	17	0.00	9,114	0.10
				12.06.2015	Purchase	1,000	0.01	9,131	0.10
				19.06.2015	Purchase	1,257	0.01	10,131	0.11
				26.06.2015	Purchase	1,000	0.01	11,388	0.13
				21.07.2015	Purchase	1,000	0.01	12,388	0.14
				24.07.2015	Purchase	315	0.00	13,388	0.15
				31.07.2015	Purchase	186	0.00	13,703	0.15
				21.08.2015	Purchase	5,064	0.06	13,889	0.16
				25.09.2015	Purchase	291	0.00	18,953	0.21
				09.10.2015	Purchase	443	0.01	19,244	0.22
				09.10.2015	Sale	-150	0.00	19,687	0.22
				16.10.2015	Purchase	1,342	0.02	19,537	0.22
				30.10.2015	Purchase	310	0.00	20,879	0.24
				06.11.2015	Purchase	2,000	0.02	21,189	0.24
				13.11.2015	Purchase	8,200	0.09	23,189	0.26
				04.12.2015	Purchase	72	0.00	31,389	0.36
				31.12.2015	Purchase	500	0.01	31,461	0.36
29.01.2016	Purchase	101	0.00	31,961	0.36				
05.02.2016	Sale	-204	0.00	32,062	0.36				
12.02.2016	Purchase	2,000	0.02	31,858	0.36				
31.03.2016	At the end of year	-	-	33,858	0.38				
6	Uti-Mnc Fund	30,600	0.35	-	No Change	0	0.00	30,600	0.35
				31.03.2016	At the end of year	-	-	30,600	0.35
7	Anmol Sekhri	16,776	0.19	-	No change	0	0.00	16,776	0.19
				31.03.2016	At the end of year	-	-	16,776	0.19
8	The Emerging Markets Small Cap Series Of The Dfa Investment Trust Company	13,295	0.15	30.09.2015	Purchase	89	0.00	13,295	0.15
				16.10.2015	Purchase	138	0.00	13,384	0.15
				31.03.2016	At the end of year	-	-	13,522	0.15
9	Delna Russi Rastomjee	13,000	0.15	-	No Change	0	0.00	13,000	0.15
				31.03.2016	At the end of year	-	-	13,000	0.15

Sl.No	Name of the ShareHolder	Shareholding at the beginning of the year as on April 1, 2015		Date	Reason	Purchase of Shares/Decrease in Shareholding		Cumulative Shares during the year	
		No of Shares	% of total Shares of the Company						
10	Govindlal M Parikh	5,750	0.07			-	-	5,750	0.07
				30.10.2015	Purchase	5,000	0.06	10,750	0.12
				31.03.2016	At the end of year	-	-	10,750	0.12
11	Radha Madhav Investments Ltd	10,000	0.11			-	-	10,000	0.11
				-	No change	0	0.00	10,000	0.11
				31.03.2016	At the end of year	-	-	10,000	0.11
12	Idfc Sterling Equity Fund	28,071	0.32			-	-	28,071	0.32
				10-Apr-2015	Sale	-2,568	-0.03	25,503	0.29
				17-Apr-2015	Sale	-204	0.00	25,299	0.29
				15-May-2015	Sale	-1,257	-0.01	24,042	0.27
				22-May-2015	Sale	-1,133	-0.01	22,909	0.26
				29-May-2015	Sale	-8,664	-0.10	14,245	0.16
				05-Jun-2015	Sale	-1,676	-0.02	12,569	0.14
				12-Jun-2015	Sale	-2,034	-0.02	10,535	0.12
				19-Jun-2015	Sale	-3,070	-0.03	7,465	0.08
				26-Jun-2015	Sale	-2,817	-0.03	4,648	0.05
				30-Jun-2015	Sale	-4,648	-0.05	0	0.00
				31.03.2016	At the end of year	-	-	0	0.00

(v) Shareholding of Directors and Key Managerial Personnel:

None of the Directors and Key Managerial Personnel of the Company hold equity shares of the Company in Financial Year 2015-16.

V. INDEBTEDNESS

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

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

SN.	Particulars of Remuneration	Mr. Vikas Chadha Managing Director
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	130.73 0.32 -
2	Stock Option	-
3	Sweat Equity	-
4	Commission - as % of profit - others, specify	- 28.86
5	Others (Allowances and Provident Fund)	9.53
	Total (A)	169.44
	Ceiling as per the Act	1079.97
		(Being 5% of Net Profits computed in accordance with Sec. 198 of the Companies Act, 2013)

B. Remuneration to other Directors**(Rs / Lac)**

SN.	Particulars of Remuneration	Name of Directors			Total Amount
1	Independent Directors Fee for attending board committee meetings Commission Others, please specify Total (1)	Mr. Surendra Rao 2.50 14.70 - 17.20	Mr. N. Srinath 2.70 15.00 - 17.70	Mr. Suresh Senapaty - 1.30 - 1.30	5.20 31.00 - 36.20
2	Other Non-Executive Directors Fee for attending board committee meetings Commission Others, please specify Total (2)	- - - -	- - - -	- - - -	- - - -
	Total (B)=(1+2)	17.20	17.70	1.30	36.20
	Total Managerial Remuneration (A+B)	205.64			
	Overall Ceiling as per the Act	2375.92			
		(Being 11% of Net Profits computed in accordance with Sec. 198 of the Companies Act, 2013)			

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD**(Rs / Lac)**

SN.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount
	Name	Anurag Bhagania	Sneha Padve (upto May 4, 2015)	Sangeet Hunjan (w.e.f. May 25, 2015)	
	Designation	CFO	CS	CS	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	95.17 0.32 -	2.18 0.03 -	14.26 - -	111.62 0.35 -
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit - others, specify	- - -	- - -	- - -	- - -
5	Others, (Allowance of Reltrals)	4.27	0.26	0.65	5.69
	Total	100.26	2.48	14.92	117.66

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

For and on behalf of the Board

Suresh Senapaty
Chairman
DIN: 00018711

Gurgaon, May 17, 2016

ANNEXURE - 8

Information as required under the provisions of Section 197(12) of the Companies Act, 2013, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended by the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016

Sr. No.	Name	Designation	Educational qualification	Age years	Experience years	Date of Joining	Remuneration received Rs. (in lacs)	Previous Employment
1	Vikas Chadha	Managing Director	B.E., MBA	45	22	01-Oct-12	169	Honeywell International (India) Pvt. Ltd.
2	Anurag Bhagania	Chief Financial Officer	CA, PGDBM	44	20	19-Apr-13	100	General Electric
3	Aseem Joshi	Head-Sensing & Productivity Solutions	B.E., M.S., MBA	39	17	07-Apr-14	99	Eaton
4	Ashish Modi	Head - Services, Process Solutions	B.E., MBA	36	11	23-Feb-11	98	McKinsey & Company
5	Priyanshu Singh	Head-Building Solutions	B.Sc., MBA	40	17	01-Jan-14	96	Honeywell International (India) Pvt. Ltd.
6	Anant Kelkar	Head-Global Services	B.E.	55	33	25-Feb-94	84	Instrumentation Limited
7	Rajarshi Datta	Head-Sales, Process Solutions	B.Sc., B.Tech., MBA	43	20	12-Feb-01	75	ISS Integrated Facility Services
8	Anand Vishnubhotla	Head - Products, Process Solutions	B.Tech., M.Sc.	41	19	28-Jun-10	74	Matrikon
9	Vivek Bhatia	Head-Projects Execution, Process Solutions	B.E.	46	25	17-Jul-95	71	Hindalco
10	Ravindra Bagaikar	Head - Quality, Process Solutions	B.E.	50	28	01-Dec-88	69	NA

Notes :

- 1 The above disclosure has been made in line with the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 notified on June 30, 2016
- 2 Remuneration comprises of salary, allowances, performance based payments, leave encashment, taxable value of perquisites and Company's contribution to PF. It does not include actuarial valuation of gratuity.
- 3 None of the above employees is a relative of any director of the Company.
- 4 The nature of employment is contractual in all the above cases.
- 5 None of the employees hold two percent or more of the paid up equity share capital of the Company.

For and on behalf of the Board

Suresh Senapaty

Chairman

DIN: 00018711

July 13, 2016

PERFORMANCE OF KEY FINANCIAL INDICATORS AND HIGHLIGHTS OF 2015-16

	12 month ended March 2016	15 month ended March 2015	
External Orders (Rs. Crore)	1,644	1,853	Up 11% (Pro-rated)
Net Revenue from Operations (Rs. Crore)	2,188	2,404	Up 14% (Pro-rated)
Profit before Tax and Exceptional Items (%)	10.1%	9.0%	Up 110 basis points

INDUSTRY OUTLOOK AND OPPORTUNITIES

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

In the period 2015-16, the economy witnessed signs of growth revival, and some of the key macroeconomic indicators have started moving in the right direction. GDP has begun to show an improving trend, fiscal deficit reduction is as per plan, inflation has also moderated, RBI has also reduced interest rates. While growth has improved, investment activity across sectors, particularly in oil and gas, and industrial continued to remain muted. Bank lending activity to the corporate sector has not increased significantly. The early signs of economic revival, along with legislative and regulatory actions taken by the Central Government in 2015 should prove beneficial to the overall industry.

Economic and industry conditions impacting your Company's customers have an impact on your Company's operations. Some of the important market conditions were:

- Slow pace of capital investments continued in most areas that Honeywell Process Solutions (HPS) operates in.
- The commercial sector, which is of critical importance to Honeywell Building Solutions (HBS), continues to show signs of cautious growth, and core infrastructure spends by the public sector are improving.
- Inventory in the residential sector continues to be high, but expected to improve as developers launch budget housing options. These trends have impacted your Company's Environmental and Energy Solutions (E&ES) business.
- Manufacturing activity in core industrial sector is a critical driver for your Company's Sensing and Productivity Solutions (S&PS) business. While activity in this sector has remained muted for 2015, it remains to be seen whether several positive drivers including Make in India initiatives will help drive a favorable trend in the near future.
- While the impact of lowering oil prices has been beneficial to the Indian economy, your Company provides services to Honeywell entities located in regions that produce as well as process oil (North America and Middle East). The growth in these geographies has been moderate. This impacts your Company's operations negatively by reducing opportunities to serve those markets.

Honeywell Process Solutions (HPS):

HPS' wide portfolio of industrial automation products and solutions help customers operate safe, reliable, efficient, sustainable, and more profitable facilities. HPS' offerings include distributed control systems (DCS), transmitters, programmable logic controllers, emergency shutdown systems (ESD), quality controls systems (QCS), process and business performance improvement solutions, and various value-added services. The HPS business has won several prestigious projects in the last year despite market headwinds.

HPS will need to drive continued focus on its core strategies to prevail over the economic environment, slow recovery in industrial production growth, and continued competitive pressures in the market. Greenfield opportunities, particularly in the refining sector, are fewer due to uncertainty of investments in oil and natural gas, petrochemicals, and fertilizers. Given the diversity of products and solutions, your Company will strive to sustain its performance.

Honeywell Building Solutions (HBS):

Honeywell Building Solutions (HBS) provides automation and control technologies that help make buildings green, safe, and productive. As part of its intelligent buildings suite, HBS provides building management systems, Heating Ventilation & Air Conditioning, lighting, and utilities' monitoring & control, fire detection and alarm systems, access control systems, video surveillance systems, integrated security systems, and integrated building management systems based on Honeywell's Enterprise Buildings Integrator™. As part of its operational efficiency promise, HBS provides aftermarket services for all control systems as well as comprehensive utilities' operations and maintenance services for all mechanical and electrical systems in buildings. HBS also provides energy management services, demand response solutions, energy retrofits, and energy performance contracts.

This business continued to demonstrate strong results through the year. Its track record in infrastructure, transportation, Information Technology, data centers, pharmaceutical, and commercial space verticals helped expand its presence in Government, telecommunication, and healthcare verticals in 2015. The highlights of the year were significant wins in city surveillance projects for various cities in India.

Environmental and Energy Solutions (E&ES):

E&ES business portfolio comprises of commercial real estate, residential and industrial verticals. 2015-16 was a critical year for E&ES as it witnessed strong sales and profit growth. Aiming to deliver the best customer experience in the industry, E&ES undertook several process improvement initiatives throughout the year.

Differentiated products coupled with effective key account management helped field devices and thermostats drive accelerated growth in a slowly recovering real estate market. The building management segment improved profitability by implementing a smart pricing strategy. With new product initiatives planned in the building management business, your Company will strive to sustain its performance in the future.

Sensing & Productivity Solutions (S&PS):

Despite limited market growth in core industrial sectors, particularly construction equipment and automotive, S&PS revenues grew strongly for the year. The electro mechanical portfolio performed well in 2015, along with revenue upside for limit switches and construction equipment shifters. The electro-sensing and test and measurement lines of business also grew. Despite difficult market conditions, your Company remained focused on identifying and winning new business opportunities. In 2015, S&PS secured significant program wins from key customers in transportation.

Your Company will continue to remain focused on verticals such as industrial, transportation, military, aerospace, and healthcare. Your Company plans to expand the distribution network, especially for greater coverage of industrial customers. The channel management team deployed earlier is helping grow your channel business, is allowing your direct sales team to focus on key account management.

Exports:

Global Services (GS) provides project engineering services, product design solutions, software engineering services, systems manufacturing and staging services to several global Honeywell entities. GS drives productivity, cost competitiveness, and customer satisfaction, delivering project engineering services to global Honeywell customers. Honeywell Operating System (HOS) continues to be the backbone for GS helping drive lean operations and efficiencies.

The new Global Manufacturing facility at Fulgaon will complete two years of operations in August 2016. This is a HOS silver excellence certified facility and was declared as one of the best factories for the year 2015. The facility secured approval from many prestigious global customers.

LEADERSHIP AND TALENT:

Your Company continues to invest in human capital as a key enabler of business growth. Talent management and leadership development is an integrated set of processes aligned with business strategy to ensure the Company has the right people, organized in right way, and motivated to do the best job every day for its customers. It has mature processes like goal management, performance management, and structured feedback and development processes. Developing leadership capability in employees is a key expectation from every business leader and the company actively promotes internal movements as a path to career growth. This is institutionalized through a number of processes that run consistently across the organization. One such process, the Honeywell Management Resource Review (MRR), continually reviews leadership talent within the organization. It proactively plans for succession by assessing available talent pipeline within the Company in India and globally. This process runs twice a year across businesses and functions. Development plans ensure necessary focus on capability building and skills development to enable leaders to take up larger roles. The Honeywell Performance Development (HPD) process forms the foundation of the MRR process, ensuring that there is a consistent global framework to assess our employees on goals and behaviors, creating opportunity for objective feedback and discussion on development plans.

Your Company has adopted a multi-tiered framework to build leadership capability and develop the leadership bench. This includes the India Leadership Connect (ILC) focused on development of top talent for senior leadership roles, the LEAD program to build frontline managerial capability, the Honeywell Leadership Forum (HLF) focused on building self-awareness and networking among senior leaders in Honeywell India, and the Supervisory Development program (SDP) to develop supervisory skills and capability. Your Company strives to build functional leadership through initiatives such as the Emerging Finance Leadership Program (EFLP), supply chain mentoring program, sales skill building, and sales mentoring program. Your Company continues to work towards building systemic enablers to encourage diversity in the organization.

FINANCIALS

Overall net revenue from operations was Rs. 2,188 Crore, registering annualized growth of 14%. The domestic segment registered net revenue of Rs. 1,417 Crore for the current year vis-à-vis Rs. 1,641 Crore in the previous. This growth was achieved amidst competitive challenges on pricing. The exports revenue increased vis-à-vis the previous period mix.

Overall net income was Rs. 139 Crore. Your Company delivered a return of 6.3% on sales for the year (Previous period: 4.8%).

- Provision for doubtful debts was lower over previous period
- Your Company continued to focus on workforce productivity delivering 14% topline annualized growth with 3% growth in headcount.

The cash flow from operations at Rs. 159 Crore, (previous period Rs. 13 Crore), reflecting higher profitability and better working capital management. Your Company will continue to drive better working capital performance and positive operating cash flows.

RISKS AND CONCERNS

Your Company generates a large percentage of its sales and profits from its business with Honeywell International Inc. and its affiliates. Sales to Honeywell accounted for approximately 30% and 28% of total net sales in current and previous years respectively. Your Company's ability to maintain or grow its business with Honeywell depends upon a number of performance factors, including its ability to (i) identify emerging trends and customer requirements, and develop product and service offerings superior to those of its competitors, (ii) meet or surpass the price, quality, and delivery requirements of Honeywell and its end-customers in a cost-effective and competitive manner, and (iii) develop and retain employees and leaders with the necessary expertise. However, your Company cannot be assured that its level of sales and profits

associated with its relationship with Honeywell will continue. Honeywell-specific business considerations (independent of its shareholdings in the Company), including changes in Honeywell's strategies regarding utilization of alternative opportunities available to it to source products and services currently provided by your Company (including from alternative sources which Honeywell may acquire or develop within its own group), may also reduce the level and/or mix of Honeywell's business with the Company. Pricing pressures on sales of goods and services to Honeywell or a reduction in the volume or change in the mix of orders or sales to Honeywell can be expected to have a material adverse impact on the revenues and profits of the Company.

While your Company is diversified in various products, industries, and geographies, major macroeconomic indicators are soft around investments in the process and construction industries. Diversification is helping it to manage these trends and your Company is expecting to achieve a fair share of demand. While the fundamentals appear to be strong, and infrastructure investments will continue to be resilient, the overall competitive landscape is becoming more and more aggressive. Volatility of foreign exchange rates continues to be a risk due to large exposure to foreign currencies that the Company has on account of imports as well as exports.

INTERNAL CONTROL

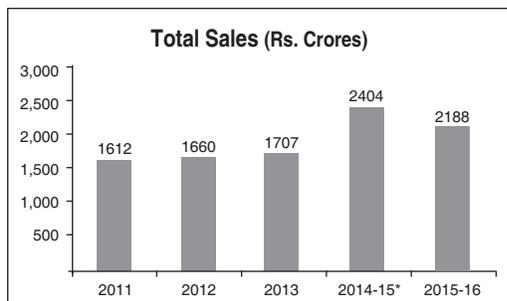
Your Company conducts its business with integrity and high standards of ethical behavior, and in compliance with the laws and regulations that govern it and its business. Your Company has a well-established framework of internal controls in place, supported by policies, guidelines and procedures, including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

All significant audit observations along with corrective actions thereon are tracked for resolution by the Internal Audit and Controls function, and communicated to the Audit Committee.

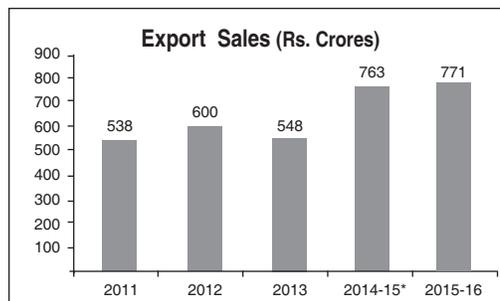
Your Company's Code of Conduct sets out the fundamental standards to be followed by employees in their everyday actions. Your Company also has a robust Integrity and Compliance program where all employees undergo communications and trainings on the Code of Conduct. It enables employees to become familiar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

Summary

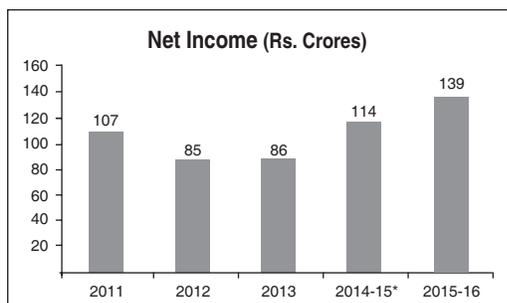
The mix of exports revenue increased vis-à-vis the previous period mix. Overall revenue registered annualized growth of 14%. Net Income (after exceptional item) was 6.3% of Sales, vis-à-vis 4.8% in previous period. Increased competitive environment in both domestic and exports segments continues to be a challenge, which is being addressed through concentrated efforts on operational excellence, driving productivity, and aggressive cost rationalization. Your Company is continuously driving new productivity initiatives to remain committed to the journey of profitable growth.



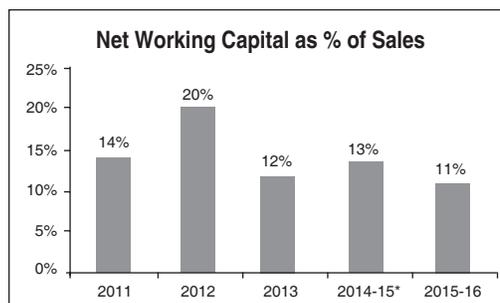
14% annualized sales growth delivered.



Exports sales were 35% of total sales, increased vis-à-vis 32% in the previous period.



Net income was 6.3% of sales, vis-à-vis 4.8% in the previous period.



Net working capital declined to 11%, vis-a-vis 13% in the previous period.

* 2014-15, represents a 15-month period; other years represent a 12 month period.

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

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

2. BOARD OF DIRECTORS

The Board comprises of 2 Independent Directors, a Managing Director and 3 Directors nominated by the Promoters, Honeywell International Inc. of which one is Woman Director. The Company has an Independent Non-Executive Chairman and one-third of the total number of Directors are Independent Directors. This is in conformity with the requirement of Regulation 17 of the Listing Regulations.

No Director holds equity shares in the Company. There is no relationship between the Directors inter-se.

Mr. N. Srinath's appointment as Independent Director is for the period December 15, 2014 to December 14, 2019. Subsequent to resignation of Mr. Surendra Rao as the Chairman and Independent Director w.e.f. February 12, 2016, Mr. Suresh Senapaty was appointed as an Additional (Independent) Director, by the Board of Directors w.e.f. March 8, 2016 subject to approval of shareholders at the ensuing Annual General Meeting of the Company.

The Independent Directors have given a certificate of Independence to the Board of Directors. Their appointment letters have been uploaded on the Company's website.

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

Name	Category	No. of Board Meetings attended during 2015-16	Attendance at the last AGM held on July 21, 2015	No. of Directorships in other public limited companies ⁽³⁾	No. of Committee positions held in other public limited companies ⁽³⁾	
					Chairman	Member
As on March 31, 2016						
Mr. Surendra Rao ⁽¹⁾	Independent Non-Executive Chairman	4	Yes	2	2	2
Mr. Suresh Senapaty ⁽²⁾	Independent Non-Executive Chairman	-	-	3	-	1
Mr. N. Srinath	Independent Non-Executive	4	Yes	5	-	1
Mr. Vikas Chadha	Managing Director Promoter Non-Independent Executive	4	Yes	-	-	-
Mr. Norman Gilsdorf	Promoter Non-Independent Non-Executive	3	Yes	-	-	-
Mr. Anant Maheshwari	Promoter Non-Independent Non-Executive	4	Yes	-	-	-
Ms. Nisha Gupta	Promoter Non-Independent Non-Executive	4	Yes	-	-	-

Notes : (1) Ceased to be Chairman and Independent Director effective close of office hours on February 12, 2016, consequent to his resignation.

(2) Appointed as Additional (Independent) Director and Chairman effective March 8, 2016 subject to approval of shareholders.

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

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

Meeting of Board of Directors

The Board met four times on the following dates during the year ended March 31, 2016 and the gap between two meetings did not exceed one hundred and twenty days:

May 25, 2015 July 21, 2015 November 4, 2015 February 12, 2016

In addition, one meeting of Independent Directors was held on February 12, 2016.

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

Familiarisation Programme for Independent Directors

The Company has given training to independent directors so as to enable them gain deeper understanding of the Company - its operations, business, senior management, policies, industry perspective, etc. The Directors are updated on a continuing basis on any significant changes. The details of familiarisation programmes for Independent Directors are updated on the Company's website at

<http://honeywell.com/sites/acs-india/Investor-Relations/Documents/Familiarisation%20Programme%20for%20Independent%20Directors.pdf>

3. AUDIT COMMITTEE

Terms of Reference

The Audit Committee acts on the terms of reference as stipulated by the Board pursuant to Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations.

The terms of reference are briefly described below:-

- oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - matters required to be included in the director's responsibility statement to be included in the Board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - changes, if any, in accounting policies and practices and reasons for the same;
 - major accounting entries involving estimates based on the exercise of judgment by management;
 - significant adjustments made in the financial statements arising out of audit findings;
 - compliance with listing and other legal requirements relating to financial statements;
 - disclosure of any related party transactions;
 - modified opinion(s) in the draft audit report;
- reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;

- reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- approval or any subsequent modification of transactions of the Company with related parties;
- scrutiny of inter-corporate loans and investments;
- valuation of undertakings or assets of the listed entity, wherever it is necessary;
- evaluation of internal financial controls and risk management systems;
- reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- discussion with internal auditors of any significant findings and follow up there on;
- reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- to review the functioning of the whistle blower mechanism;
- approval of appointment of Chief Financial Officer after assessing the qualifications, experience background, etc. of the candidate;
- Carrying out any other function as is mentioned in the terms of reference of the audit committee.

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

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

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

Mr. Surendra Rao, the Chairman of the Audit Committee upto February 12, 2016 was present at the last Annual General Meeting held on July 21, 2015.

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

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

The Audit Committee held four meetings during the year 2015-16 on the following dates and the gap between two meetings did not exceed one hundred and twenty days:

May 25, 2015 July 21, 2015 November 4, 2015 February 12, 2016

The composition of the Audit Committee and the attendance of members at the meetings held during the 2015-16 is as follows:

Name of Director	No. of Meetings Attended
Mr. Surendra Rao (Chairman, Independent Director) (upto February 12, 2016)	4
Mr. Suresh Senapaty (Chairman, Independent Director) (w.e.f. March 8, 2016)	-
Mr. N. Srinath (Independent Director)	4
Ms. Nisha Gupta	4

4. NOMINATION AND REMUNERATION COMMITTEE

Terms of Reference

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

- formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- formulating criteria for evaluation of performance of independent directors and the board of directors;
- devising a policy on diversity of board of directors;
- identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- assessing whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

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

The Nomination and Remuneration Committee consists of three Non-executive Directors, two being independent. The Chairman is a Non-executive and Independent Director (Regulation 19 of the Listing Regulations). The Nomination and Remuneration Committee held three meetings during the year 2015-16 on the following dates

May 25, 2015 November 4, 2015 February 12, 2016

The composition of the Nomination and Remuneration Committee and the attendance of members at the meetings held during the financial year 2015-16 is as follows:

Name of Director	No. of Meetings Attended
Mr. N. Srinath (Chairman, Independent Director)	3
Mr. Surendra Rao (Independent Director) (upto February 12, 2016)	3
Mr. Suresh Senapaty (Independent Director, (w.e.f. March 8, 2016)	-
Mr. Anant Maheshwari	3

The Committee met on February 12, 2016, to appraise and decide the commission and compensation payable to Mr. Vikas Chadha, Managing Director and other Key Managerial Personnel as defined under the Companies Act, 2013.

Mr. N. Srinath, the Chairman of the Nomination and Remuneration Committee was present at the last Annual General Meeting of the Company held on July 21, 2015.

Performance Evaluation

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

During the year under review, the Mr. Surendra Rao and Mr. N. Srinath, met on February 12, 2016, without the presence of non-independent directors and members of the management, to discuss the evaluation of the Board, Committees and the Non-Executive Directors. The discussions covered both strategic and operational aspects of the Board functioning, as well as the quality, content and timeliness of the flow of information between the Management and the Board. The inputs from the meeting were shared with the Nomination and Remuneration Committee (Regulation 25 of the Listing Regulations).

The performance evaluation of the Independent Directors was carried out by the entire Board.

5. REMUNERATION OF DIRECTORS/ CRITERIA OF MAKING PAYMENTS TO DIRECTORS

The Independent Directors are paid remuneration by way of Commission and Sitting Fees. The Commission is paid at a rate not exceeding one percent per annum of the net profits of the Company calculated in accordance with the provisions of Sections 198 of the Companies Act, 2013. The amount of Commission is determined on the basis of their roles, responsibilities and contribution to the Company as Chairman/member of the Board and various Committees of the Board.

The Independent Directors are paid a Sitting Fee of Rs. 30,000/- (revised w.e.f. February 12, 2016). The Sitting Fee is paid for each Board, Audit Committee, Nomination & Remuneration Committee and Corporate Social Responsibility Committee meeting attended by them.

The Directors nominated by Honeywell are not paid any sitting fees or commission.

The Company pays remuneration to its Managing Director by way of salary, perquisites and allowances (a fixed component) and commission (a variable component). Salary is paid within the range approved by the shareholders. The Board on the recommendations of the Nomination & Remuneration Committee approves the annual increments (effective 1st April each year).

The Board fixes a ceiling on perquisites and allowances as a percentage of salary. Commission is calculated with reference to the net profit of the Company in a particular financial period and is determined by the Board of Directors at the end of the

financial period based on the recommendations of the Nomination and Remuneration Committee, subject to the overall ceiling as stipulated in the Companies Act, 2013.

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

Although the Company does not have stock options for its own shares, some of its employees, including the Managing Director, are granted stock options of the ultimate Holding Company

Given below are the details of Remuneration paid to Directors for the year 2015-16 for attending Board Meetings and various Board constituted Committee Meetings.

Non-Executive Directors: (Rs. in lacs)

Director	Sitting Fees	Commission	Shareholding
Mr. Surendra Rao	2.50	14.70	Nil
Mr. Suresh Senapaty	-	1.30	Nil
Mr. N. Srinath	2.70	15.00	Nil

Managing Director: (Rs. in lacs)

Name	Salary & Allowances for the year 2015-16	Commission for the year 2015-16
Mr. Vikas Chadha	140.00	29.00

Period of Contract of Managing Director : 5 years from January 1, 2014.

The Contract may be terminated by either party giving the other party three months' notice or the Company paying three months' salary in lieu thereof.

Severance fees – Nil

6. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee is constituted in accordance with Regulation 20 of the Listing Regulations, in order to consider and resolve the grievances of the security holders of the company including complaints related to transfer of shares, non-receipt of annual report, non-receipt of declared dividends, etc. The said Committee has been authorized to approve the transfer/transmission/ of shares and issue of duplicate share certificates.

In order to expedite the process, the Board of Directors has also delegated the authority severally to the Managing Director and the Company Secretary to approve the share transfers/transmissions and accordingly, the Managing Director or the Company Secretary approve the transfer/transmission of shares as and when required from time to time.

The Committee has two members Ms. Nisha Gupta, Non-executive Director as the Chairperson and Mr. Vikas Chadha, Managing Director.

The Committee met on November 4, 2015 during the financial year 2015-16 and the meeting was attended by both the members.

Name, designation & address of Compliance Officer :

Ms. Sangeet Hunjan
Company Secretary,
56 & 57, Hadapsar Industrial Estate,
Pune 411 013
Phone: 020-66008187
Fax no. 020-66039800

Investor Complaints	Number
Number of shareholders' complaints received during 2015-16	1
Number not solved to the satisfaction of shareholders	Nil
Number of pending complaints as on March 31, 2016	Nil

7. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

The Committee met on November 4, 2015 during the financial year 2015-16 and the meeting was attended by all the members.

The Company has formulated a Policy for its CSR which may be viewed in the Company's website at <https://honeywell.com/sites/acs-india/Investor-Relations/Documents/Corporate%20Social%20Responsibility%20Policy.pdf>

8. ENTERPRISE RISK MANAGEMENT

The Company's Enterprise Risk Management Processes ensures that the management controls risks through means of a properly defined framework. The risks are reviewed periodically by the Managing Director and the Chief Financial Officer through an established Enterprise Risk Management Framework and also annually by the Board of Directors.

9. MANAGING DIRECTOR (MD) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

The MD and CFO have provided a compliance certificate to the Board of Directors, as required under Regulation 17 read with Part B of Schedule II of the Listing Regulations.

10. DISCLOSURES

Disclosures on materially significant related party transactions

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

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

Details of all material transactions with related parties have been disclosed quarterly to the stock exchanges along with the compliance report on corporate governance.

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

The Related party Transactions Policy is available on the website of the Company at https://honeywell.com/sites/acs-india/Investor-Relations/Documents/Related%20Party_Transactions%20Policy.pdf

Statutory Compliance, Penalties and Strictures

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

Legal Compliance Reporting

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

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

Whistle Blower Policy/ Vigil Mechanism:

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

The details of the policy are available on the website on the Company at [https://honeywell.com/sites/acs-india/Investor-Relations/Documents/Vigil%20Mechanism%20\(Whistle%20Blower%20Policy\).pdf](https://honeywell.com/sites/acs-india/Investor-Relations/Documents/Vigil%20Mechanism%20(Whistle%20Blower%20Policy).pdf)

Code of Conduct:

As required under Listing Regulations, the Company has in place a Code of Conduct applicable to the Board Members as well as the Senior Management Personnel and the same has been hosted on the Company's website at https://honeywell.com/sites/acs-india/Investor-Relations/Documents/HONEYWELL_Spread_09212011.pdf.

All the Board Members and the Senior Management Personnel have affirmed compliance with the Code of Conduct, for the year ended March 31, 2016.

During the Financial Year under review, SEBI revised the regulations pertaining to Prohibition of Insider Trading and notified the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015. In accordance with the revised regulations, the Company has adopted a Code of Conduct for Prohibition of Insider Trading and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information, duly approved by the Board of Directors of the Company at their meeting held on May 25, 2015.

Reconciliation of share capital audit:

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

11. General Body Meetings**Location and time, where last three annual general meetings held**

For the year	Venue	Day & Date	Time
2014-15	Honeywell Automation India Limited	Tuesday, July 21, 2015	3.00 p.m.
2013	56 & 57, Hadapsar Industrial Estate,	Wednesday, April 30, 2014	4.00 p.m.
2012	Pune – 411013	Friday, May 3, 2013	2.00 p.m.

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

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

Whether any special resolution passed last year through postal ballot

For the resolutions proposed for shareholders' approval in the last AGM of the Company held on July, 21, 2015, the shareholders were also given the facility to exercise their right on the resolutions by way of voting by physical postal ballots.

A special resolution for approval of Material Related Party transactions/arrangements with Honeywell International Inc., Ultimate Holding Company, was passed in the aforesaid last AGM.

Consolidated results of voting process are as under (including e-voting, voting by physical postal ballots and voting by Poll at AGM :

Promoter/ Public	Total No. of Shares Held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes in favour	o. of Votes against	% of Votes in favour on votes polled	% of Votes against on votes polled
	[1]	[2]	[3]=[2]/(1) *100	[4]	[5]	[6]=[4] /(2)]*100	[7]=[5/ (2)]*100
Promoter and Promoter Group	6631142	0	0.00	0	0	0.00	0.00
Public - Institutional holders	1331443	976637	73.35	976637	0	100.00	0.00
Public-Others	878938	13284	1.51	13041	243	98.17	1.83
Grand Totals	8841523	989921	11.20	989678	243	99.98	0.02

Person who conducted the postal ballot exercise

Mr. Jayavant Bhawe, Partner, Ms. JDNASSA & Associates, Company Secretaries conducted the postal ballot exercise.

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

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

Procedure for postal ballot - For the last AGM of the Company held on July, 21, 2015, the procedure as prescribed under Rule 20 of the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015 ('Amended Rules 2015') and the erstwhile Clause 35B of the Listing Agreement was followed.

12. Means of Communication

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

The financial results and the official news releases are also placed on the Company's website at www.honeywellautomationindia.com. The Company has a dedicated help desk with e-mail ID: HAIL.InvestorServices@Honeywell.com in the Secretarial Department for providing necessary information to the investors.

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

13. General Shareholder Information

Annual General Meeting (AGM) Date, Time and Venue

: Wednesday, August 10, 2016 at 3.00 p.m. at
Honeywell Automation India Limited,
56 & 57, Hadapsar Industrial Estate, Pune 411013.

The profile of Directors seeking re-appointment at the ensuing Annual General Meeting are given in the Explanatory Statement to the notice of the Annual General Meeting.

Financial year

: Company's financial year is April – March

Record Date

: August 3, 2016

Dividend payment date

: August 19, 2016

Listing on Stock Exchanges

: The equity shares of the Company are currently listed with the following Stock Exchanges in India

BSE Limited (BSE)
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001
National Stock Exchange of India Limited (NSE)
Bandra Kurla Complex, Mumbai 400 051

The Company has paid the annual listing fee to both the stock exchanges.

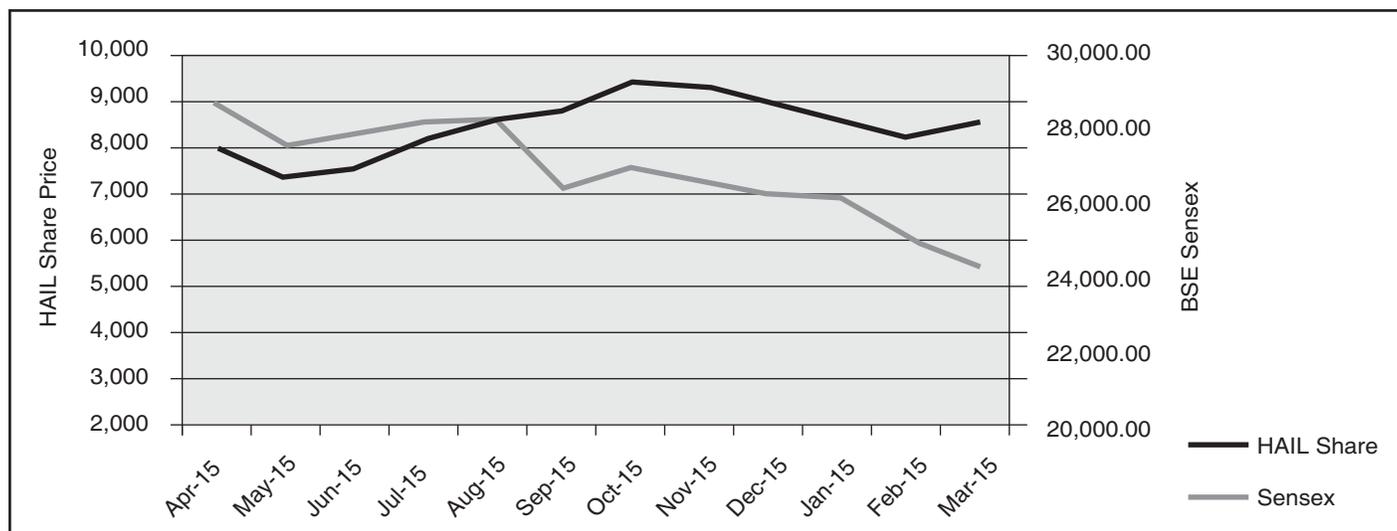
Stock code (Equity)

: NSE HONAUT
BSE 517174
ISIN INE671A01010

Market Price Data

Month	BSE		NSE	
	High	Low	High	Low
April 2015	8,845	7,060	8,920	7,012
May 2015	7,960	6,701	7,975	7,000
June 2015	8,047	6,900	8,050	6,922
July 2015	8,879	7,391	8,949	7,370
August 2015	9,130	7,950	9,140	8,050
September 2015	9,368	8,185	9,400	8,321
October 2015	9,750	9,082	9,768	9,111
November 2015	9,746	8,780	9,822	8,831
December 2015	9,200	8,636	9,240	8,525
January 2016	9,050	8,103	9,025	8,120
February 2016	8,625	7,751	9,051	7,701
March 2016	8,734	8,360	8,848	8,351

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



Registrar to an issue and share transfer agents : TSR Darashaw Ltd.,
6-10, Haji Moosa Patrawala Ind. Estate,
20, Dr. E. Moses Road, Near Famous Studio,
Mahalaxmi, MUMBAI - 400 011
Tel: (022) 66568484
Fax: (022) 66568494
E-mail: csg-unit@tsrdarashaw.com
Website: <http://www.tsrdarashaw.com>

Share Transfer System : Share Transfers in physical form can be lodged with TSR Darashaw Ltd. at the above mentioned address or at their branch offices, addresses of which are available on their website.

Distribution of Shareholding March 31, 2016:

Number of Ordinary Shares held	Number of Shares	
	31-03-2016 (%)	31-03-2015 (%)
1 to 500	6.50	6.66
501 to 1000	0.68	0.70
1001 to 2000	0.50	0.51
2001 to 3000	0.20	0.15
3001 to 4000	0.29	0.33
4001 to 5000	0.16	0.32
5001 to 10000	0.86	1.03
Over 10000	90.81	90.30
Total	100.00	100.00

Categories of Shareholders as on March 31, 2016:

Category	No. of shareholders	No. of shares held
Foreign Promoters	1	6,631,142
Non Resident Individuals	191	11,164
Foreign Institutional Investors	10	23,950
Banks	4	725
Other Insurance Company	2	2,060
Mutual Funds / UTI	29	1,338,337
Central Government / State Governments(s)	1	285
Domestic Companies	287	93,172
Resident Individuals	9,970	739,639
Trust & Charitable Institutions	7	1,049
	10,502	8,841,523

Dematerialisation of shares and liquidity	: The Company has arrangements with National Securities Depository Ltd. (NSDL) as well as the Central Depository Services (India) Ltd. (CDSL) for demat facility. 98.67 % of the Company's share capital is dematerialised as on March 31, 2016.
Outstanding GDRs/ADRs Warrants of any Convertible Instruments, conversion date and likely impact on equity	: As on date, the Company has not issued GDRs, ADRs or any other Convertible Instruments and as such, there is no impact on the equity share capital of the Company.
Commodity price risk or foreign exchange risk and hedging activities;	: Company is exposed to foreign exchange risk on account of import and export transactions which is monitored periodically. The Company leverages the global treasury operations of Honeywell to improve mitigation of risk relating to foreign exchange.
Plant locations	: Honeywell Automation India Limited Gat # 181, Fulgaon Industrial Estate, Lonikand Tulapur Road, Pune, Maharashtra, India : Honeywell Automation India Limited Plot # 101, Savli Industrial Estate, Village Alindra, Taluka - Savli, Dist.: Vadodara - 391775, Gujarat, India
Address for correspondence	: Honeywell Automation India Limited, 56 & 57, Hadapsar Industrial Estate, Pune 411 013 Tel: (020) 66039400 Fax: (020) 66039800 E-mail: HAIL.InvestorServices@Honeywell.com Website: www.honeywellautomationindia.com
Corporate Identity Number	: L29299PN1984PLC017951

Compliance with Mandatory Requirements

During the Financial Year under review, SEBI issued new Listing Regulations viz., Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 which is effective December 1, 2015.

As required under the said Regulations, the Company has:

- Adopted, Policies on Preservation of Documents, Archival Policy, Policy for Determination of Materiality of Events
- Executed fresh Listing Agreements with BSE Limited and National Stock Exchange of India Limited.

Further the Company affirms that all the requirements applicable under the Listing Agreement (valid upto November 30, 2015) and Listing Regulations (effective December 1, 2015) are fully complied with.

Compliance with Non-Mandatory Requirements

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

- The position of the Chairman and Managing Director are separate.
- The Chairman of the Board of Directors is Non-Executive and Independent and is based at Bangalore. The Company does not maintain a separate office for the Non – Executive Chairman.

- The Company publishes the financial results in two newspapers of wide circulation. Further the financial results are available on the website of the Company and of Stock Exchanges where the shares of the Company are listed i.e. BSE Ltd and National Stock Exchange of India Limited. Therefore, no individual intimations are sent to the shareholders.
- The Auditors' Opinion on the Financial Statements is unmodified.
- Head - Internal Audit reports to the Audit Committee.

Declaration by the Managing Director under the Listing Regulations regarding compliance with Code of Conduct

Pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is hereby certified that all Board Members and Senior Management personnel have affirmed compliance with the Company's Code of Conduct for the financial year ended March 31, 2016.

For **Honeywell Automation India Limited**

Vikas Chadha
Managing Director

Place: Gurgaon
Date: May 17, 2016

Certificate regarding compliance of conditions of Corporate Governance

To
The Members of
Honeywell Automation India Limited

Dear Sirs,

**Sub: Corporate Governance Compliance Certificate
of Honeywell Automation India Limited**

We have examined all relevant records of Honeywell Automation India Limited for the purpose of certifying compliance of the conditions of Corporate Governance under Clause 49 of the Listing Agreement [Applicable for the period from April 1 2015 till 30 November 2015] and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [Applicable for the period from 1 December 2015 to 31 March 2016] for the financial year ended 31st March 2016. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of the above certification.

The compliance of conditions of corporate governance is the responsibility of the management. For the period from April 1 2015 till 30 November 2015, our examination was carried out in accordance with Guidance Note on Corporate Governance Certificate (as stipulated in Clause 49 of the listing agreement) issued by The Institute of Company Secretaries of India, New Delhi. For the period from 1 December 2015 to 31 March 2016, our examination was carried out in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Our examination was limited to the procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of corporate governance. This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

On the basis of our examination of the records produced, explanations and information furnished, we certify that the Company has complied with all the mandatory conditions of the Clause 49 of the Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended 31st March 2016.

For J B Bhave & Co.
Company Secretaries

Jayavant Bhave
Proprietor
FCS: 4266 CP: 3068

Date: May 17, 2016
Place: Pune

To the Members of Honeywell Automation India Limited**Report on the Financial Statements**

We have audited the accompanying financial statements of **HONEYWELL AUTOMATION INDIA LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cashflows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, as applicable. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2016, and its profit and its cashflows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:
 - (i) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (iii) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (iv) In our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under section 133 of the Act, as applicable.
 - (v) On the basis of the written representations received from the directors as on 31st March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (vi) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - (vii) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - a) The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 32 to the financial statements;
 - b) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer Note 39 to the financial statements;
 - c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

Sunil S Kothari
Partner
(Membership No. 208238)

Gurgaon, May 17, 2016

**(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' of our report of even date)
Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143
of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of HONEYWELL AUTOMATION INDIA LIMITED ("the Company") as of 31st March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Sunil S Kothari
Partner
(Membership No. 208238)

Gurgaon, May 17, 2016

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of five years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. The Company does not have any immovable properties of leasehold land and building.
- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) The Company has not granted any loans, made investments or provide guarantees and hence reporting under clause 3 (iv) of the Order is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit and hence reporting under clause 3 (v) of the Order is not applicable.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it to the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at 31st March 2016 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, and Value Added Tax which have not been deposited as on 31st March 2016 on account of disputes are given below:

Nature of Due	Forum where Dispute is Pending	Period to which amount relates	Amount Unpaid (Lakhs)	Amount paid under protest (Lakhs)
Income Tax Act, 1961				
Income Tax	Bombay High Court (HC)	1999-00 to 2002-03	311.02	814.98
Income Tax	Income Tax Appellate Tribunal (ITAT), Pune	2003-04 and 2005-06 to 2011-12	8,897.24	1,167.76
Income Tax	Commissioner of Income Tax (A) Pune	2004-05	03.51	05.49
Respective Sales Tax Laws- Value Added Tax (VAT), Central Sales Tax (CST), Works Contract Tax (WCT) and Entry Tax				
VAT and CST	Additional Commissioner (Appeal) Uttar Pradesh.	2011-12 to 2015-16	405.50	NIL
VAT and CST	Additional Commissioner (Appeal) Maharashtra	2010-11 to 2011-12	1,491.79	NIL
VAT and CST	Assistant Commissioner Jharkhand	2010-11	05.66	NIL
VAT and CST	Assistant Commissioner Karnataka	2009-10 to 2012-13	346.12	125.00
VAT and CST	Deputy Commissioner (Appeal) Rajasthan	2010-11 & 2011-12	56.96	NIL
VAT and CST	Deputy Commissioner (Appeal) Kerala	2009-10 to 2012-13	220.45	NIL
VAT and CST	Deputy Commissioner (Appeal) Karnataka	2008-09 & 2009-10	52.58	24.95
VAT and CST	Deputy Commissioner (Comm. tax) Kerala	2013-14	66.85	NIL
VAT and CST	Deputy Commissioner Jharkhand	1997-98 to 1999-00 & 2011-12	54.55	NIL
VAT and CST	Deputy Commissioner (CT) Tamilnadu	2012-13	08.05	NIL
VAT and CST	Deputy Commissioner (Appeals -1) Jaipur Rajasthan	2012-13	29.04	NIL
VAT and CST	Deputy Commissioner (Appeals -1) West Bengal	2009-10	00.06	NIL
Entry Tax	Deputy Commissioner Uttar Pradesh	2005-06 & 2006-07	26.00	NIL
VAT, CST and WCT	Joint Commissioner (A) Maharashtra.	2006-07 to 2009-10 & 2001-02	2,785.72	937.73
VAT and CST	Joint Commissioner (A) West Bengal	2010-11 to 2012-13	240.44	28.91
VAT and CST	Sales tax officer, Uttar Pradesh	2010-11	13.69	16.65
VAT and CST	Special Commissioner, Delhi	2007-08	341.48	NIL
VAT and CST	Sr. Joint Commissioner West Bengal	2007-08	19.25	NIL
VAT and CST	The Assistant Commissioner, Commercial Tax, Circle A Jaipur Rajasthan	2006-07 to 2009-10	51.05	NIL
VAT and CST	The Assistant Commissioner, Commercial Tax, Circle A Gujarat.	2001-02 & 2008-09	48.44	10.00
VAT and CST	The Deputy Commissioner Commercial Taxes (Appeal-1) Jaipur Rajasthan	2009-10	05.71	NIL
The Customs Act, 1962				
Penalty	CESTAT Mumbai	2006-07	06.00	NIL
Customs Duty	Deputy Commissioner (Customs), Mumbai	1994-95	81.25	NIL
The Central Excise Act, 1944				
Excise Duty	Deputy Commissioner, Excise Pune	2000-01	02.40	NIL

- (viii) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause 3 (viii) of the Order is not applicable to the Company.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

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

Sunil S Kothari
Partner
(Membership No. 208238)

Gurgaon, May 17, 2016

(Rupees in lakhs)

Particulars	Note No	As at March 31, 2016	As at March 31, 2015
Equity and Liabilities			
Shareholders' fund			
Share capital	2	884	884
Reserves and surplus	3	100,090	87,303
		<u>100,974</u>	<u>88,187</u>
Non-current liabilities			
Long-term provisions	4	1,311	1,024
		<u>1,311</u>	<u>1,024</u>
Current liabilities			
Trade payables to micro and small enterprises[Refer note 28(b)]		142	100
Trade payables others	5	54,975	42,310
Other current liabilities	6	12,460	9,690
Short-term provisions	7	8,149	6,996
		<u>75,726</u>	<u>59,096</u>
Total		<u>178,011</u>	<u>148,307</u>
Assets			
Non-current assets			
Fixed assets			
Tangible assets	8a	8,369	8,434
Intangible assets	8b	35	56
Capital work in progress		160	680
		<u>8,564</u>	<u>9,170</u>
Deferred tax assets(Net)	9	7,173	7,341
Long-term loans and advances	10	15,501	15,670
Other non-current assets	11	1,894	1,895
		<u>24,568</u>	<u>24,906</u>
Current assets			
Current investments	12	7,893	7,596
Inventories	13	10,064	12,357
Trade receivables	14	49,784	34,564
Cash and cash equivalents	15	37,309	21,868
Short-term loans and advances	16	9,137	5,573
Other current assets	17	30,692	32,273
		<u>144,879</u>	<u>114,231</u>
Total		<u>178,011</u>	<u>148,307</u>
Summary of significant Accounting policies	1		

The notes are an integral part of these financial statements.
This is the Balance Sheet referred to in our report of even date.

For and on behalf of the Board

For **Deloitte Haskins & Sells LLP**
Firm Registration Number - FRN 117366W/W100018
Chartered Accountants

Sunil S Kothari
Partner
Membership No: 208238

Suresh Senapaty
Chairman
Sangeet Hunjan
Company Secretary

Vikas Chadha
Managing Director
Anurag Bhagania
Chief Financial Officer

Place : Gurgaon
Date : May 17, 2016

Place : Gurgaon
Date : May 17, 2016

(Rupees in lakhs)

Particulars	Note No	For the year ended March 31, 2016	For the 15 months ended March 31, 2015
Revenue from operations (gross)	18	222,153	244,143
Less: Excise Duty		3,391	3,776
Revenue from operations (net) (Refer note 33)		218,762	240,367
Other Income	19	2,333	2,244
Total revenue		221,095	242,611
Expenses:			
Cost of materials consumed	20a	110,092	116,560
Purchases of Stock in Trade		16,908	19,709
Changes in inventories of finished goods, work-in-progress and stock-in-trade	20b	509	(526)
Employee benefits expense	21	36,330	42,851
Finance costs	22	38	44
Depreciation and amortization expense	8a & 8b	1,540	1,686
Other expenses	23	33,514	40,563
Total expenses		198,931	220,887
Profit before tax and exceptional items		22,164	21,724
Less: Exceptional item (Refer Note 41)		-	4,002
Profit before tax		22,164	17,722
Tax expense:			
-Current tax		8,490	7,684
-Deferred tax		168	(1,382)
-Relating to earlier years		(345)	-
		8,313	6,302
Profit for the year/period		13,851	11,420
Earning per equity shares (In Rs.) (Refer Note No. 27)			
Basic and Diluted		156.66	129.17
Nominal value per share: Rs.10 (2015:Rs. 10)			

Summary of significant Accounting policies

1

The notes are an integral part of these financial statements.

This is the Statement of Profit and Loss referred to in our report of even date.

For **Deloitte Haskins & Sells LLP**

Firm Registration Number - FRN 117366W/W100018

Chartered Accountants

Sunil S Kothari

Partner

Membership No: 208238

Place : Gurgaon

Date : May 17, 2016

For and on behalf of the Board

Suresh Senapaty

Chairman

Sangeet Hunjan

Company Secretary

Place : Gurgaon

Date : May 17, 2016

Vikas Chadha

Managing Director

Anurag Bhagania

Chief Financial Officer

(Rupees in lakhs)

Particulars	For the year ended March 31, 2016	For the 15 months ended March 31, 2015
A. Cash flow from operating activities		
Profit before tax	22,164	17,722
Adjustments for:		
Depreciation and Amortisation	1,540	1,686
Profit on assets sold/ discarded (net)	(44)	(40)
Interest income	(1,608)	(1,638)
Dividend income on current investments	(443)	(396)
Interest expense	38	44
Operating profit before working capital changes	21,647	17,378
Increase/ (decrease) in trade payables and other current liabilities	15,653	2,167
Increase/ (decrease) in provisions	1,705	2,016
(Increase) /decrease in trade and other receivables	(15,857)	(10,999)
(Increase) in inventories	2,293	(1,342)
Cash generated from operations	25,441	9,220
Taxes paid (net of refund, if any)	(9,588)	(7,918)
Net cash generated from operations	15,853	1,302
B. Cash flow from investing activities		
Purchase of tangible/intangible assets	(1,263)	(3,755)
Sale of tangible/intangible assets	245	77
Interest received	1,489	1,403
Purchase of current investments	–	(7,596)
Dividend received on current investments	397	396
Proceeds from investments matured during the year	100	–
Fixed deposits placed during the year	(10,047)	(18,340)
Proceeds from fixed deposits matured during the year	14,521	13,831
Net cash from investing activities	5,442	(13,984)
C. Cash flow from financing activities		
Dividend paid (including dividend distribution tax of Rs. 150 lakh (previous year Rs. 143 lakh) thereon)	(1,330)	(1,034)
Interest paid	(38)	(44)
Net cash used in financing activities	(1,368)	(1,078)
Net change in cash and cash equivalents	19,927	(13,759)
Cash and cash equivalents as at the beginning of the year	17,201	30,960
Cash and cash equivalents as at the end of the year	37,128	17,201
Movement in cash and cash equivalents	19,927	(13,759)

(Rupees in lakhs)

Cash and cash equivalents consist of	For the year ended March 31, 2016	For the 15 months ended March 31, 2015
Bank Balances		
Current Accounts	11,390	5,658
Demand deposits (Original maturity less than 3 months)	25,738	11,543
	37,128	17,201

Notes:

- 1 Cash Flow statement has been prepared under the 'Indirect Method' set out in Accounting Standard (AS) - 3: "Cash Flow Statements" as specified in the Companies (Accounting Standard) Rules 2006.
- 2 Prior year comparatives have been reclassified to conform with current year's presentation, where applicable.
- 3 Figures in brackets represent out flows of cash and cash equivalents.

In terms of our report of even date

For **Deloitte Haskins & Sells LLP**
Firm Registration Number - FRN 117366W/W100018
Chartered Accountants

Sunil S Kothari
Partner
Membership No: 208238

Place : Gurgaon
Date : May 17, 2016

For and on behalf of the Board

Suresh Senapaty
Chairman
Sangeet Hunjan
Company Secretary

Place : Gurgaon
Date : May 17, 2016

Vikas Chadha
Managing Director
Anurag Bhagania
Chief Financial Officer

NOTES FORMING PART OF FINANCIAL STATEMENTS**Note 1 - GENERAL INFORMATION AND STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES****A. GENERAL INFORMATION**

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

SIGNIFICANT ACCOUNTING POLICIES**B. BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, till the standards of accounting or any addendum thereto are prescribed by Central Government in consultation with and recommendations of the National Financial Reporting Authority, the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006, as amended (the 'Rules'), continue to be applicable, accordingly, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under the Rules and other relevant provisions of the Companies Act, 2013.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non current classification of assets and liabilities.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent assets and liabilities. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results may differ from the estimates and assumptions used in preparing the accompanying financial statements. Any revisions to accounting estimates are recognised prospectively in current and future periods.

C. TANGIBLE ASSETS AND DEPRECIATION

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

Subsequent expenditures related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

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

Losses arising from the retirement of, and gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.

Depreciation is provided on a pro-rata basis on the straight-line method over the estimated useful lives of the assets or the rates prescribed under Schedule II of the Companies Act, 2013, whichever is higher, as follows:

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

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

D. INTANGIBLE ASSETS AND AMORTIZATION

Intangible assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis over their estimated useful lives. A rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use is considered by the management. The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss. The amortisation rates used are:

- a) Product distribution rights – HSPL are amortized over a period of 10 years.
- b) Software purchased over a period of 3 years.

E. BORROWING COSTS

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in Statement of Profit and Loss in the period in which they are incurred.

F. IMPAIRMENT

Assessment is done at each Balance Sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.

G. INVESTMENTS

Investments that are readily realisable and are intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. Current investments are carried at cost or fair value, whichever is lower.

H. INVENTORIES

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

I. REVENUE RECOGNITION

- i) Revenue in respect of projects for construction of plants and systems, execution of which is spread over different accounting periods, is recognized on the basis of percentage of completion method in accordance with Accounting Standard 7 – Construction contracts. Percentage of completion is determined by the proportion that contract costs incurred for work done till date bears to the estimated total contract costs. Difference between

costs incurred plus recognized profits/ less recognized losses and the amount of invoiced sale is disclosed as contracts in progress. Determination of revenues under the percentage of completion method necessarily involves making estimates by the Company, some of which are of a technical nature, concerning where relevant, the percentage of completion, costs to completion, the expected revenue from the contract and the foreseeable losses to completion. Contractual claims are recognized on raising of the claim. Income from non-contractual claims is recognized only on acceptance of the claim by the customer.

- ii) Revenue from sales of products and services are recognized when significant risks and rewards of ownership of products are passed on to the customer or when the service is provided.
- iii) Revenue from short term software development services includes revenue from time and material and fixed price contracts. Revenue from time and material contracts are recognized as related services are performed. With reference to fixed price contracts, revenue is recognized in accordance with proportionate completion method.

J. OTHER INCOME

Interest: Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend: Dividend income is recognised when the right to receive the dividend is established.

K. FOREIGN CURRENCY TRANSACTIONS

Initial Recognition

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

Subsequent Recognition

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

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

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

Forward Exchange Contracts

The premium or discount arising at the inception of forward exchange contracts entered into to hedge an existing asset/liability, is amortized as expense or income over the life of the contract. Exchange differences on such a contract are recognised in the Statement of Profit and Loss in the reporting period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such a forward exchange contract are recognised as income or as expense for the period.

Forward exchange contracts outstanding as at the year end on account of firm commitment / highly probable forecast transactions are marked to market and the losses, if any, are recognised in the Statement of Profit and Loss and gains are ignored in accordance with the Announcement of Institute of Chartered Accountants of India on 'Accounting for Derivatives' issued in March 2008.

L. EMPLOYEE BENEFITS

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

Provident Fund: Provident Fund contributions are made to a Trust administered by the Company. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of the year and any shortfall in the

fund size maintained by the Trust set up by the Company is additionally provided for. Actuarial losses/gains are recognised in the Statement of Profit and Loss in the year in which they arise.

Gratuity: The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise.

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

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise.

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

M. TAXATION

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdictions.

Deferred tax is recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. At each Balance Sheet date, the group reassesses unrecognised deferred tax assets, if any.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

N. PROVISIONS AND CONTINGENCIES

Provisions: Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

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

O. LEASES

As a lessee:

Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease.

Notes to the financial statements

(Rupees in lakhs)

	As at March 31, 2016	As at March 31, 2015
Note 2 - Share capital		
Authorised:		
10,000,000 (March 31, 2015: 10,000,000) equity shares of Rs.10 each	1,000	1,000
	1,000	1,000
Issued:		
8,841,697 (March 31, 2015: 8,841,697) equity shares of Rs.10 each	884	884
	884	884
Subscribed and paid up		
8,841,523 (March 31, 2015: 8,841,523) equity shares of Rs. 10 each (fully paid up)	884	884
Total	884	884

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

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

(b) Reconciliation of shares

Particulars	As at March 31, 2016		As at March 31, 2015	
	Number of shares	(Rupees in lakhs)	Number of shares	(Rupees in lakhs)
Equity shares				
Balance as at the beginning and end of the period	8,841,523	884	8,841,523	884

(c) Shares held by the holding company

Particulars	As at March 31, 2016		As at March 31, 2015	
	Number of shares	(Rupees in lakhs)	Number of shares	(Rupees in lakhs)
Equity shares				
Honeywell Asia Pacific Inc. (Holding company)	6,631,142	663	6,631,142	663

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

Particulars	As at March 31, 2016		As at March 31, 2015	
	Number of shares	Percentage	Number of shares	Percentage
Honeywell Asia Pacific Inc. (Holding company)	6,631,142	75	6,631,142	75

- a) 6,631,142 (March 31, 2015 : 6,631,142) Equity shares constituting 75% (March 31, 2015 : 75%) of the paid-up capital of the Company are held by Honeywell International Inc., the ultimate holding company, through its 100% subsidiary, Honeywell Asia Pacific Inc.
- b) The Company has neither allotted any shares as fully paid up bonus shares nor pursuant to contract(s) payment being received in cash during 5 years immediately preceding March 31, 2016.

Notes to the financial statements

(Rupees in lakhs)

	As at March 31, 2016	As at March 31, 2015
Note 3 - Reserves and surplus		
Securities Premium Account		
Balance as at the beginning and end of the period	1,577	1,577
General Reserve		
Balance as at the beginning of the period	15,473	14,331
Add: Transferred from Surplus in the Statement of Profit and Loss during the period	1,385	1,142
Balance as at the end of the period	16,858	15,473
Surplus in the Statement of Profit and Loss		
Balance as at the beginning of the period	70,253	61,305
Profit for the period	13,851	11,420
Less: Appropriations		
Proposed dividend on equity shares for the period	884	1,105
Dividend distribution tax on proposed dividend on equity shares	180	225
Transfer to General Reserve	1,385	1,142
Balance as at the end of the period	81,655	70,253
Total	100,090	87,303

(Rupees in lakhs)

	As at March 31, 2016	As at March 31, 2015
Note 4 - Long-term provisions		
Provision for employee benefits		
Gratuity and other retirement benefits (Refer note 42)	1,112	884
Other provisions		
Provision for Warranty (Refer note 40)	199	140
Total	1,311	1,024

(Rupees in lakhs)

	As at March 31, 2016	As at March 31, 2015
Note 5 - Trade payables		
Trade Payables others	54,763	41,888
Acceptances	212	422
Total	54,975	42,310

Notes to the financial statements

(Rupees in lakhs)

	As at March 31, 2016	As at March 31, 2015
Note 6 - Other current liabilities		
Unearned revenue (Refer note 39)	3,782	3,765
Unclaimed dividend*	21	21
Advances from customers	5,145	2,547
Creditors for capital goods	114	291
Employee benefits payable	1,790	1,626
Statutory dues (including Provident Fund and Tax deducted at Source)	1,333	1,172
Other payables	275	269
Total	12,460	9,690

* Includes amount payable towards Investor Education and Protection Fund u/s 205C of the Companies Act, 1956. Rs. NIL (previous year Rs. NIL)

(Rupees in lakhs)

	As at March 31, 2016	As at March 31, 2015
Note 7 - Short-term provisions		
Provision for employee benefits		
Compensated absences	1,116	913
Gratuity and other retirement benefits(Refer note 42)	721	516
Other provisions		
Proposed dividend on equity shares for the period	884	1,105
Dividend distribution tax on proposed dividend on equity shares	180	225
Provision for warranty (Refer note 40)	1,395	451
Provision for litigations/ disputes (Refer note 40)	1,617	1,608
Provision for estimated cost to complete on contracts (Refer note 40)	2,236	2,178
Total	8,149	6,996

Note 8a - Tangible assets

(Rupees in lakhs)

Assets	Gross block			Depreciation				Net block		
	As at April 1, 2015	Additions	Deductions	As at March 31, 2016	Upto April 1, 2015	For the period	Disposal/ Adjust- ments	As at March 31, 2016	As at March 31, 2016	As at March 31, 2015
Land	30	-	-	30	-	-	-	30	30	30
Buildings	4,842	190	24	5,008	1,152	212	5	1,359	3,649	3,690
Plant and machinery	6,514	822	388	6,948	3,661	522	242	3,941	3,007	2,854
Computers	3,577	590	358	3,809	2,718	496	358	2,856	953	859
Furniture and fixtures	1,652	38	108	1,582	1,069	117	81	1,105	477	583
Office equipments	419	8	-	427	235	46	-	281	146	184
Vehicles	779	-	191	588	544	119	182	481	107	235
Total	17,813	1,648	1,069	18,392	9,379	1,512	868	10,023	8,369	8,434
Previous Year	14,800	3,648	635	17,813	8,326	1,651	598	9,379	8,434	6,474

Note 8b - Intangible assets (other than internally generated)

(Rupees in lakhs)

Assets	Gross block			Amortization			Net block			
	As at April 1, 2015	Additions	Deductions March 31, 2016	As at March 31, 2016	Upto April 1, 2015	For the period	Disposal/ Adjust-ments	As at March 31, 2016	As at March 31, 2016	As at March 31, 2015
Product Distribution										
Rights HSPL	1,060	-	-	1,060	1,060	-	-	1,060	-	-
Computer software	185	7	-	192	129	28	-	157	35	56
Total	1,245	7	-	1,252	1,189	28	-	1,217	35	56
Previous year	1,187	58	-	1,245	1,154	35	-	1,189	56	33

(Rupees in lakhs)

	As at March 31, 2016	As at March 31, 2015
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Note 9 - Deferred tax asset (Net)**a) Deferred tax liability**

Depreciation and amortisation	281	175
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b) Deferred tax assets

Provision for trade and other receivables	3,035	3,172
Provision for estimated cost to complete	733	688
Provision for compensated absences	386	310
Provision for other expenses	2,290	2,573
Gratuity	194	70
Bonus	590	383
Others	226	320

Deferred tax assets (Net)

7,173	7,341
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Deferred tax assets and deferred tax liabilities have been offset as they relate to the same governing taxation laws.

(Rupees in lakhs)

	As at March 31, 2016	As at March 31, 2015
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Note 10 - Long-term loans and advances

Capital advances	-	50
Unsecured, considered good (unless otherwise stated)		
Security deposits		
Considered good	961	1,189
Considered doubtful	71	65
	1,032	1,254
Less: Allowance for doubtful security deposits	71	65
	961	1,189
Other loans and advances		
Balances with Government authorities	9,259	10,248
Taxes paid in advance less provisions	5,281	4,183
[Net of Provision for tax Rs. 44,662 lakhs (Previous year Rs. 38,646 lakhs)]		
Total	15,501	15,670

Notes to the financial statements

(Rupees in lakhs)

	As at March 31, 2016	As at March 31, 2015
Note 11 - Other non-current assets		
Unsecured, considered good (unless otherwise stated):		
Deposits against bank guarantee	1,563	1,553
Long term trade receivables		
Considered good	331	342
Considered doubtful	227	203
	558	545
Less: Provision for doubtful debts	227	203
Total	1,894	1,895

(Rupees in lakhs)

	As at March 31, 2016	As at March 31, 2015
Note 12 - Current investments		
At cost or market value, whichever is less;		
Mutual funds (Unquoted):		
DHFL Pramerica Insta Cash Plus Fund - Direct Plan - Daily Dividend - Reinvestment (previously known as DWS Insta Cash Plus Fund-Direct Plan - Daily Dividend -Reinvestment) (4,381,900 units at NAV of Rs.100.30, previous year: 3,876,878)	4,395	3,889
JP Morgan India Liquid Fund- Direct Plan - Daily Dividend -Reinvestment (NIL units, previous year: 4,187,399)	-	419
DSP Blackrock Liquidity Fund- Direct Plan - Daily Dividend -Reinvestment (349,554 units at NAV of Rs. 1000.81, previous year: 328,687)	3,498	3,288
Total	7,893	7,596

(Rupees in lakhs)

	As at March 31, 2016	As at March 31, 2015
Note 13 - Inventories		
Raw materials [includes in transit: Rs. 541 lakhs (previous year: Rs. 694 lakhs)]	5,522	7,306
Work-in progress	433	621
Finished goods	794	516
Stock in trade	3,315	3,914
Total (Refer Note H)	10,064	12,357

Notes to the financial statements

(Rupees in lakhs)

	As at March 31, 2016	As at March 31, 2015
Note 14 -Trade receivables		
Unsecured, considered good (unless otherwise stated)		
Outstanding for a period exceeding six months from the date they are due for payment:		
Considered good	236	71
Considered doubtful	6,020	6,320
	<u>6,256</u>	<u>6,391</u>
Others		
Considered good	49,548	34,493
Considered doubtful	44	49
	<u>49,592</u>	<u>34,542</u>
Less: Provision for doubtful debts	6,064	6,369
Total	<u>49,784</u>	<u>34,564</u>

(Rupees in lakhs)

	As at March 31, 2016	As at March 31, 2015
Note 15 - Cash and bank balances		
Cash and cash equivalents		
Bank balances		
In current accounts	11,390	5,658
Demand deposits (Original maturity less than 3 months)	25,738	11,543
	<u>37,128</u>	<u>17,201</u>
Other bank balances		
Long term deposits with original maturity more than 3 months but less than 12 months	9	4,539
Deposits against bank guarantee	151	107
Unpaid dividend account	21	21
Total	<u>37,309</u>	<u>21,868</u>

Notes to the financial statements

	(Rupees in lakhs)	
	As at March 31, 2016	As at March 31, 2015
Note 16 - Short-term loans and advances		
Unsecured, considered good (unless otherwise stated)		
Loans and advances to related parties	-	36
Other loans and advances		
Earnest money deposits		
Considered good	934	373
Considered doubtful	243	217
	1,177	590
Less: Provision for doubtful deposits	243	217
	934	373
Advances recoverable in cash or kind	1,102	784
Security deposits	438	360
Balances with Government authorities	5,302	2,502
Prepaid expenses	57	49
Advances to employees	1,304	1,469
Total	9,137	5,573

	(Rupees in lakhs)	
	As at March 31, 2016	As at March 31, 2015
Note 17 -Other current assets		
Unsecured, considered good		
Interest accrued on deposits with banks	540	421
Unbilled services	813	1,539
Contracts in progress (Refer note 39)	29,339	30,313
Total	30,692	32,273

	(Rupees in lakhs)	
	For the year ended March 31, 2016	For the 15 months ended March 31, 2015
Note 18 - Revenue from operations (gross)		
Revenue from operations (gross)		
Manufactured products and jobs	133,953	152,503
Traded products	25,869	26,676
Sale of services	62,225	64,933
Other operating revenue		
Scrap sale	28	31
Refund of taxes and duties	78	-
Total	222,153	244,143

Notes to the financial statements

	(Rupees in lakhs)	
	For the year ended March 31, 2016	For the 15 months ended March 31, 2015
Note 19 - Other Income		
Interest		
On fixed deposits with banks	1,608	1,638
Liabilities no longer required written back	202	126
Profit on assets sold/ discarded (net)	44	40
Dividend on current investments	443	396
Miscellaneous income	36	44
Total	2,333	2,244

	(Rupees in lakhs)	
	For the year ended March 31, 2016	For the 15 months ended March 31, 2015
Note 20a - Cost of materials consumed		
Raw materials consumed (Refer note 34 and 35)		
Opening inventory	7,306	6,490
Add: Purchases (net)	108,308	117,376
Less: Inventory at the end of the year	5,522	7,306
Cost of raw materials consumed	110,092	116,560

	(Rupees in lakhs)	
	For the year ended March 31, 2016	For the 15 months ended March 31, 2015
Note 20b - Changes in inventories of finished goods, work-in-progress and traded goods		
(Increase)/ decrease in stock		
Stock at the beginning of the year		
Finished goods	516	603
Work in progress	621	414
Stock in trade	3,914	3,508
Total (A)	5,051	4,525
Stock at the end of the year		
Finished goods	794	516
Work in progress	433	621
Stock in trade	3,315	3,914
Total (B)	4,542	5,051
(Increase)/ decrease in stock (A-B)	509	(526)

Notes to the financial statements

	(Rupees in lakhs)	
	For the year ended March 31, 2016	For the 15 months ended March 31, 2015
Note 21 - Employee benefit expenses		
Salaries, wages and bonus	33,525	39,373
Contribution to Provident and Other Funds (Refer note 42)	2,029	2,670
Staff welfare expenses	776	808
Total	36,330	42,851

	(Rupees in lakhs)	
	For the year ended March 31, 2016	For the 15 months ended March 31, 2015
Note 22 - Finance cost		
Interest	38	44
Total	38	44

	(Rupees in lakhs)	
	For the year ended March 31, 2016	For the 15 months ended March 31, 2015
Note 23 - Other expenses		
Power and fuel	852	1,112
Rent [(Refer note 1 (O) and 26)]	2,075	2,549
Rates and taxes	896	1,306
Repairs and maintenance		
Building	-	-
Plant and machinery	67	72
Others	968	1,186
	1,035	1,259
Auditors remuneration *		
As Auditors	50	58
Others(including tax audit)	16	15
Out of pocket expenses	4	3
	70	76

* Includes payments in current year to erstwhile auditors -
As Auditors Rs. 3.50 lac, and out of pocket expenses Rs. 4 lakh

Travelling and conveyance	14,720	16,364
Communication expenses	617	990
Insurance	38	100
Sales commission	614	909
Professional fees	2,407	3,794
Foreign exchange loss (Net)	15	319
Bad debts written off	611	924
Liquidated damages written off	346	298
Provision for doubtful debts	(566)	586
Corporate overhead allocations	8,095	8,530
Expenditure towards Corporate Social Responsibility (Refer note 44)	303	283
Directors fees	5	4
Miscellaneous expenses	1,381	1,161
Total	33,514	40,563

24 Segment Reporting**Primary business segment:**

The Company has determined its business segment as Automation & Control Systems. There are no other reportable segments.

Secondary geographical segment:

The Company has two geographical segments, viz. Domestic and Exports. Revenue from geographical segment is given below:

Particulars	For the year ended March 31, 2016	For the 15 months ended March 31, 2015
Domestic	141,698	164,099
Export	77,064	76,268
Total	218,762	240,367

Fixed assets used in the Company's business or liabilities contracted have not been identified to any segment as the fixed assets and services are used interchangeably between segments. Accordingly no disclosure relating to total segment assets and liabilities is made.

25 Related Party Disclosure :

List of related parties (as identified and certified by the Management)

i)	Parties where control exists	
	Honeywell Asia Pacific Inc., Holding company Honeywell International Inc., Ultimate holding company	
	Other related parties with whom transactions have taken place during the year:	
ii)	Fellow Subsidiaries	
	Honeywell Middle East B.V. Honeywell Technology Solutions Qatar Honeywell Tianjin Limited Honeywell Controls and Automation India Pvt. Ltd.* Honeywell B.V. Honeywell & Co. Oman L.L.C. Honeywell Pte Ltd. Honeywell Automation & Control Solutions South Africa (Pty) Ltd. Honeywell Kuwait KSC. Automation and Control Solutions, S. de R.L. de C.V. Honeywell Europe N.V. Honeywell Systems (Thailand) Ltd. Honeywell Ltd. (Hong Kong) Enraf B.V. Honeywell Technology Solutions Lab Pvt. Ltd. Pittway Systems Technology Group Europe Ltd. Honeywell Taiwan Inc. Callidus Technologies India Pvt. Ltd.* Honeywell Building Solutions GmbH Novar Systems Ltd. Honeywell Middle East FZE Honeywell Controls International Ltd. Tridium Inc.	Honeywell International (India) P. Ltd Honeywell Limited Australia Honeywell Limited Honeywell Enraf Americas, Inc. Honeywell Measurex (Ireland) Ltd. Honeywell Turkey Arabia Ltd. Honeywell Controls System Limited Honeywell International Middle East Ltd. MST Technology GMBH Honeywell Security France S.A. Honeywell GMBH Honeywell S.A. (Belgium) Honeywell Airport Systems GmbH Honeywell s.r.l. UOP India Pvt. Ltd. Honeywell Engineering Sdn. Bhd. Honeywell Co., Ltd. (Korea) Honeywell S.L. Honeywell Portugal, Automacao e Contolo, S.A. Honeywell Automation & control Solutions Carribean Ltd. Honeywell AS Norway Honeywell OY Matrikon Middle East Co WLL

Notes to the financial statements

Other related parties with whom transactions have taken place during the year:	
<p>Honeywell Limited (New Zeland) Honeywell Austria Gesellschaft mbh Honeywell A.B. Matrikon Pty Ltd. Trend Control Systems Ltd. Honeywell (China) Advanced Solutions Co., Ltd. Honeywell Southern Africa (Proprietary) Ltd. Honeywell Japan Inc. Honeywell A/S (Denmark) Automation And Control Solutions Limited Honeywell China co. Ltd. PT Honeywell Indonesia Life Safety Distribution AG Enraf Tankssystem AG Honeywell Otomasyon ve Kontrol Sistemleri Sanayi ve Ticaret A.S. Honeywell Analytics Ltd Sinpoec Honeywell Tianjin Ltd. ZAO Honeywell Maxon Corporation Honeywell ASCa Inc. Maxon Combustion Equipment (Shanghai) Co.,Ltd. Maxon International BVBA BW Technologies Partnership Inncom International Inc Bryan Donkin RMG Gas Controls Ltd Honeywell, S.L. [Spain] Honeywell Iraq LLC Saia-Burgess Controls AG Honeywell spol. s.r.o. [Slovak Republic] Integrated Technical Innovation Company for General Services & Trade Honeywell Specialty Chemicals (Singapore) Pte. Ltd. Honeywell Taiwan Limited Honeywell, S.A. de C.V. Mercury Instruments LLC RMG Messtechnik GmbH Honeywell NV [Belgium]</p>	<p>Honeywell Environmental & Combustion Control Honeywell International s.a.r.l. Honeywell Sensing & Control China Co, Ltd. Honeywell Technologies SARL Honeywell AG Matrikon Inc. Matrikon Industrial Solutions India Pvt. Ltd.* Honeywell S.A.I.C. Honeywell Aerospace B.V. Honeywell Turbo Technologies (India) Private Limited Honeywell Electrical Devices and Systems India Limited Honeywell do Brasil Ltda. Honeywell Egypt Limited Honeywell EOOD Matrikon International, Inc. Novar GmbH Honeywell Integrated Technology (China) Co Ltd. Ademco Asia Pacific Ltd. Tridium Asia Pacific Pte Ltd. Honeywell Building Solutions SES Corporation Honeywell Romania s.r.l. Honeywell Marine SAS Honeywell Europe Services S.A.S. Honeywell Automation and Control Solutions West Africa Limited Honeywell Automation Controls System LLP (Kazakhstan) Honeywell (Macau) Limited KAC Alarm Company Limited RMG Regel + Messtechnik GmbH Honeywell Sp. z o.o. Honeywell Szabályozástechnikai Kft. Honeywell spol. s.r.o. [Czech Republic] Honeywell Technology Solutions Inc. Matrikon Business Systems Inc. Novar ED&S Limited Salisbury Electrical Safety L.L.C. Honeywell Life Safety AS</p>
iii.	Key Management Personnel
	<p>Mr. Vikas Chaddha, Managing Director Mr. Anurag Bhagania, CFO Ms. Sneha Padve, Company Secretary Ms. Sangeet Hunjan, Company Secretary</p>

* Merged with Honeywell International India Pvt. Ltd. w.e.f. June 27, 2014

Notes to the financial statements

Transactions with Related Parties

(Rupees in lakhs)

Description of the nature of transactions	Volume of transactions for		Amount outstanding as at			
	Year ended March 31, 2016	15 months ended March 31, 2015	March 31, 2016		March, 31 2015	
			Receivable	Payable	Receivable	Payable
Sale of goods, services and reimbursement of expenses						
<u>Holding Company</u>						
Honeywell International Inc.	16,738	22,741	1,062	-	1,598	-
Total	16,738	22,741	1,062	-	1,598	-
<u>Fellow Subsidiaries</u>						
Honeywell Ltd. (Australia)	3,174	5,117	619	-	250	-
Honeywell Turki-Arabia Limited	10,255	-	2,582	-	-	-
Other Fellow Subsidiaries	36,076	39,639	5,833	-	4,698	-
Total	49,505	44,756	9,034	-	4,948	-
Purchase of goods, services and fixed assets (including GIT)						
<u>Holding Company</u>						
Honeywell International Inc.	10,529	12,563	-	1,065	-	1,968
Total	10,529	12,563	-	1,065	-	1,968
<u>Fellow Subsidiaries</u>						
Honeywell Measurex (Ireland) Limited	12,392	10,550	-	1,274	-	672
Honeywell International (India) Pvt. Limited	7,638	7,028	-	1,219	-	1,201
Other Fellow Subsidiaries	16,951	19,612	-	2,831	-	2,581
Total	36,981	37,190	-	5,324	-	4,454
Remuneration to Key Management						
Personnel						
Vikas Chadha	140	151	-	-	-	-
Anurag Bhagania	100	101	-	-	-	-
Sneha Padve (upto 4th May, 2015)	2	23	-	-	-	-
Sangeet Hunjan (w.e.f. 25th May, 2015)	15	-	-	-	-	-
Total	257	275	-	-	-	-
Commission						
Vikas Chadha	29	35	-	-	-	9
Total	29	35	-	-	-	9

The Company generates a large percentage of its sales and profits from its business with the Honeywell group (Honeywell), its major shareholder. Sales to Honeywell accounted for approximately 30% and 28% of our total net sales in the year ended March 31, 2016 and in the 15 months ended March 31, 2015 respectively. The Company's ability to maintain or grow its business with Honeywell depends upon a number of performance factors. However, the Company cannot be assured that its level of sales and profits associated with its relationship with Honeywell will continue. Honeywell-specific business considerations (independent of its shareholding in the Company), including changes in Honeywell's strategies regarding utilization of alternate opportunities available to it to source products and services currently provided by the Company (including from alternate sources which Honeywell may acquire or develop within its own group), may also reduce the level and/or mix of Honeywell's business with the Company.

Notes to the financial statements

26 Lease Transactions:**As a Lessee in Operating Lease**

Rentals for office premises, land, building under operating leases of Rs. 2,075 lakhs [Previous period Rs. 2,549 lakhs] have been included under Rent Expense.

Non cancelable

The Company has hired premises under non-cancelable operating lease arrangements at stipulated rentals. The future minimum lease payments under these leases as of March 31, 2016 are as follows:

(Rupees in lakhs)

	Not later than 1 year	Later than 1 year but not later than 5 years	Later than 5 years
Minimum lease payments	874 (979)	2,347 (2,785)	936 (1,371)

Previous year figures are indicated in brackets.

27 Earning per share (EPS):

EPS is calculated by dividing the profit attributable to the equity shareholders by the average number of shares outstanding during the year. The basic and diluted earnings per share have been calculated as under:

	For the year ended March 31, 2016	For the 15 months ended March 31, 2015
Profit after tax (Rs. in lakhs)	13,851	11,420
Weighted average number of equity shares	8,841,523	8,841,523
Basic/ Diluted earnings per share (Rs.)	156.66	129.17
Face value per share (Rs.)	10	10

Notes to the financial statements

- 28 a) Estimated amount of contracts remaining to be executed on capital accounts and not provided for (net of advances) - Rs. 119 lakhs [Previous year Rs. 404 lakhs]
- b) Disclosure in accordance with Section 22 of Micro, Small and Medium Enterprises Development Act, 2006

(Rupees in lakhs)

Sr.No	Particulars	March 31, 2016	March 31, 2015
i)	The principle amount and the interest due thereon remaining unpaid to any supplier as at the end of the accounting period		
	-Principal amount outstanding	142	100
	-Interest thereon	48	33
ii)	The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting period	-	-
	- Interest paid in terms of Section 16	-	-
	- Delayed principal payments	527	717
iii)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006		
	- Normal Interest accrued during the year, for all the delayed payments, as per the agreed terms and not as payable under the Act	-	-
	- Normal Interest payable during the year, for the period of delay in making payment, as per the agreed terms and not as payable under the Act.	-	-
iv)	The amount of interest accrued and remaining unpaid at the end of each accounting period		
	-Total interest accrued during the period	23	24
	-Total Interest remaining unpaid out of the above as at the balance sheet date	23	24
v)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.		
	Outstanding interest at the end of previous year	158	134
	Outstanding interest at the end of current period	181	158

The Company has compiled this information based on intimations received from suppliers of their status as Micro or Small enterprises and / or its registration with the appropriate authority under Micro, Small and Medium Enterprises Development Act, 2006

Notes to the financial statements

- 29 A) Provision for taxation has been made after considering the various allowances / deductions available and after excluding profits derived from undertaking registered with Software Technology Parks of India under section 10A and unit registered under Special Economic Zone under Section 10AA of the Income Tax Act, 1961.
- B) The tax year for the Company being April 1 to March 31, provision for current taxation for the previous period is the aggregate of the provision made for the three months ended March 31, 2014 and the provision based on the figures for the remaining twelve months ended March 31, 2015.

30 Foreign Currency Exposures:

Unhedged by derivative instruments/ or otherwise

(Rupees in lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
a) Liability - Trade Creditors		
In GBP (Equivalent approximate in Rs.)	9 903	2 166
In USD (Equivalent approximate in Rs.)	120 7,968	85 5,286
In EURO (Equivalent approximate in Rs.)	10 773	7 495
In CAD (Equivalent approximate in Rs.)	2 77	2 87
In AUD (Equivalent approximate in Rs.)	1 76	* 7
In JPY (Equivalent approximate in Rs.)	61 36	3 2
In SGD (Equivalent approximate in Rs.)	- -	* *
In CNY (Equivalent approximate in Rs.)	49 500	27 267
In CHF (Equivalent approximate in Rs.)	1 46	- -
In NOK (Equivalent approximate in Rs.)	- -	* *
In ZAR (Equivalent approximate in Rs.)	- -	* *
b) Asset - Trade Receivables		
In GBP (Equivalent approximate in Rs.)	* 26	* 33
In EURO (Equivalent approximate in Rs.)	5 346	7 503
In SGD (Equivalent approximate in Rs.)	* 5	- -
In AED (Equivalent approximate in Rs.)	* 6	2 35
In USD (Equivalent approximate in Rs.)	210 13,913	120 7,491
c) Asset - Bank Balances		
In USD (Equivalent approximate in Rs.)	162 10,733	71 4,444

There are no foreign currency exposures hedged by derivative instruments / or otherwise as at March 31, 2016. (NIL as at March 31, 2015)

* Amount below the rounding off norm adopted by the Company.

Notes to the financial statements

31 Employee Stock Option Schemes:

The Company has a Employees Stock Option Plans (Stock Options "SO" and Restricted Units "RU") in operation for certain employees, which is administered by Honeywell International Inc. the ultimate holding company. Since the payments/ issue of shares, if any, under the plan are proposed to be made directly by Honeywell International Inc without any chargeback to the Company, no accounting/disclosure as per the Guidance Note on Accounting for Employee Share-based Payments issued by the Institute of Chartered Accountants of India has been made by the Company.

32 Contingent Liabilities:

(Rupees in lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
a) Income Tax claims against the Company	10,975	8,259
b) Excise duty claims against the Company	51	3
c) Sales tax refunds/claims against the Company	7,280	4,665
d) Customs duty claims against the Company	267	262
e) Claims against the Company not acknowledged as debts	1,516	1,516

Note: It is not practicable for the Company to estimate the timing of cash outflow, if any, in respect of the above pending resolutions of the respective proceedings.

33. Details of products manufactured, traded and services rendered:

(Rupees in lakhs)

	Opening stock	Sales	Closing stock
i. Manufactured products (net of excise duty)			
Systems	-	42,510	-
	-	(23,158)	-
Transmitters	-	8,273	-
	-	(5,418)	-
Others (Including bought out and reimbursements)	516 (603)	79,885 (120,152)	794 (516)
ii. Traded products	3,914	25,869	3,315
Various	(3,508)	(26,676)	(3,914)
iii. Services rendered	-	62,225	-
	-	(64,933)	-
Total	4,430	218,762	4,109

Previous year figures are indicated in brackets.

Notes to the financial statements

34. Details of raw materials consumed:

(Rupees in lakhs)

Particulars	For the year ended March 31, 2016	For the 15 months ended March 31, 2015
Components for System Integration	110,092	116,560
Total	110,092	116,560

35. Details of imported and indigenous components, stores and spare parts consumed and percentage

(Rupees in lakhs)

Particulars	%	For the year ended March 31, 2016	%	For the 15 months ended March 31, 2015
Imported	39	43,304	37	43,452
Indigenous	61	66,788	63	73,108
Total		110,092		116,560

36. CIF value of imports:

(Rupees in lakhs)

Particulars	For the year ended March 31, 2016	For the 15 months ended March 31, 2015
a) Capital goods	174	650
b) Raw materials	54,372	60,153
Total	54,546	60,803

37. Expenditure in foreign currency:

(Rupees in lakhs)

Particulars	For the year ended March 31, 2016	For the 15 months ended March 31, 2015
1) Travelling	9,035	9,923
2) Professional and consultation fees	42	1,373
3) Corporate overhead allocations	6,634	7,045
4) Others	1,226	1,949
Total	16,937	20,290

Notes to the financial statements

38. Earnings in Foreign Currency:

(Rupees in lakhs)

Particulars	For the year ended ended March 31, 2016	For the 15 months ended March 31, 2015
FOB value of exports	36,786	29,933
Services	29,223	34,621
Reimbursements	11,054	11,714
Others	8,947	11,816
Total	86,010	88,084

39. Contracts in Progress:

(Rupees in lakhs)

Particulars	For the year ended ended March 31, 2016	For the 15 months ended March 31, 2015
a) Aggregate amount recognized as contract revenue	105,603	115,766
b) In respect of Contracts in Progress		
i. Aggregate amount of contract costs incurred and recognized profits (less recognized losses) as at end of the financial period for all contracts in progress up to as at that date.	292,423	248,530
ii. Amount of customer advances received	598	1,016
iii. Amount of retentions	1,276	1,320
c) Gross amount due from customers for contract work	29,339	30,313
d) Gross amount due to customers for contract work	3,782	3,765
e) (c) - (d)	25,557	26,548

40. Disclosure as required by AS -29:

(Rupees in lakhs)

	Disputed statutory matters		Warranty [Refer Note 1 (n)]		Provision for estimated cost to complete on contracts		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
Opening balance	1,608	1,521	591	613	2,178	1,154	4,377	3,288
Additions	9	87	1,538	432	1,947	10,714	3,494	11,233
Utilizations	-	-	535	385	207	9,120	742	9,505
Reversals	-	-	-	69	1,682	570	1,682	639
Total	1,617	1,608	1,594	591	2,236	2,178	5,447	4,377
Current portion	1,617	1,608	1,395	451	2,236	2,178	5,248	4,236
Non current portion	-	-	199	140	-	-	199	141

Notes to the financial statements

A Disputed statutory matters mainly include:

- a) Provision for disputed statutory matters comprises matters under litigation with Sales Tax and Local authorities.
- b) The amount of provision made by the Company is based on the estimate made by the Management considering the facts and circumstances of each case.
To the extent the Company is confident that it may have a strong case that portion is disclosed under contingent liabilities.
- c) The timing and the amount of cash flows that will arise from these matters will be determined by the Appellate Authorities only on settlement of these cases.

B Provision for Estimated Cost to complete on Contracts

A provision for estimated cost to complete on construction contracts is recognized when it is probable that the contract cost will exceed total contract revenue. The provision shall be utilized as and when the contract gets executed.

C Warranty

Provision for warranty is considered based on the rolling average warranty expense incurred in the preceding 12 months, the warranty period for which ranges from 12 months to 24 months from the date of handover of the project.

41 In the previous year, the Company had concluded its review to determine the extent by which costs had been recorded to incorrect projects. As a result, adjustments had been made for the fifteen month period ended March 31, 2015 to reduce revenue by Rs. 5,450 lakhs and reduce profit before tax by Rs. 6,729 lakhs. This reduction in profit before tax includes an impact of Rs. 1,279 lakhs for provision for future losses in accordance with Accounting Standard 7 – Accounting for construction contracts.

Of the above adjustments, amounts of Rs. 4,002 Lakhs, which relate to prior years, had been disclosed as an exceptional item.

The Company has enhanced internal controls to minimize the risk of such incorrect recording of costs. No such instances have been noted since March 31, 2015.

42 Disclosures in accordance with Revised AS- 15 on "Employee Benefits"

A Defined contribution plans

The company has recognized the following amounts in the statement of profit and loss for the period.

(Rupees in lakhs)

Sr. No.	Particulars	Year ended March 31, 2016	15 months ended March 31, 2015
1	Contribution to employees' superannuation fund	91	130
	Total	91	130

Notes to the financial statements

B Defined benefit plans (gratuity and other retirement benefits)

i. Changes in the present value of obligation

(Rupees in lakhs)

Sr. No.	Particulars	For the year ended March 31, 2016	15 months ended March 31, 2015
1	Present value of obligation as at beginning of the year	3,071	2,443
2	Interest cost	224	251
3	Past service cost	-	-
4	Current service cost	415	475
5	Curtailment cost/(credit)	-	-
6	Settlement cost/(credit)	-	-
7	Benefits paid	(402)	(378)
8	Actuarial (gain)/loss	586	280
9	Present value of obligation as at end of the year	3,893	3,071

ii. Changes in fair value of plan assets

(Rupees in lakhs)

Sr. No.	Particulars	For the year ended March 31, 2016	For the 15 months ended March 31, 2015
1	Present value of obligation as at beginning of the year	1,986	1,916
2	Expected return on plan assets	182	223
3	Actuarial gain/(loss)	(1)	(128)
4	Employers' contribution	700	337
5	Assets distributed on settlement	-	-
6	Employees' contribution	-	-
7	Benefits paid	(381)	(362)
8	Present value of obligation as at end of the year	2,487	1,986

Fair Value of the planned asset as at March 31, 2015 represents the balance as confirmed by the insurer managed funds.

iii. a. Amount recognized in the Balance Sheet (for gratuity and other retirement benefits) including a reconciliation of the present value of defined benefit obligation and the fair value of assets

(Rupees in lakhs)

Sr. No.	Particulars	As at March 31, 2016	As at March 31, 2015
1	Present value of funded obligation	3,893	3,071
2	Fair value of plan assets	2,487	1,986
3	Net liability recognized in the Balance Sheet	1,407	1,085

Notes to the financial statements

- iii. b. Amount recognized in the Balance Sheet (for provident fund) including a reconciliation of the present value of defined benefit obligation and the fair value of assets

(Rupees in lakhs)

Sr. No.	Particulars	As at March 31, 2016	As at March 31, 2015
1	Present value of funded obligation	13,292	11,541
2	Fair value of plan assets	12,866	11,226
3	Net liability recognized in the Balance Sheet	426	315

- iv. Expenses recognized in the statement of profit and loss

(Rupees in lakhs)

Sr. No.	Particulars	For the year ended March 31, 2016	For the 15 months ended March 31, 2015
1	Current service cost	415	475
2	Past service cost	-	-
3	Interest cost	224	251
4	Expected returns on plan assets	(182)	(223)
5	Curtailment cost/(credit)	-	-
6	Settlement cost/(credit)	-	-
7	Net actuarial (gain)/loss	586	408
8	Employees' contribution	-	-
9	Total expenses recognized in the statement of Profit and Loss	1,043	911

- v. Percentage of each category of plan assets to total fair value of plan assets

	Particulars	As at March 31, 2016	As at March 31, 2015
1	Insurer managed funds	100%	100%

- vi. The overall expected rate of return on assets is based on the expectation of the average long term rate of return expected on investments of the Fund during the estimated term of the obligations.

- vii. The actual return on plan assets is as follows

(Rupees in lakhs)

	Particulars	As at March 31, 2016	As at March 31, 2015
a	Actual return on plan assets	182	95

Notes to the financial statements

viii. Following are the principal actuarial assumptions used as at the balance sheet date

	Particulars	As at March 31, 2016	As at March 31, 2015
1	Discount rate	7.60%	7.80%
2	Expected rate of return on plan assets	8.50%	9.35%
3	Rate considered for actuarial valuation for PF interest shortfall	8.70%	8.75%
4	Salary escalation rate - management staff	6.00%	6.00%

The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.

ix. The amounts pertaining to defined benefit plans are as follows:-

(Rupees in lakhs)

Sr. No.	Particulars	As at March 31, 2016	As at March 31, 2015	As at December 31, 2013	As at December 31, 2012	As at December 31, 2011
	Gratuity plan (funded/unfunded)					
i	Defined benefit obligation	3,747	3,071	2,443	2,265	1,715
ii	Plan assets	2,487	1,986	1,916	1,261	963
iii	Surplus/(deficit)	(1,260)	(1,085)	(527)	(1,004)	(752)
iv	Experience adjustment plan liabilities	617	190	(23)	(205)	(270)
v	Experience adjustment plan assets	(17)	12	(57)	(28)	6

x. Expected contribution to the funds in the next year

(Rupees in lakhs)

Particulars	For the year ended March 31, 2016	For the 15 months ended March 31, 2015
Gratuity	700	500
Provident fund	400	400

43 Proposed dividend:

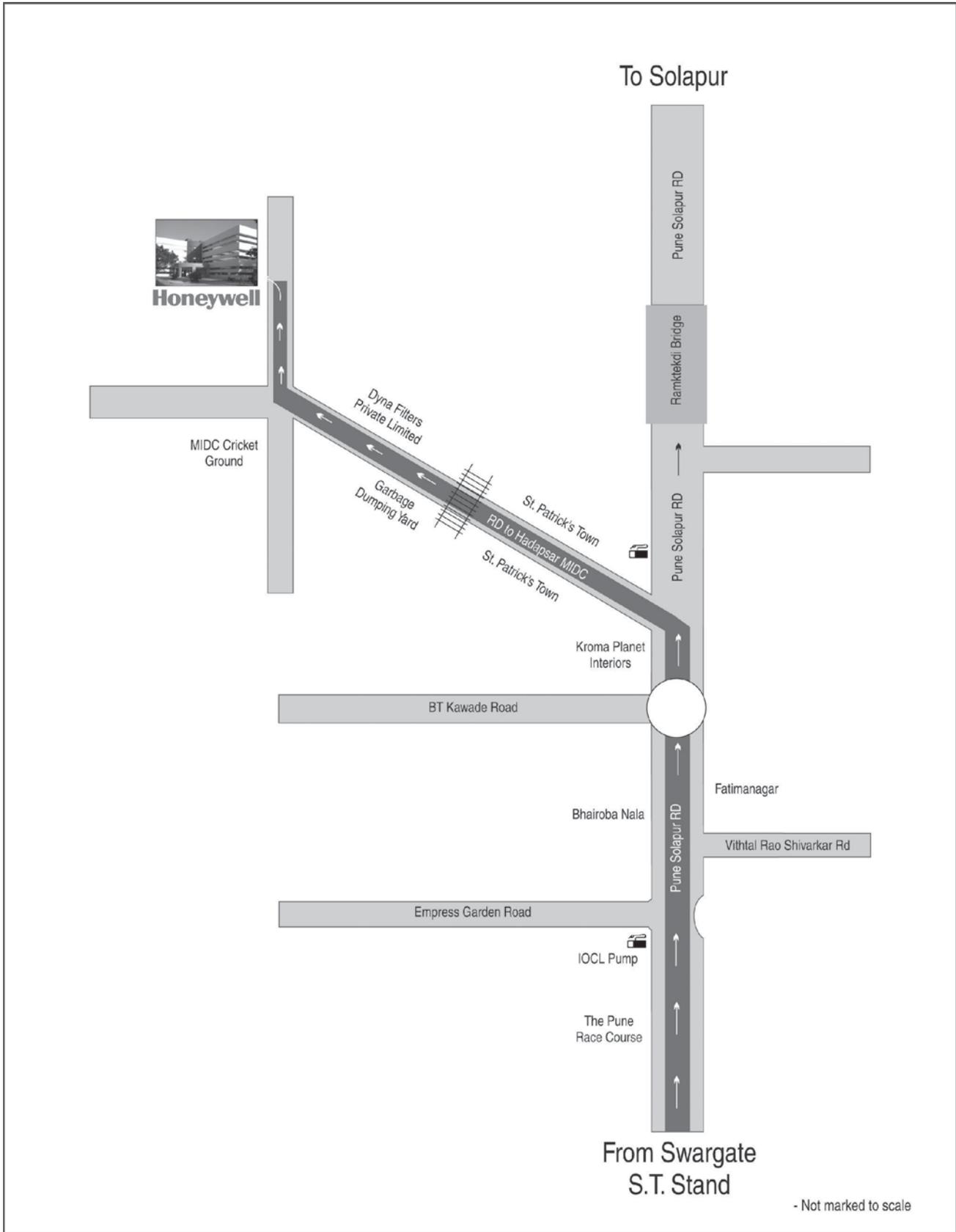
The final dividend proposed for the year is as follows:

Particulars	As at March 31, 2016	As at March 31, 2015
On equity shares of Rs. 10 each		
Amount of dividend proposed (Rs. in lakhs)	884	1,105
Dividend per equity shares (Rs.)	10.00	12.50

Notes to the financial statements

- 44** As set out in section 135 of the Companies Act, 2013 the Company is required to contribute Rs. 303 lakhs towards Corporate Social Responsibility activities, as calculated basis 2% of its average net profits of the last three financial years. Accordingly, during the current year, the Company has spent Rs. 303 lakhs (previous year Rs. 283 lakhs) towards Corporate Social Responsibility activities.
- 45** Consequent to the change in the financial year of the Company from January - December to April - March, the previous year's financial statements are for 15 months from January 1, 2014 to March 31, 2015. The current year's figures relate to the 12 months ended March 31, 2016. In view of the above, the current year's figures are accordingly not comparable to those of the previous year.
- 46** Previous period's figures have been regrouped, wherever necessary, to conform with current year's presentation. The previous period figures have not been audited by the present auditors.

For and on behalf of the Board**Suresh Senapaty**
Chairman**Vikas Chadha**
Managing Director**Sangeet Hunjan**
Company Secretary**Anurag Bhagania**
Chief Financial OfficerPlace : Gurgaon
Date : May 17, 2016



HONEYWELL AUTOMATION INDIA LIMITED

CIN: L29299PN1984PLC017951

Regd. Office: 56 & 57, Hadapsar Industrial Estate, Pune - 411 013 | Phone: +91 20 66039400, Fax: +91 20 66039800

E-mail: HAIL.InvestorServices@Honeywell.com | Website: www.honeywellautomationindia.com

ATTENDANCE SLIP

(To be presented at the entrance duly signed)

I hereby record my presence at the 32nd ANNUAL GENERAL MEETING of the Company at Honeywell Automation India Ltd., 56 & 57 Hadapsar Industrial Estate, Pune 411 013 at 3.00 p.m. on Wednesday, August 10, 2016.

SIGNATURE OF THE ATTENDING MEMBER / PROXY : _____

ELECTRONIC VOTING PARTICULARS

Electronic Voting Event Number (EVEN)	User ID	Password

Note – Please refer to the instructions printed under the Notes to the Notice of 32nd ANNUAL GENERAL MEETING. The company has engaged NSDL to provide e-voting facility. The e-voting period begins on August 7, 2016 (9:00 am) and ends on August 9, 2016 (5:00 pm).

HONEYWELL AUTOMATION INDIA LIMITED

CIN: L29299PN1984PLC017951

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E-mail: HAIL.InvestorServices@Honeywell.com | Website: www.honeywellautomationindia.com

PROXY FORM

Name of the member(s) :	
Registered address :	
E-mail ID :	
Folio No/Client ID :	
DP ID :	

I/We, being the member (s) of shares of the above named company, hereby appoint

- Name :
Address :
E-mail Id :
Signature : _____ or failing him
- Name :
Address :
E-mail Id :
Signature : _____ or failing him
- Name :
Address :
E-mail Id :
Signature :

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 32nd Annual General Meeting of the Company, to be held on Wednesday, August 10, 2016 at Honeywell Automation India Limited, 56 & 57, Hadapsar Industrial Estate, Pune 411 013 at 3.00 p.m. and at any adjournment thereof in respect of such resolutions as are indicated below:

Ordinary Business:

Adoption of the Audited Financial statements for the financial year ended March 31, 2016 and Directors' Report and Auditors' Report thereon

Declaration of dividend @Rs. 10/- (100%) per equity share of Rs. 10/- each for the year ended March 31, 2016

Appointment of Ms. Nisha Gupta as Director, who retires by rotation and is eligible for reappointment

Ratification of appointment of M/s Deloitte Haskins & Sells LLP (Firm Registration No. 117366W/W-100018) as the Statutory Auditors.

Special Business

Appointment of Mr. Suresh Senapaty as Independent Director

Approval of Related Party transactions/arrangements with Honeywell International Inc., Ultimate Holding Company

Signed this day of, 2016

Signature of the shareholder : _____

Signature of Proxy holder(s) : _____

Signature across the stamp



- Notes:**
- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
 - For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of 32nd Annual General Meeting.

Honeywell Automation India Limited

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