



HONEYWELL **AUTOMATION** **INDIA LIMITED**

Annual Report
FY 2023 – 24

**THE FUTURE
IS WHAT WE MAKE IT**

Honeywell

Table of Contents

CORPORATE OVERVIEW

2-12

• From the Chairman's Desk	2
• From the Managing Director's Desk	3
• Board of Directors & Key Managerial Personnel	4
• Senior Management Personnel & Statutory Committees of the Board	5
• Performance Highlights	6
• ESG Highlights	8
• Sustainability Projects	10
• Rewards and Recognitions	12

STATUTORY SECTIONS

13-157

• Notice of AGM	13
• Director's Report	29
• Management Discussion and Analysis	44
• Corporate Governance Report	50
• Business Responsibility and Sustainability Report	66
• Independent Auditor's Report	96
• Balance Sheet	108
• Statement of Profit and Loss Account	109
• Statement of Cash Flow	110
• Statement of Changes in Equity	112
• Notes to Financial Statements	113

GLOSSARY

158-159

Registered Office

Honeywell Automation India Limited

56 & 57, Hadapsar Industrial Estate, Pune - 411 013, Maharashtra

CIN: L29299PN1984PLC017951

Tel: +91 20 7114 8888

Email: HAIL.InvestorServices@Honeywell.com

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

Registrar & Transfer Agent

Link Intime India Private Limited

(Erstwhile TSR Consultants Private Limited)

C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli, West, Mumbai - 400 083

Email: mt.helpdesk@linkintime.co.in

Website: www.linkintime.co.in

Plant

Honeywell Automation India Limited

Gate No.181, Plot No. 2 &3, Fulgaon,

Pune - 412 216, Maharashtra

Statutory Auditors

Deloitte Haskins & Sells LLP

Chartered Accountants

Secretarial Auditors

J B Bhawe & Co.

Practicing Company Secretaries

Primary Bankers

Citibank N. A.

From the Chairman's Desk



Dr. Ganesh Natarajan

Independent Director and
Chairman (Non-Executive) - Board

The Company's business
is well aligned with
the megatrend of
Automation underpinned
by Digitalization and
Sustainability.

Dear Shareholders,

I am pleased to share the 40th Annual Report for the Financial Year 2023-24.

The last fiscal year brought a mix of opportunities and challenges for India. Despite global uncertainties, the country showcased remarkable resilience as the fastest-growing major economy worldwide. India's GDP expanded by 8.2% in FY 2023-24, surpassing the previous year's growth (*Source: MoSPI*). Projections for FY 2024-25 indicate a GDP growth of 6.5%-7%. The Indian Government's strategic investments and policy interventions are bolstering key sectors, ensuring sustained long-term growth. The Indian economy's robust fundamentals continue to support its growth trajectory and your Company has also benefitted from these, leading to a good financial performance. Our journey embodies resilience, innovation, and an unwavering commitment to excellence.

The Company's business is well aligned with the megatrend of **Automation** underpinned by Digitalization and **Sustainability**. Your Company is dedicated to playing a lead role in the country's transformation to a sustainable future – which is also exhibited in our commitment to achieving carbon neutrality across all its facilities and operations by 2035. Digital transformation also remains at the front and center of the strategic priorities of the Company, leveraging its expertise in process control, cybersecurity, and managing performance to optimize operations, enhance remote visibility, and drive safety, reliability, and efficiency.

The Company has Honeywell Accelerator as its operating system for governing and managing our business – which contains all of the best practices, tools, and digital platforms to deliver best-in-class performance and enhances the way we manage, govern, and operate our business day-to-day.

The Company's CSR initiatives, environmental efforts, and ethical corporate governance are centered on fulfilling its environmental, social, and governance (ESG) responsibilities. Significant contributions have been made in providing sustainable solutions in healthcare, education, rural infrastructure, and community development, with a commitment to further impact people, families, and communities served.

The Company's ongoing investments in state-of-the-art facilities, leading technologies, and skilled personnel enable the delivery of superior products, projects, and services that meet quality standards and exceed customer expectations.

On behalf of the Management and Board of Directors of Honeywell Automation India Limited, I express our gratitude for your trust and confidence in the Company's ongoing journey and growth. We look forward to your continued support as we propel the Company toward future success. Your Company and its **#Futureshapers** remain committed to providing greater value to our customers, delivering strong financial results to our investors and ultimately making a difference in our communities.

From the Managing Director's Desk



Ashish Gaikwad

Managing Director

(Upto the close of business
hours of May 15, 2024)

The Company, committed to delivering measurable value with the highest quality standards, has successfully executed several projects in various process industries, buildings, smart city infrastructure, and other mission critical sectors.



Atul Pai

Managing Director (w.e.f. May 16, 2024)

Dear Shareholders,

FY 2023-24 has been a landmark year for our Company. I am pleased to share with you that our Company achieved some remarkable milestones with the highest-ever sales from the Company operations, totaling to ₹40,582 million, marking a significant year-on-year growth of 17.7%. The Company's profit (after tax) stood at ₹5,014 million, delivering a return of 12.4% on sales. Our Company prepares to ride on two megatrends that are shaping the future – (i) **Automation** in Industrial sector as well as Buildings; and (ii) **Sustainability** forcing the energy transition. Going forward, the Company is strategically focused on capex as well as opex, in energy, infrastructure, automation and industrial digitalization to drive growth and support sustainable energy transition, while contributing to the 'Make in India' initiative. Leveraging Honeywell's technology, portfolio, and global expertise, our Company is set to play a pivotal role in shaping India's future landscape and contribute to the Indian Government's vision to become a developed nation. The Company, committed to delivering measurable value with the highest quality standards, has successfully executed several projects in various process industries, buildings, smart city infrastructure, and other mission critical sectors. With a robust opportunity pipeline and healthy order backlog, the Company is strategically positioned in sectors such as oil and gas, renewable energy, metals / mining, utility power, gigafactories, semiconductors, life sciences, infrastructure and more. Excited about the future, the Company aims to be a key player in the country's energy transition by offering automation and digitalization solutions for renewable energy projects. Committed to making a positive impact, our Company remains dedicated to Corporate Social Responsibility. Upholding the belief in inclusion, diversity, sustainability, and equitable growth; we are steadfast in driving CSR programs that benefit society at large.

As I hand over the baton to my successor, Atul Pai, I reflect on the remarkable achievements and progress our Company has made over the last seven years. Our employees' dedication, attention to excellence, innovation, and customer focus has been pivotal to our success. I know Atul will propel the Company to new heights of performance. The best is yet to come! I extend my heartfelt gratitude to our **#Futureshaper** employees, business partners, customers, and loyal shareholders for their unwavering support during this period. Thank you.

Dear Shareholders,

At the outset, I would like to thank the Board and all the stakeholders for choosing me to lead this fantastic Company. I would also take the opportunity to thank and congratulate Ashish Gaikwad for setting a strong legacy of outperformance and a platform to fuel growth in years to come. I am particularly excited with our Company's strategic priorities and the country's megatrends of energy transition, urbanization and infrastructure development, safety, security, and efficiency all underpinned by automation and digitalization across the asset class. I started nearly 23 years ago in this Company and had the privilege of taking multiple roles across Honeywell group companies globally. I am confident that our collective efforts will help achieve sustainable growth on the backbone of the Honeywell Accelerator framework and the superlative talent base.

Board of Directors & Key Managerial Personnel



Dr. Ganesh Natarajan

Independent Director & Chairman
(Non-Executive) - Board



Neera Saggi

Independent Director



Ashish Gaikwad

Managing Director
(Upto the close of business
hours of May 15, 2024)



Atul Pai

Managing Director
(w.e.f. May 16, 2024)



Ashish Modi

Non-Executive Director



Brian Rudick

Non-Executive Director



Thaj Mathew

Non-Executive Director
(w.e.f. May 16, 2024)



Pulkit Goyal

Chief Financial Officer



Indu Daryani

Company Secretary &
Compliance Officer

Senior Management Personnel



Anant Tewari
Building Solutions



Girish Shastri
Global Engineering Services



Mahesh Joshi
Human Resources



Shreeharsha Karve
Procurement



Deepak Goyal
Information Technology



Madhavi Bhalerao
Internal Audit

Statutory Committees of the Board

Audit

- Dr. Ganesh Natarajan[©]
- Neera Saggi
- Atul Pai^{*}
- Ashish Modi[#]

Stakeholders' Relationship

- Ashish Modi[©]
- Dr. Ganesh Natarajan
- Ashish Gaikwad^{*}
- Atul Pai[#]

Nomination & Remuneration

- Neera Saggi[©]
- Dr. Ganesh Natarajan
- Ashish Modi

Risk Management

- Ashish Gaikwad^{©*}
- Atul Pai^{©\$}
- Neera Saggi
- Ashish Modi
- Pulkit Goyal

Corporate Social Responsibility

- Atul Pai[©]
- Neera Saggi
- Ashish Modi

[©] Chairman

^{*} Upto close of business hours of May 15, 2024

[#] w.e.f. May 16, 2024

^{\$} Committee Chairman w.e.f. May 16, 2024

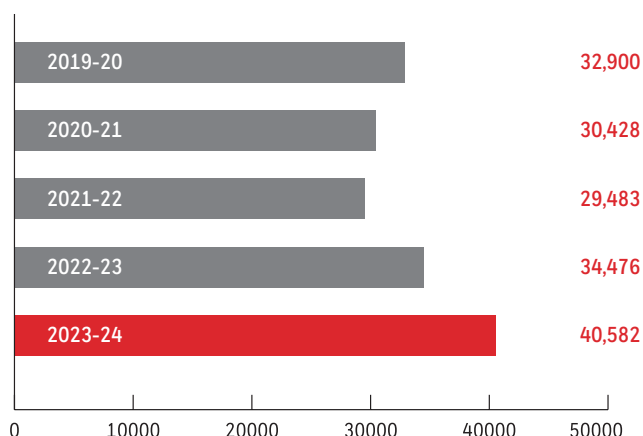
Performance Highlights

(₹ in millions)

Particulars	2023-24	2022-23	2021-22	2020-21	2019-20
Revenue from operations	40,582	34,476	29,483	30,428	32,900
Profit Before Tax	6,749	5,913	4,576	6,180	6,866
Less: Provision for tax on Income	1,735	1,533	1,185	1,580	1,951
Profit After Tax	5,014	4,380	3,391	4,600	4,915
Dividend - %	1000%	950%	900%	850%	750%
Dividend - ₹ Per Share	100	95	90	85	75
Paid-up Capital	88	88	88	88	88
Other equity	35,974	31,797	28,279	25,700	21,694
Net Worth	36,062	31,885	28,368	25,789	21,783

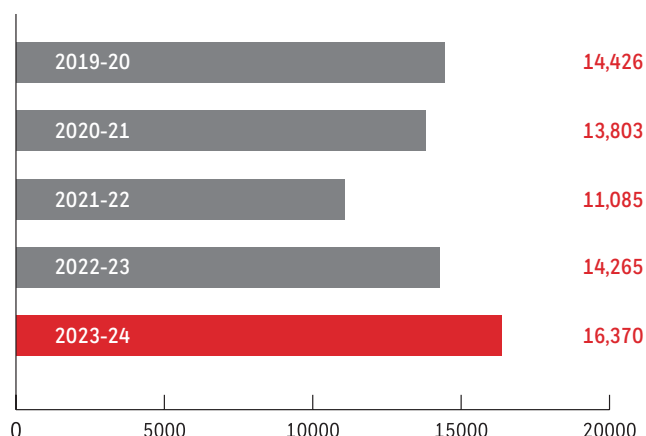
KEY RATIOS

Total Sales (₹ in millions)



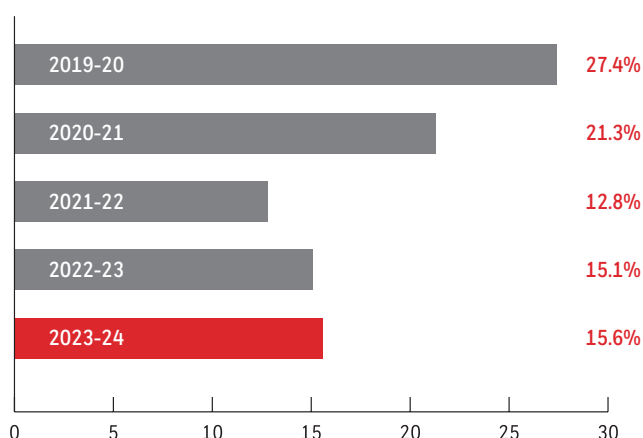
Annualized sales increased by 18%

Export Sales (₹ in millions)



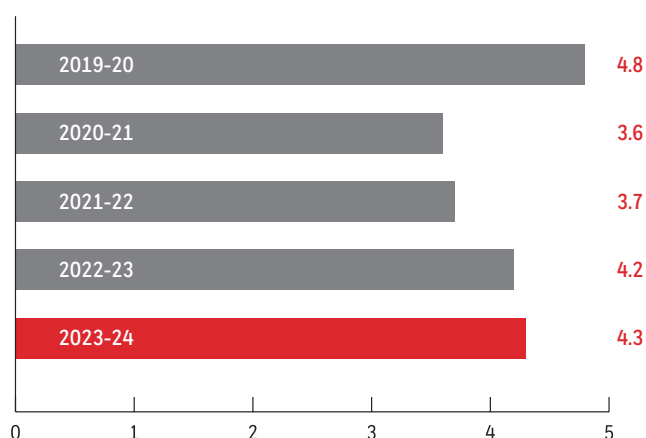
Exports sales were 40% of total sales, decreased as compared to 42% in the previous year

Return on Net worth



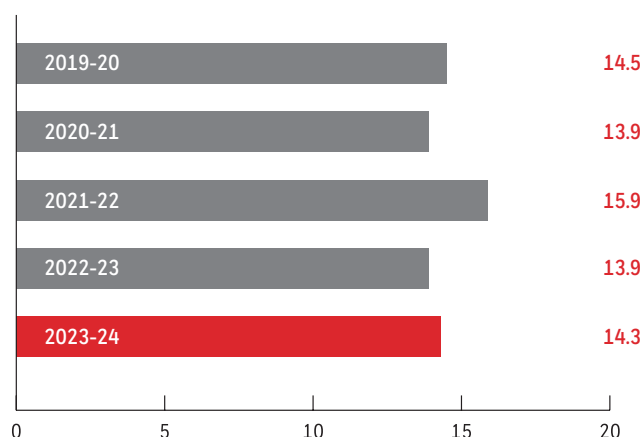
Return on net worth increased by 0.5%

Debtors Turnover



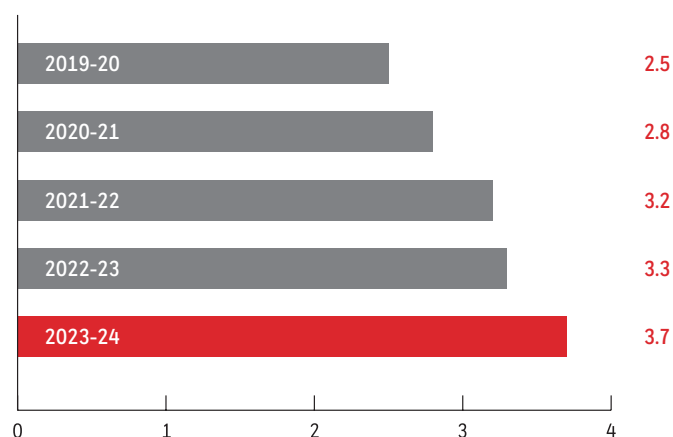
Debtors' turnover ratio has increased to 4.3 against 4.2 in previous year

Inventory Turnover



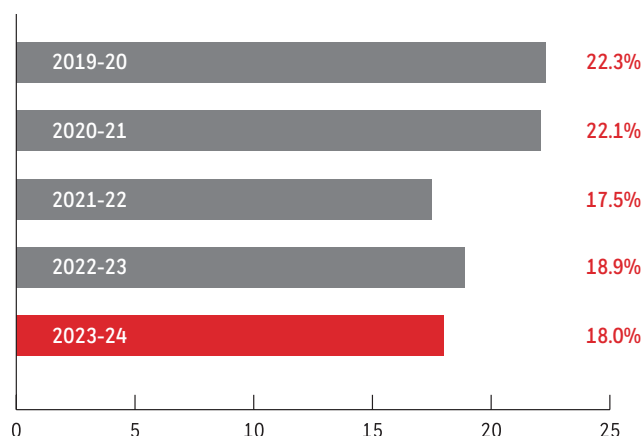
Inventory turnover ratio has increased to 14.3 against 13.9 in previous year

Current Ratio



Current ratio has increased to 3.7 against 3.3 in previous year

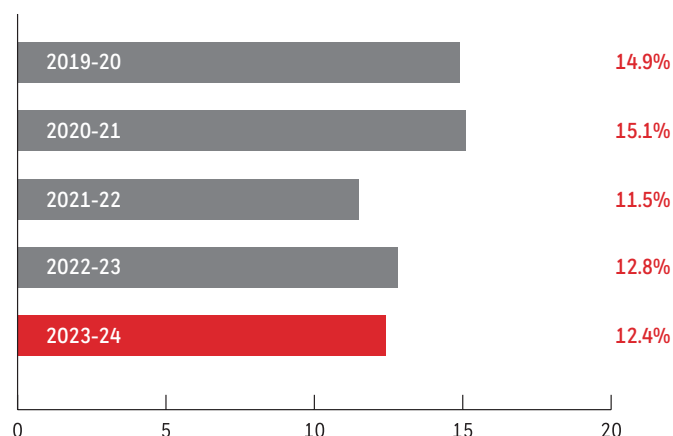
Operating Profit Margin*



*Includes Other Income

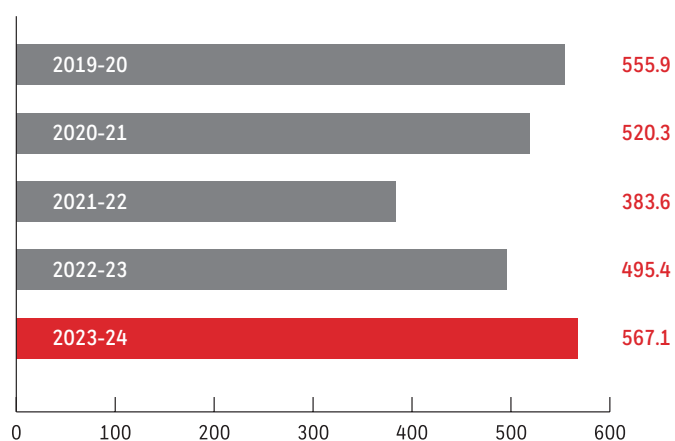
Operating profit margin decreased by 0.9%

Net Profit Margin



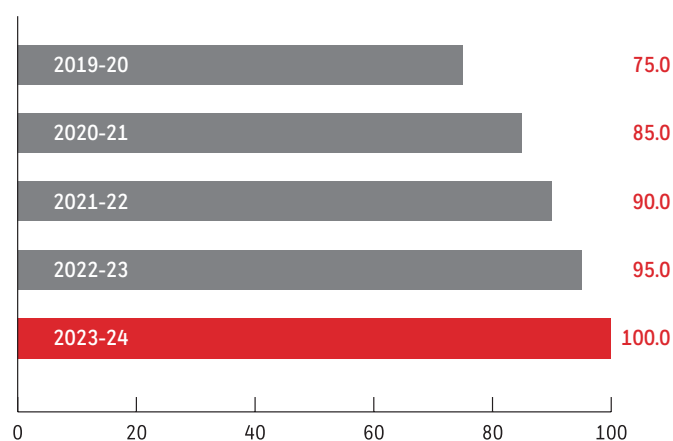
Net profit margin decreased by 0.4%

Earnings per share (₹)



Increase in Earnings per share by 14.5% compared to previous year

Dividend per share (₹)



Increase in Dividend per share by 5.3% compared to previous year

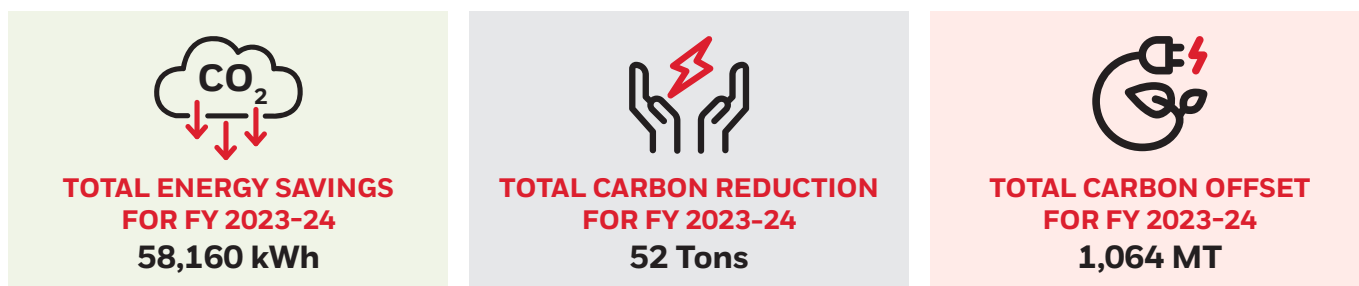
ESG Highlights

ENVIRONMENTAL

At the Company, we are convinced that taking a comprehensive approach to growth is crucial for securing the long-term success. We are committed to achieving carbon-neutral operations by 2035, with respect to the climate change agenda. Achieved notable advancements in our efforts to reduce carbon

emissions. Through the implementation of various initiatives and strategies, successfully minimized environmental footprint and contributed to a healthier planet. These efforts include the adoption of renewable energy sources and the implementation of energy efficiency technologies across operations.

Highlights on Carbon Emissions Reduction

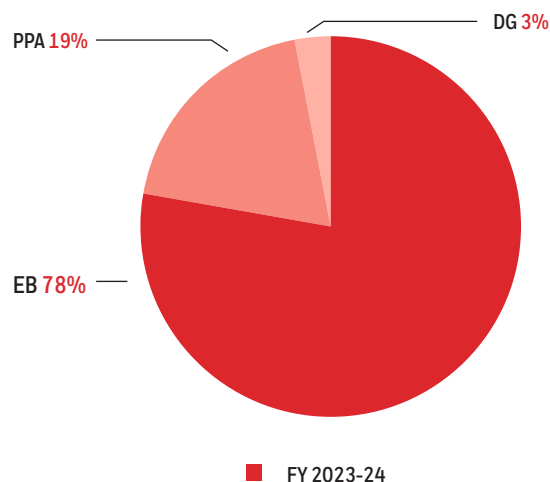
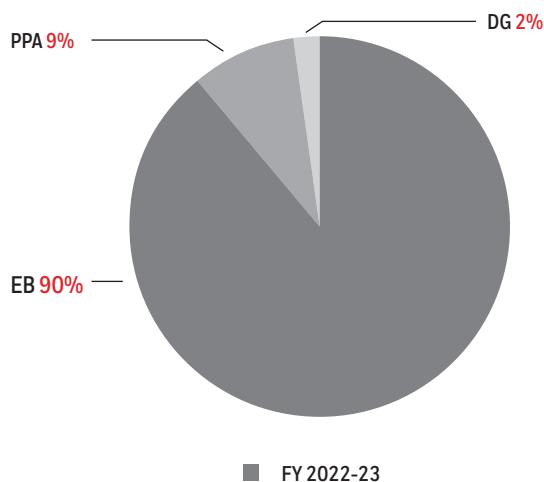


Recognition for Health Safety and Environment Excellence

The Company had the privilege of serving a diverse customer base, and proud of the recognition and feedback received from customers. Their satisfaction and feedback are the driving force behind commitment to Health, Safety & Environment excellence and continuous improvement in all aspects of business.

Some of customer recognition and feedback include:

- **Bharat Petroleum Corporation Limited:** 2G & 1G Bio Ethanol Refinery Project for exceeding five million safe man-hours without loss time injury.
- **CtrlS Datacenter Chennai:** Achieving seven million safe man-hours.
- **Pune Metro Rail Project Ltd:** 500,000 safe man-hours without incident.
- **IOCL Port Blair & Missamar:** Honeywell Service team has been recognized for no lost time incidents for the period 2023 to 2024 and (AMC) work.
- **Adani Mundra:** Continuous improvement and excellent performance in HSE.
- **HPCL Indore:** No lost time incidents and positive safety culture in HSE.



Energy Source: FY 2022-23 VS FY 2023-24

SOCIAL

Holistic and Sustainable Community Development

Strengthening Rural Healthcare Infrastructure

- Boosting Rural Healthcare Infrastructure in rural communities by modernizing and refurbishing 29 Primary Health Centers and Community Health Centers, equipped with advanced equipment, in Maharashtra.

Holistic Rural Development

- Holistic Sustainable Development through drinking water schemes, solar electrification, WASH activities, and livelihood opportunities for over 20,515 villagers in around 80 villages.



Education, Skill and Research

Honeywell Center for Advancing Girls in Science

- 373 girl children from underserved communities provided high-quality education in residential set up, with special emphasis on STEM education.
- 1,012 public school children impacted through innovative STEM-based Avasara Young Scientists' camps.

Plant the Future Campaign

Tree Plantation & Biodiversity Program

- In partnership with government agencies, NGOs and civil society.
- Creating micro forests and green patches in urban areas and promote crop diversification for income augmentation among farmers.
- Planted around 29,260 saplings.



GOVERNANCE

At the Company, robust governance practices serve as the bedrock of our decision-making processes, guiding the Company's commitment to transparency, integrity, and accountability. The Company maintains rigorous governance standards to ensure compliance with laws, regulations, and internal policies, thereby minimizing legal risks and nurturing a culture of regulatory adherence. The pivotal role of the Board of Directors encompasses oversight of strategic decisions, risk management, and corporate governance practices, all aligned with the Company's enduring vision and values to foster sustainable value creation for all stakeholders.

The Company's governance framework not only guides the automation initiatives, ensuring that technological deployments align with strategic goals, ethical norms, and regulatory mandates, but also supports the Company's commitment to nurturing talent and fostering a culture of learning, diversity, and inclusion. Transparent policies and structured development programs empower the Company's Futureshapers to excel professionally, driving innovation and reinforcing organizational resilience.

Looking ahead, the Company remains dedicated to maintaining the highest governance standards for ensuring transparency, enhancing stakeholder trust, and driving sustained organizational performance. The Company's

commitment extends to upholding ethical conduct, complying with regulatory requirements, and fostering a culture of accountability across all levels of the Company's operations. By prioritizing continuous improvement and adapting to emerging best practices, the Company aims to fortify its governance framework to effectively manage risks, seize opportunities, and deliver enduring value for the shareholders, customers, employees, and the communities we serve.



Glimpse from the 39th AGM held on August 10, 2023 at Pune

Sustainability Projects

Design, Engineering, Supply, Installation and Commissioning of Honeywell's Battery Energy Storage System (BESS) at Lakshadweep

- First non-containerized Honeywell BESS Installation in India and approved by relevant government authorities. The project was successfully commissioned on the remote island of Lakshadweep.
- This project included Honeywell's 1.4MWh BESS comprising of batteries, power conversion system, HVAC, fire suppression, pulsed current mode, and energy management system with state of the art features such as capacity smoothing, peak shaving, volt VAR control, black start operation, and constant charging and discharging.
- One of the key features was the Advanced Energy Management System fully integrated with distribution generation microgrid, allowing seamless transfer between grid and BESS, extension of distributed energy assets to support critical loads, and BESS to operate as spinning reserve in microgrids and as power backup.
- The overall project is aimed to positively impact the environmental with key aspects such as:
 - Meet up to 18% of the energy demand of the Kavaratti through the solar power and installed BESS.
 - Generate 11,437MW of Clean Solar Power Energy over its lifetime.
 - Reduce CO₂ emissions by 47,500 Tons over its lifetime.
 - Replace 157 lakh liters of diesel with clean solar energy.
 - Reduced transport of diesel and petroleum products to the island from the mainland, further lowering the impact on the ocean ecosystem.



Design and build project related to Heat pump solution for a leading pharmaceutical company

- Honeywell took the job on a turnkey basis for design, engineering, and implementing the complete heat pump solution with proper measurement and verification instrumentation to demonstrate the savings in re-heating requirements in the air handling unit (AHU) for maintaining the temperature and relative humidity (RH) in the area.
- Before this arrangement, steam based hot water generator was used to generate hot water.
- Honeywell studied the hot water requirement both by measuring flow and Delta T at existing hot water generator and also calculated the reheat from the AHU side to work on the sizing of the heat pump. Since the heat pump was generating the chilled water as a byproduct, it was important to identify the cooling source header near the heat pump.
- This project resulted in savings of approx. 561 KL of Furnace oil per year which is equivalent to 1,700 MT of CO₂.



Designing and implementing highly efficient chiller plant with primary variable pumping system and variable-frequency drive for a private hospital

- The hospital had a 15-year-old screw chiller which had deteriorated in terms of efficiency. The auxiliaries included an old primary and secondary pumping system used in AHU heater to reheat the air and to maintain the RH in the area.
- Honeywell audited the complete system and designed a highly efficient chiller with primary variable pumping system with VFD and converted all the heater-based reheating to hot water-based heating to meet the AHU requirement.
- In addition, Honeywell also upgraded the complete Building Management system to monitor and control both the high side and low side of heating, ventilation, and air conditioning system.
- This project resulted in CO₂ emission reduction of 865 MT per year.



Designing AHU with Indirect evaporative cooling (IDEC) system and installation with EC fan and control for a manufacturing company of consumer goods

- Honeywell assisted the customer in meeting their sustainability goals and reduce the carbon emissions.
- Honeywell designed the AHU with an IDEC system and installed it with EC fan and control. Due to the IDEC system, there was an approximate 20% reduction in sensible cooling demand. This was connected to the existing water-cooled chilled water system, which had spare capacity. The whole system was controlled by ambient conditions and the required ACPH.
- The second project was on warehouse heating requirements where the room temperature was needed to be maintained at 40°C. Honeywell installed an air source heat pump, and the cooling byproduct were used in an adjacent room where cooling was required.
- This project resulted in CO₂ emission reduction of 1,330 MT per year.



Rewards and Recognitions



Partner Award: Industry (MSI) 2023

for contributions to Bhubaneswar Smart City during the India Smart Cities Conclave



Indo-American Corporate Excellence Awards 2023

for Excellence in Manufacturing
(US Company in India)



Valuable Contributor for Safe Execution

by Microsoft



The Economic Times Best CFO Award 2024

in Finance Leadership (Large Enterprise)

Notice of AGM

NOTICE is hereby given that the **40th Annual General Meeting of Honeywell Automation India Limited will be held on Monday, August 5, 2024 at 4.00 p.m.(IST) through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")** to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2024, together with the Reports of the Board of Directors and the Auditors thereon.
2. To declare a final dividend of ₹100/- (Rupees One Hundred Only) per equity share for the Financial Year 2023-24.
3. To appoint a Director in place of Mr. Ashish Modi (DIN: 07680512), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. **Appointment of Mr. Atul Pai (DIN: 02704506) as the Managing Director of the Company**

To consider and, if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with Schedule V to the Act, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") as amended from time to time and based on the recommendation of the Nomination and Remuneration Committee, consent of the shareholders of the Company be and is hereby accorded for appointment of Mr. Atul Pai (DIN: 02704506) as the Managing Director of the Company for a term of 5 (five) years with effect from May 16, 2024 up to May 15, 2029 (both days inclusive), and who shall be liable to retire by rotation, on the terms and conditions of appointment and remuneration as contained in the Managing Director Agreement, material terms of which are set out in the explanatory statement attached to the Notice of the Annual General Meeting.

RESOLVED FURTHER THAT the Board of Directors or a Committee thereof be and is hereby authorised to alter and/or vary the terms of appointment and

remuneration as may be agreed upon with Mr. Atul Pai, subject however to the overall ceiling on remuneration specified in Section 197 read with Schedule V to the Act and other applicable provisions of the Act and the SEBI Listing Regulations, for the time being in force."

5. **Appointment of Mr. Thaj Mathew (DIN: 07425690) as a Non-Executive Director of the Company**

To consider and, if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 152 and other applicable provisions of the Companies Act, 2013 ("Act") read with the Companies (Appointment and Qualification of Directors) Rules, 2014 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], Regulation 17 and other applicable regulations, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time and based on the recommendation of the Nomination and Remuneration Committee, Mr. Thaj Mathew (DIN: 07425690) who was appointed as an Additional Director (Non-Executive) of Honeywell Automation India Limited ("the Company") w.e.f. May 16, 2024 by the Board of Directors of the Company, and who holds office upto the date of this Annual General Meeting of the Company under Section 161(1) of the Act, and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a Member proposing his candidature for the office of Director, be and is hereby appointed as a Non-Executive Director of the Company, liable to retirement by rotation."

6. **Commission payable to Dr. Ganesh Natarajan (DIN: 00176393), Independent Director, Non-Executive Chairman - Board**

To consider and, if thought fit, to pass the following Resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], Regulation 17(6)(ca) and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, and based on the recommendation of the Nomination and Remuneration Committee, consent of the shareholders of the Company be and is hereby

accorded for payment of remuneration in the form of commission to Dr. Ganesh Natarajan (DIN: 00176393) Independent Director, Non-Executive Chairman – Board, for Financial Year 2023-24, being an amount exceeding fifty percent of the total annual remuneration payable to all the Non-Executive Directors of the Company for Financial Year 2023-24.”

7. **Material Related Party Transactions of the Company with Honeywell International Inc., Ultimate Holding Company**

To consider and, if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Regulations 2(1)(zc), 23 and other applicable provisions, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as amended from time to time, Section 2(76) and other applicable provisions of the Companies Act, 2013 (“Act”) read with the Rules framed thereunder [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], other applicable laws / statutory provisions, if any, the Company’s Policy on Material Related Party Transactions and based on the recommendation of the Audit Committee, consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the ‘Board’, which term shall be deemed to include the Audit Committee or any other Committee constituted/ empowered/ to be constituted by the Board from time to time to exercise its powers conferred by this Resolution) for the Material Related Party Transaction(s)/ Contract(s)/ Arrangement(s) / Agreement(s) entered into / proposed to be entered into (whether by way of an individual transaction or transactions taken together or a series of transactions or otherwise), as mentioned in detail in the Explanatory Statement annexed herewith, between the Company and Honeywell International Inc. (“HII”), the Ultimate Holding Company and accordingly a “Related Party” of the Company, on such terms and conditions as may be mutually agreed between the Company and HII, for an aggregate value not exceeding ₹7,700 Million during the Financial Year 2024-25, provided that such transaction(s) / contract(s) / arrangement(s) / agreement(s) is / are carried out at an arm’s length pricing basis and in the ordinary course of business.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do and perform all such acts, deeds, matters and things, as may be necessary, including but not limited to, finalizing the terms and conditions, methods and modes in respect of executing necessary documents, including contract(s) / arrangement(s)/

agreement(s) and other ancillary documents; seeking necessary approvals from the authorities; settling all such issues, questions, difficulties or doubts whatsoever that may arise and to take all such decisions from powers herein conferred; and delegate all or any of the powers herein conferred to any Director, Chief Financial Officer, Company Secretary or any other Officer / Authorised Representative of the Company, without being required to seek further consent from the Members and that the Members shall be deemed to have accorded their consent thereto expressly by the authority of this Resolution.

RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred to or contemplated in this Resolution, be and is hereby approved, ratified and confirmed in all respects.”

8. **Material Related Party Transactions of the Company with Honeywell Measurex (Ireland) Limited, a fellow subsidiary of the Company**

To consider and, if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Regulations 2(1)(zc), 23 and other applicable provisions, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as amended from time to time, Section 2(76) and other applicable provisions of the Companies Act, 2013 (“Act”) read with the Rules framed thereunder [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], other applicable laws / statutory provisions, if any, the Company’s Policy on Material Related Party Transactions and based on the recommendation of the Audit Committee, consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the ‘Board’, which term shall be deemed to include the Audit Committee or any other Committee constituted/ empowered/ to be constituted by the Board from time to time to exercise its powers conferred by this Resolution) for the Material Related Party Transaction(s)/ Contract(s) / Arrangement(s) / Agreement(s) entered into / proposed to be entered into (whether by way of an individual transaction or transactions taken together or a series of transactions or otherwise), as mentioned in detail in the Explanatory Statement annexed herewith, between the Company and Honeywell Measurex (Ireland) Limited (“HMIL”), a fellow subsidiary of the Company and accordingly a “Related Party” of the Company, on such terms and conditions as may be mutually agreed between the Company and HMIL, for an aggregate value not exceeding ₹6,500 Million during the Financial

Year 2024-25, provided that such transaction(s) / contract(s) / arrangement(s)/ agreement(s) is / are carried out at an arm's length pricing basis and in the ordinary course of business.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do and perform all such acts, deeds, matters and things, as may be necessary, including but not limited to, finalizing the terms and conditions, methods and modes in respect of executing necessary documents, including contract(s) / arrangement(s)/ agreement(s) and other ancillary documents; seeking necessary approvals from the authorities; settling all such issues, questions, difficulties or doubts whatsoever that may arise and to take all such decisions from powers herein conferred; and delegate all or any of the powers herein conferred to any Director, Chief Financial Officer, Company Secretary or any other Officer / Authorised Representative of the Company, without being required to seek further consent from the Members and that the Members shall be deemed to have accorded their consent thereto expressly by the authority of this Resolution.

RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred to or contemplated in this Resolution, be and is hereby approved, ratified and confirmed in all respects."

9. **Ratification of Cost Auditor's Remuneration**

To consider and, if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] read with the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Company hereby ratifies the remuneration of ₹7,00,000/- (Rupees Seven Lakh Only) plus applicable taxes and re-imbursement of out-of-pocket expenses payable to M/s C S Adawadkar & Co., Cost Accountants (Firm Registration No. 100401) who are appointed by the Board of Directors as the Cost Auditors of the Company, to conduct the audit of the cost records maintained by the Company pertaining to various products covered under cost audit, for the Financial Year ending March 31, 2025."

Notes:

1. MCA has vide its General Circulars No. (i) 14/2020 dated April 8, 2020, (ii) 17/2020 dated April 13, 2020, (iii) 20/2020 dated May 5, 2020, and subsequent circulars issued in this regard, the latest being (iv) 09/2023 dated September 25, 2023 ("MCA Circulars") and SEBI vide its circulars No. (i) SEBI/HO/

CFD/CMD1/CIR/P/2020/79 dated May 12, 2020; (ii) SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 and (iii) SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023 ("SEBI Circulars") permitted the holding of the Annual General Meeting through VC/OAVM, without the physical presence of a Members at a common venue. In compliance with the provisions of Act, the SEBI Listing Regulations, the MCA Circulars and the SEBI Circulars, the 40th AGM of the Company is being held through VC/OAVM on Monday, August 5, 2024 at 4:00 p.m. IST. The deemed venue for the AGM will be the Registered Office of the Company.

2. As per the provisions of clause 3.A.II. of the General Circular No. 20/2020 dated May 5, 2020 issued by the MCA, the matters of Special Business as appearing at Items No. 4 to 9 of the accompanying Notice, is considered to be unavoidable by the Board and hence, form part of this Notice.
3. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, setting out the material facts in respect of Special Business under Items No. 4 to 9 is annexed hereto.
4. As required under Regulation 36 of the SEBI Listing Regulations and SS-2, relevant details of Directors seeking appointment/re-appointment at the AGM are given in Annexure-1 to the AGM Notice. Requisite declarations have been received from the Directors seeking appointment/re-appointment.
5. **PURSUANT TO THE PROVISIONS OF THE ACT, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. SINCE THIS AGM IS BEING HELD PURSUANT TO THE MCA CIRCULARS THROUGH VC/OAVM, PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THIS AGM AND HENCE THE PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP OF AGM ARE NOT ANNEXED TO THIS NOTICE.**
6. Institutional / Corporate Shareholders (i.e., other than individuals, HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authority letter etc., authorising its representative(s) to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting and e-voting at AGM. The said Resolution/Authority letter shall be sent to the Scrutiniser by email through its registered email address to amruta@bokilandpunde.in with a copy marked to evoting@nsdl.com.

7. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act and relevant documents referred to in the Notice of this AGM and explanatory statement, will be made available electronically for inspection by the Members during the AGM. Members who wish to inspect such documents can send their requests to the Company at HAIL.InvestorServices@honeywell.com by mentioning their Name and Folio Number / DP ID and Client ID.
8. Non-resident Indian shareholders are requested to inform immediately about the following to the Company or its Share Transfer Agent or the concerned Depository Participant, as the case may be:
 - a. The change in the residential status on return to India for permanent settlement.
 - b. The particulars of the NRE Account with a Bank in India, if not furnished earlier.
9. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote during the AGM.
10. Pursuant to Regulation 42 of the SEBI Listing Regulations, **the Register of Members and Share Transfer Books of the Company will be closed from Thursday, July 25, 2024 to Monday, August 5, 2024 (both days inclusive)**. The Record Date for determining the names of member eligible for final dividend on equity shares for the Financial Year 2023-24, if approved by the members at the AGM, is **Wednesday, July 24, 2024**. The payment of such dividend subject to deduction of tax at source will be made from **Friday, August 16, 2024**.
11. Members holding shares in dematerialized form are requested to update/intimate all changes, if any pertaining to their bank details such as name of the bank and branch address, bank account number, MICR Code, IFSC Code, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS) mandates, Permanent Account Number (PAN), nominations, power of attorney, change of address, change of name, email address, contact numbers, mobile number, etc., to their Depository Participant (DP). Members holding shares in physical form are requested to intimate such changes to the Company's Registrar and Transfer Agents, Link Intime India Private Limited (Erstwhile TSR Consultants Private Limited).
12. In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time, Regulation 44 of the SEBI Listing Regulations and relevant applicable Circulars issued by the MCA in this regard, the Company has provided a facility to the Members to exercise their vote through electronic means. The facility of casting the votes using an electronic voting system ("remote e-voting") will be provided by NSDL. Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM. The instructions for remote e-voting and e-voting at AGM are given at Annexure-2 to the AGM Notice.
13. The Members can join the AGM in the VC/OAVM mode 15 minutes before and upto 15 minutes after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Risk Management Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
14. As per Regulation 40 of the SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialised form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialised form. Members are requested to please contact the Company's RTA in this regard.
15. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date i.e., **Monday, July 29, 2024** only shall be entitled to avail the facility of remote e-voting as well as e-voting at the AGM. **The remote e-voting period commences from Thursday, August 1, 2024 (9.00 a.m. IST) and ends on Sunday, August 4, 2024 (5.00 p.m. IST)**. During this period, Members holding shares either in physical form or in dematerialised form, as on **Monday, July 29, 2024** i.e., cut-off date, may cast their vote electronically. The remote e-voting module shall be disabled by NSDL for

voting thereafter. Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date.

16. CS Amruta Rajarshi of Bokil Punde & Associates, Company Secretaries, has been appointed as the Scrutiniser to scrutinise the e-voting during the AGM and remote e-voting process in a fair and transparent manner. Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again. The scrutiniser shall close the voting facility after expiry of 15 minutes from the conclusion of voting at the AGM. The scrutiniser shall first count the votes cast electronically at the meeting and there after unblock the votes cast through remote e-voting and shall make, not later than two working days of the conclusion of the AGM, a consolidated scrutinisers' report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same and declare the result of the voting forthwith.
17. The results declared along with the report of the Scrutiniser shall be placed on the website of the Company at <https://www.honeywell.com/in/en/hail> and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorised by him in writing. The results shall also be immediately forwarded to the BSE and NSE where the shares of the Company are listed.
18. In compliance with the MCA Circulars and the SEBI Circulars, Notice of the AGM along with the Annual Report for FY 2023-24 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/DP, unless any Member has requested for a physical copy of the same. The Company shall send a physical copy of the Annual Report FY 2023-24 to those Members who request the same at HAIL.InvestorServices@Honeywell.com mentioning their Folio No./DP ID and Client ID.

Members may note that the Notice and Annual Report FY 2023-24 will also be available on the Company's website <https://www.honeywell.com/in/en/hail>, websites of the Stock Exchanges i.e., BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of NSDL at

<https://www.evoting.nsdl.com>.

19. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

20. **Process for registering e-mail addresses to receive this Notice electronically:**

- (i) One time registration of email address with RTA for receiving the Annual Report FY 2023-24 and to cast vote electronically:

The Company has made special arrangements with RTA for registration of email addresses of those Members (holding shares either in electronic or physical form) who wish to receive this Notice electronically and cast votes electronically. Eligible Members whose email addresses are not registered with the Company/DPs are required to provide the same to Link Intime India Private Limited (RTA) on or before 5:00 p.m. (IST) on July 26, 2024.

- (ii) Process to be followed for one time registration of e-mail address (for shares held in physical form or in electronic form) is as follows:

- a) Visit the link:
https://liiplweb.linkintime.co.in/EmailReg/Email_Register.html
- b) Select the name of the Company from the dropdown list: **Honeywell Automation India Limited.**
- c) Enter details in respective fields such as DP ID and Client ID (if shares held in electronic form) / Folio No. and Certificate No. (if shares held in physical form), Shareholder name, PAN, mobile number and email id.
- d) The system will send One Time Password (OTP) on the Mobile no. and e-mail address.
- e) Enter OTP received on Mobile no. and e-mail address.

After successful submission of the e-mail address, NSDL will email a copy of the AGM Notice and the Annual Report for FY 2023-24. In case of any queries, Members may write to rnt.helpdesk@linkintime.co.in or evoting@nsdl.com.

Registration of e-mail address permanently with the Company/DPs: To support the Green initiative, Members are requested to register their e-mail addresses with their concerned DPs, in respect of electronic holding and with TSR, in respect of physical holding. Further, those Members who have already registered their e-mail addresses are requested to keep

their e-mail addresses validated/updated with their DPs/TSR for all future communications.

21. Members are requested to note that dividends not encashed or remaining unclaimed for a period of 7 (seven) years from the date of transfer to the Company's Unpaid Dividend Account, will, as per Section 124 of the Act, be transferred to the IEPF. Members who have not encashed the dividend warrant(s) so far for the period ended March 31, 2017 or any subsequent financial years are requested to make their claim to the Office of the RTA. It shall be noted that once the dividend is transferred to the IEPF as above, no claim shall lie with the Company in respect of such amount. The details of the unclaimed dividend lying in the Unpaid Dividend Account is available on Company's website at the following link: <https://www.honeywell.com/in/en/hail>.

Additionally, the Company is required to transfer to the IEPF, all the shares whose dividend is lying in the "Unpaid Dividend Account" of the Company as unpaid or unclaimed for a period of seven consecutive years from the date of its transfer to the said Unpaid Dividend Account. The relevant details are given in the Board's Report which forms a part of this Annual Report. The details of Unclaimed Dividends are available at <https://www.honeywell.com/in/en/hail>.

22. Pursuant to the Order passed by National Company Law Tribunal dated December 18, 2023, TSR Consultants Private Limited, formerly the Registrar and Transfer Agent ("RTA") of the Company, has merged with Link Intime India Private Limited with effect from December 22, 2023. Consequent to the merger, the RTA activities of the Company are being carried out by Link Intime India Private Limited.

23. SEBI has established a common Online Dispute Resolution Portal ("ODR Portal") for resolution of disputes arising in the Indian Securities Market. Pursuant to this, post exhausting the option to resolve their grievance with the RTA / Company directly and through existing SCORES platform, the investors can initiate dispute resolution through the ODR Portal (<https://smartodr.in/login>) and the same can also be accessed through the Company's Website at <https://www.honeywell.com/in/en/hail>

24. Tax on Dividend

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

documents in accordance with the provisions of the IT Act.

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

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

However, no tax shall be deducted on the dividend payable to:

i. **Resident individual:**

If the total dividend to be received by them during Financial Year 2023-24 does not exceed ₹5,000 and also in cases where members provide Form 15G/ Form 15H (applicable to individuals aged 60 years or more) subject to the conditions specified in the IT Act.

ii. **Resident Non-Individual Shareholder:**

- a. **Insurance Companies** - Self-declaration that it qualifies as 'Insurer' as per Section 2(7A) of the Insurance Act, 1938 and has full beneficial interest with respect to the ordinary shares owned by it along with self-attested copy of PAN card and certificate of registration with IRDA/ LIC/ GIC.
- b. **Mutual Funds** - Self-declaration that it is registered with SEBI and is notified under Section 10 (23D) of the IT Act along with self-attested copy of PAN card and certificate of registration with SEBI.
- c. **Alternative Investment fund** - Self-declaration that its income is exempt under Section 10 (23FBA) of the IT Act and they are registered with SEBI as Category I or Category II AIF along with self-attested copy of the PAN card and certificate of AIF registration with SEBI.
- d. **New Pension Scheme (NPS) Trust** - Self-declaration that it qualifies as NPS trust and income is eligible for exemption under section 10(44) of the IT Act and being regulated by the provisions of the Indian Trusts Act, 1882 along with self-attested copy of the PAN card.
- e. **Other Non-Individual Shareholders** - Self-attested copy of documentary evidence supporting the exemption along with self-attested copy of PAN card.
- f. Resident shareholders may also submit a lower/ Nil deduction certificate obtained from the respective jurisdictional tax officer u/s

197 of the IT Act, to claim a lower/Nil TDS. PAN is mandatory for members providing Form 15G /15H or any other document as mentioned above.

iii. Non-Resident Shareholder:

For non-resident shareholders, taxes are required to be withheld in accordance with the provisions of Section 195 and other applicable sections of the IT Act, at the rates in force. The withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) or as notified by the Government of India on the amount of dividend payable. However, as per Section 90 of the IT Act, non-resident shareholders have the option to be governed by the provisions of the DTAA between India and the country of tax residence of the member, if treaty provisions are more beneficial to them. For this purpose, i.e. to avail the benefits under the DTAA, non-resident shareholders will have to provide the following:

- Copy of the PAN card allotted by the Indian Income Tax authorities.
- Copy of Tax Residency Certificate (TRC) for the FY 2023-24 obtained from the tax authorities of the country of tax residence, duly attested by member.
- Self-declaration in Form 10F.
- Self-declaration by the shareholder of having no permanent establishment in India in accordance with the applicable tax treaty.
- Self-declaration of beneficial ownership by the non-resident shareholder.
- Lower tax deduction certificate obtained from the respective jurisdictional tax officer u/s 197 r.tw. Section 195 of the IT Act.

Section 206AB-High rate for non-filers

TDS to be deducted at higher rate in case of non-filers of Return of Income.

The Finance Act, 2021, has inter alia inserted the provisions of section 206AB of the IT Act with effect from July 1, 2021. The provisions of section 206AB of the IT Act require the deductor to deduct tax at higher of the following rates from amount paid / credited to 'specified person':

- At twice the rate specified in the relevant provision of the Act; or
- At twice the rates or rates in force; or
- At the rate of 5%

foot note

https://forms.zohopublic.in/vardhanagarwal/form/HoneywellShareholderDeclarationforDividend2024/formperma/2-bC9dgZxelVe-0mq3_gtFeqqJarktvWim-o1_UaZCY

The 'specified person' means a person who has:

- Not filed return of income for both of the two assessment years relevant to the two previous years immediately prior to the previous year in which tax is required to be deducted, for which the time limit of filing return of income under sub-section (1) of section 139 has expired; and
- Subjected to tax deduction/collection at source in aggregate amounting to ₹50,000 or more in each of such two immediate previous years.

Non-applicability- The non-resident who does not have a permanent establishment.

In case of Foreign Institutional Investors I Foreign Portfolio Investors, tax will be deducted @ 20% (plus applicable surcharge and cess).

The shareholders are requested to submit/upload the aforementioned documents on the link given in the foot note on or before July 29, 2024. [QR code given below]



No communication would be accepted from members after July 29, 2024 regarding the tax withholding/TDS on dividend. It may be further noted that in case the tax on said dividend is deducted at a higher rate, in the absence of receipt of the aforementioned details/ documents from you, there would still be an option available with you to file the return of income and claim an appropriate refund, if eligible. For further details, members are requested to visit the website of the Company <https://www.honeywell.com/in/en/hail>.

The dedicated email ID for queries, if any, in this respect is HAIL.Dividend@Honeywell.com

By Order of the Board

Indu Daryani
Company Secretary

Pune, May 15, 2024

Registered Office:

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

STATEMENT SETTING OUT MATERIAL FACTS

Pursuant to Section 102 of the Companies Act, 2013

Item No. 4:

Appointment of Mr. Atul Pai (DIN: 02704506) as the Managing Director of the Company

Mr. Atul Pai (DIN: 02704506) was appointed as a Non-Executive Director of the Company w.e.f. November 9, 2020. Based on the recommendation of the NRC, the Board of the Company appointed Mr. Atul Pai as the Managing Director of the Company for a term of 5 years with effect from May 16, 2024 up to May 15, 2029 (both days inclusive) on the terms and conditions of appointment and remuneration as recommended by the NRC, subject to approval by the Members.

The material terms of appointment and remuneration of Mr. Atul Pai as contained in the Managing Director Agreement are given below:

I. Mr. Atul Pai shall, as the Managing Director, be Head of the Management Team and shall, subject to the supervision and control of the Board of Directors, be responsible for the overall conduct and functioning of the Company.

II. Remuneration

- a. **Annual Gross Compensation:** Annual Gross Compensation (which includes basic, HRA, perquisites, other allowances, etc.) within the range of ₹2,80,00,000/- (Rupees Two Crores and Eighty Lakhs only) to ₹4,60,00,000/- (Rupees Four Crores and Sixty Lakhs only) as may be determined and increased by the NRC and approved by the Board from time to time, within the aforesaid limits. The annual increment will be merit based and take into account the Company's performance.
- b. **Incentive Compensation Plan:** Such remuneration by way of Incentive Compensation Plan, in addition to the Annual Gross Compensation payable, calculated with reference to performance of the Company in a particular financial year, as may be reviewed and proposed by the NRC and approved by the Board subject to the overall ceilings stipulated in Section 197 of the Act.
- c. **Long term Incentive Plan:** The Managing Director will also be eligible for long term incentives such

as stock options, restricted stock units issued by Honeywell International Inc., from time to time as per Honeywell policy and reviewed and proposed by the NRC and approved by the Board.

- d. **Retirals:** Company's contribution to Provident Fund, to the extent these either singly or together, not taxable under the Income Tax Act; Gratuity payable as per the rules of the Company and encashment of leave at the end of tenure shall not be included in the computation of the limits for the remuneration or perquisites mentioned above.
- e. **Minimum Remuneration:** Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of the Managing Director, the Company has no profits or inadequate profits, the Company will, subject to applicable laws and such sanctions and approvals as may be required, pay remuneration as provided herein above.

III. The terms and conditions of the said appointment and Managing Director Agreement may be altered and varied from time to time by the NRC / Board, as it may, in its discretion, deem fit within the maximum amount payable to the Managing Director, subject to the provisions of Sections 196, 197, and other applicable provisions, if any, of the Act read with Schedule V to the Act, for the time being in force..

In the opinion of the Board, Mr. Atul Pai has the requisite qualifications, skills, experience and expertise in specific functional areas, which are beneficial to the Company, and he fulfils the conditions for the said appointment as prescribed under the relevant provisions of the Act. Mr. Atul Pai has also furnished the Company his consent to act as a Managing Director.

A brief profile of Mr. Atul Pai and disclosure required under Regulation 36 of the SEBI Listing Regulations and the Secretarial Standard on General Meetings are provided as Annexure-1 to the AGM Notice.

An electronic copy of the Managing Director Agreement is available for inspection. Please refer to Note 7 given in the Notice on inspection of documents.

Given his experience, the Board considers it desirable and in the interest of the Company to have Mr. Atul Pai as the Managing Director of the Company and accordingly the Board recommends appointment of Mr. Atul Pai as the Managing Director of the Company as proposed in

the resolution set out at Item No. 4 for approval by the Members by way of an Ordinary Resolution.

Except for Mr. Atul Pai, and/his relatives, none of the other Directors or Key Managerial personnel of the Company or their relatives are in any way concerned or interested, financially or otherwise, in the said Resolution.

Item No. 5:

Appointment of Mr. Thaj Mathew (DIN: 07425690) as a Non-Executive Director of the Company

Based on the recommendation of the NRC, the Board of Directors of the Company appointed Mr. Thaj Mathew (DIN: 07425690) as an Additional (Non-Executive Non-Independent) Director of the Company w.e.f. May 16, 2024, subject to approval of the Members.

Pursuant to Regulation 17(1C) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), appointment of Mr. Thaj Mathew is subject to approval of shareholders of the Company within a time period of three months from the date of appointment.

The Company has, in terms of Section 160 of the Act, received a notice in writing from a Member proposing his candidature for the office of Director. Mr. Thaj Mathew's appointment as a Director of the Company shall be liable to retirement by rotation.

Mr. Thaj Mathew has provided his declaration to the Board that he is not debarred from holding the office of Director by virtue of any SEBI Order or any such authority pursuant to circulars dated June 20, 2018 issued by BSE and NSE pertaining to enforcement of SEBI Orders regarding appointment of Directors by the listed companies and is eligible to be appointed as a Director in terms of Section 164 of the Act. He has also given his consent to act as a director.

A brief profile of Mr. Thaj Mathew and disclosure required under Regulation 36 of the SEBI Listing Regulations and the Secretarial Standard on General Meetings are provided as Annexure-1 to the AGM Notice.

Given his experience, the Board considers it desirable and in the interest of the Company to have Mr. Thaj Mathew on the Board of the Company and accordingly the Board recommends appointment of Mr. Thaj Mathew as a Non-Executive Director as proposed in the resolution set out at Item No. 5 for approval by the Members by way of an Ordinary Resolution.

Except for Mr. Thaj Mathew and/or his relatives, no other Director, Key Managerial Personnel of the Company and their respective relatives, are in any way, concerned or interested, financially or otherwise, in the said Resolution.

Item No. 6:

Commission payable to Dr. Ganesh Natarajan (DIN: 00176393), Independent Director, Non-Executive Chairman - Board

The members of the Company had, at the 38th AGM held on August 17, 2022, approved payment of remuneration by way of commission to Non-Executive Directors of the Company in respect of the profits of the Company for each year of the period of five years commencing with the financials for the year commencing from April 1, 2022.

Based on the recommendation of the NRC, the Board approved commission payable for FY 2023-24 to the Independent Directors as under:

(₹ in million)

Name of Director	Commission for FY 2023-24
Dr. Ganesh Natarajan, Independent Director and Non-Executive Chairman -Board	2.7
Ms. Neera Saggi, Independent Director	2.6

Pursuant to Regulation 17(6)(ca) of the SEBI Listing Regulations, consent of the members is sought for passing a Special Resolution as set out at Item No. 6 of the Notice for the commission amount payable to Dr. Ganesh Natarajan exceeding fifty per cent of the total remuneration payable to all Non-Executive Directors for the Financial Year 2023-24.

The Board recommends the Special Resolution set out at Item No. 6 of the Notice for approval by the members.

Except for Dr. Ganesh Natarajan and/or his relatives, no other Director, Key Managerial Personnel of the Company and their respective relatives, are in any way, concerned or interested, financially or otherwise, in the said Resolution.

Item Nos. 7 and 8:

Material Related Party Transactions of the Company with Honeywell International Inc., Ultimate Holding Company

Material Related Party Transactions of the Company with Honeywell Measurex (Ireland) Limited, a fellow subsidiary of the Company

Pursuant to Regulation 23 of the SEBI Listing Regulations, all Material Related Party Transactions ("MRPTs") requires prior approval of the Members by means of an Ordinary

Resolution, even if such transaction(s) are in the ordinary course of business and at an arm's length pricing basis.

In view of the above, Resolution Nos. 7 and 8 are placed for approval by the Members of the Company.

The Management has provided the Audit Committee with relevant details of the proposed RPTs, including material terms and basis of pricing. The Audit Committee, after reviewing all necessary information, has granted its approval for entering into the below mentioned MRPTs, subject to approval by the Members at the AGM. The Audit Committee has noted that the said transaction(s) will be at an arm's length pricing basis and will be in the ordinary course of business.

The shareholders of the Company had, at the 33rd AGM

held on August 9, 2017 approved Material Related Party transactions *inter alia* with HII and HMIL. The earlier Resolution holds good for the material related party transactions entered during the Financial Years upto April 01, 2023 to March 31, 2024, in terms of the clarification provided vide SEBI Circular SEBI/HO/CFD/CMD1/CIR/P/2022/40 dated March 30, 2022.

Details of the proposed MRPTs of the Company with Honeywell International Inc. ("HII") and with Honeywell Measurex (Ireland) Limited ("HMIL"), including the information required to be disclosed in the Explanatory Statement pursuant to the SEBI Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023 read with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021, are as follows:

Sr. No.	Description	Honeywell International Inc. (HII)	Honeywell Measurex (Ireland) Limited (HMIL)
1	Summary of information provided by the Management to the Audit Committee for approval of the proposed RPTs		
a.	Name of the Related Party and its relationship with the Company or its subsidiary, including nature of its concern or interest (financial or otherwise).	The Company is a subsidiary of HII. HII is the Ultimate Holding Company. HII provides actionable solutions and innovation through Aerospace Technologies, Building Automation, Energy and Sustainability Solutions, and Industrial Automation business segments. HII is headquartered in Charlotte, US.	HMIL is the Company's Fellow Subsidiary. HMIL is a Manufacturer/ Producer, which operates in the Measurement and regulation equipment and instruments - electricity and other energy industry. It also operates in the Radiation meters industries. HMIL is based in Waterford, Ireland.
b.	Type, material terms, monetary value and particulars of the proposed RPTs.	The Company and HII have entered into / propose to enter into the following RPTs during FY 2024-25 for an aggregate value not exceeding ₹ 7,700 million: • Purchase of goods / services • Sale of goods/services including reimbursement of expenses • Purchase/Sale of fixed assets	The Company and HMIL have entered into / propose to enter into the following RPTs pertaining during FY 2024-25, for an aggregate value not exceeding ₹ 6,500 million: • Purchase of goods / services • Sale of goods/services including reimbursement of expenses • Purchase/Sale of fixed assets
c.	Percentage of the Company's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed RPTs.	• 22% (based on the Company's Turnover for FY 2022-23) • 19% (based on the Company's Turnover for FY 2023-24)	• 18% (based on the Company's Turnover for FY 2022-23) • 16% (based on the Company's Turnover for FY 2023-24)
2	Justification for the proposed RPTs.	The Company works closely with these entities to meet its business objectives. The Company has a range of transactions with these entities, including purchase and sale of goods and services in the ordinary course of business. The aforementioned transactions will not only help both the companies to smoothen business operations but will also ensure a consistent flow of desired quality and quantity of various facilities for uninterrupted operations and an increase in productivity. This in turn will contribute towards Honeywell group synergy and sustainability.	
3	Details of proposed RPTs relating to any loans, inter-corporate deposits, advances or investments made or given by the Company or its subsidiary.	Not Applicable.	Not Applicable.
a.	Details of the source of funds in connection with the proposed transaction.	Not Applicable.	Not Applicable.
b.	Where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments: Nature of indebtedness, Cost of funds and Tenure.	Not Applicable.	Not Applicable.
c.	Applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security.	Not Applicable.	Not Applicable.
d.	The purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT.	Not Applicable.	Not Applicable.

Sr. No.	Description	Honeywell International Inc. (HII)	Honeywell Measurex (Ireland) Limited (HMIL)
4	Arm's length pricing and a statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through registered email address of the shareholder.	Transactions are at Arm's length pricing. The pricing mechanism followed for recurring transactions is based on the past practices adopting Arm's Length Principle. In the case of other RPTs, the pricing mechanism would be as per Arm's Length criteria based on the market price or alternative pricing method of relevant materials and/or services. In the case of reimbursements / recoveries, same would be basis actual cost incurred.	
5	Name of the Director or Key Managerial Personnel ('KMP') who is related, if any and the nature of their relationship.	None of the Directors or KMPs of the Company are Directors or KMPs of HII.	None of the Directors or KMPs of the Company are Directors or KMPs of HMIL.
6	Details of transactions entered into by the Company with the Related Parties during the last three Financial Years: (₹ in millions)		
a.	FY 2023-24	4,143	4,313
	Sale, purchase or supply of any goods or materials	560	4,313
	Sale of engineering services, purchase of services	3,583	-
b.	FY 2022-23	3,836	3,220
	Sale, purchase or supply of any goods or materials	477	3,207
	Sale of engineering services, purchase of services	3,359	13
c.	FY 2021-22	2,744	1,481
	Sale, purchase or supply of any goods or materials	606	1,471
	Sale of engineering services, purchase of services	2,138	10

In accordance with the provisions of Regulation 23 of the SEBI Listing Regulations, consent of the members is sought for passing an Ordinary Resolution as set out at Item Nos. 7 and 8 respectively of the Notice for approval of MRPTs.

The Board recommends the Ordinary Resolutions set out at Item Nos. 7 and 8 respectively of the Notice for approval by the members.

None of the Directors, Key Managerial Personnel or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the said Resolutions.

The Members may note that in terms of the provisions of the SEBI Listing Regulations, no Related Party shall vote to approve Ordinary Resolutions set forth at Item Nos. 7 and 8 of the Notice, whether the entity is a Related Party to the particular transaction(s) or not.

Item No. 9:

Ratification of Cost Auditor's Remuneration

The Company is required to have the audit of its cost records for specified products conducted by a cost accountant in practice under Section 148 of the Act, read with the Companies (Cost Records and Audit) Rules, 2014 ("the

Rules"). The Board, based on the recommendation of the Audit Committee at its meeting held on May 15, 2024, had approved re-appointment of M/s CS Adawadkar & Co., Cost Accountants (Firm Registration No. 100401) as the Cost Auditors of the Company to conduct audit of cost records maintained by the Company pertaining to various products covered under cost audit for the Financial Year commencing on April 1, 2024 and ending on March 31, 2025 at a remuneration of ₹7,00,000/- (Rupees Seven Lakh Only) plus applicable taxes and re-imbursement of out-of-pocket expenses.

In accordance with the provisions of Section 148 of the Act read with the Rules, the remuneration payable to the Cost Auditors has to be ratified by the members of the Company. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 9 of the Notice for ratification of the remuneration payable to the Cost Auditors for the Financial Year ending March 31, 2025.

The Board recommends the Ordinary Resolution set out at Item No. 9 of the Notice for approval by the members.

None of the Directors, Key Managerial Personnel or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the said Resolution.

ANNEXURE-1 TO THE AGM NOTICE

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

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

Name of the Director	Mr. Ashish Modi	Mr. Atul Pai	Mr. Thaj Mathew
Director Identification Number (DIN)	07680512	02704506	07425690
Date of Birth / Age	May 23, 1979 / 45 years	March 2, 1971 / 53 years	November 20, 1974 / 49 years
Date of appointment on the Board	October 22, 2019	November 9, 2020	May 16, 2024
Educational Qualification	B.E. in Mechanical Engineering from the National Institute of Technology in Trichy, India. M.S. in Mechanical Engineering from Rensselaer Polytechnic Institute in New York. MBA in Finance from The Wharton School, University of Pennsylvania.	Chartered Accountant, Bachelor of Commerce and Certified Six Sigma Green Belt.	B. Com LLB
Experience (including expertise in specific functional areas) / Brief Resume	<p>Mr. Ashish Modi is the President for Honeywell India and is responsible for driving Honeywell's strategic priorities in the country.</p> <p>Mr. Ashish Modi has over 20 years of experience and has served in various leadership roles at Honeywell including VP & GM for Building Automation, Asia region, Chief Operating Officer, Honeywell Connected Plant, Global VP&GM, Advanced Solutions business and GM, Lifecycle Solutions & Services business in India and APAC.</p> <p>Before joining Honeywell Ashish was with McKinsey & Co.</p>	<p>Mr. Atul Pai has more than two decades of Honeywell experience in various regional and global roles across Honeywell and its finance division. As an experienced CFO and proven business leader, Mr. Atul Pai has the right experience, leadership qualities and business acumen.</p> <p>Mr. Atul Pai joined Honeywell Automation India Limited in 2001 and has held several leadership roles across Honeywell, he spent eight years serving as Global CFO for Honeywell Building Solution and served as Operations Controller for Honeywell.</p> <p>Mr. Atul Pai has been a Member on the Company's Board as a Non-Executive Director since 2021 and is member of the Honeywell India leadership team.</p>	<p>Mr. Thaj Mathew is Vice President and General Counsel of Honeywell. Mathew has over two decades of experience and has been with Honeywell for more than 14 years holding multiple roles in India and globally.</p> <p>Mr. Thaj Mathew currently serves as Vice President and General Counsel for Honeywell's India operations and additionally leads legal function of Honeywell Technology Solutions Private Limited, the captive engineering arm of Honeywell International Inc. Mr. Thaj Mathew's responsibilities include managing corporate governance of entities in India and driving PAN India best practices amongst other things.</p>
Directorships held in other companies	Honeywell Hometown Solutions India Foundation Trinity Mobility Private Limited	Honeywell Hometown Solutions India Foundation	NIL
Memberships/Chairmanships of committees across all public limited companies	Honeywell Automation India Limited: <ul style="list-style-type: none"> Stakeholders Relationship Committee – Chairman Nomination & Remuneration Committee – Member Corporate Social Responsibility Committee – Member Risk Management Committee – Member 	Honeywell Automation India Limited: <ul style="list-style-type: none"> Corporate Social Responsibility Committee – Chairman Audit Committee – Member Risk Management Committee – Member 	NIL
Relationship with other Directors/ Manager / Key Managerial Personnel	Not related to any Director/Key Managerial Personnel of the Company.	Not related to any Director/Key Managerial Personnel of the Company	Not related to any Director/Key Managerial Personnel of the Company
Shareholding in the Company	NIL	NIL	NIL
No. of Board / Committee Meetings attended during FY 23-24	3/4	4/4	Not Applicable
Terms and Conditions of appointment	As per the Ordinary Resolution set forth at Item No. 3 of this Notice.	As per the Ordinary Resolution set forth at Item No. 4 of this Notice, read with the Explanatory Statement thereto.	As per the Ordinary Resolution set forth at Item No. 5 of this Notice, read with the Explanatory Statement thereto.
Name of the listed entities from which the person has resigned in the past three years	NIL	NIL	NIL

Details are as on May 15, 2024.

For other details such as number of meetings of the Board attended during the year; remuneration last drawn & sought to be paid, etc. please refer to the Corporate Governance Report which is a part of the Annual Report.

ANNEXURE-2 TO THE AGM NOTICE

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of 'Two Steps' which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. <p style="text-align: center;">NSDL Mobile App is available on</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">   </div> <div style="text-align: center;">   </div> </div>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Existing users who have opted for CDSL Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there are also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL.	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the homepage of e-Voting system is launched, click on the icon "Login" which is available under
4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 128977 then user ID is 128977001***

5. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve

'Shareholder/ Member' section.

3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

- c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox.

Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

(ii) If your email ID is not registered, please follow steps mentioned at Point no. 22 of the Notice.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of the Company: 128977 to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by

clicking on the print option on the confirmation page.

7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional / Corporate Shareholders (i.e., other than individuals, HUF, NRI etc.) are required to send scanned copy(PDF/JPG Format) of the relevant Board or governing body Resolution / Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutiniser by e-mail to amruta@bokilandpunde.in with a copy marked to evoting@nsdl.com Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on.: 022 - 4886 7000 and 022 - 2499 7000 or send a request at evoting@nsdl.com.
4. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is sent through e-mail and holding shares as of the cut-off date i.e., Monday, July 29, 2024, may obtain the login ID and password by sending a request at evoting@nsdl.com or Issuer / RTA. 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 forgot your password, you can reset your password by using "Forgot User Details I Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com. In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e., Monday, July 29, 2024 may follow steps mentioned in the Notice of the AGM under "Access to NSDL e-Voting system."

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password:

1. In case shares are held in physical mode please provide

Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to rnt.helpdesk@linkintime.co.in

2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID +CLIO or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to rnt.helpdesk@linkintime.co.in. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
3. Alternatively shareholder/members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

The Instructions for Members for E-Voting on the Day of the AGM are as follows:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

Instructions for Members for Attending the AGM Through VC/OAVM are as Under:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system.
Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After

successful login, you can see link of "VC/OAVM link" placed under "Join meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of the Company: 128977 will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Members are encouraged to submit their questions with regard to the financial statements or any other matter to be placed at the 40th AGM from their registered e-mail address, mentioning their name, DP ID and Client ID/Folio No. and mobile no. in advance at HAIL.InvestorServices@Honeywell.com before 5.00 p.m. (IST) on Wednesday, July 31, 2024. Such questions by the Members shall be suitably replied to by the Company during the AGM.
6. Members who would like to express their views/ ask questions as a speaker at the Meeting may pre-register themselves by sending a request from their registered e-mail address mentioning their Name, DP ID and Client ID/Folio No., PAN and Mobile No. at HAIL.InvestorServices@Honeywell.com from Thursday, July 25, 2024 (9.00 a.m. IST) to Wednesday, July 31, 2024 (5.00 p.m. IST). Only those Members who have pre-registered themselves as a speaker will be allowed to express their views/ ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
7. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the AGM.

Directors' Report

Dear Members,

The Directors hereby present the 40th Annual Report of the Company along with the Audited Financial Statements for the Financial Year ended March 31, 2024.

Financial Performance

Key highlights of financial performance of the Company for the Financial Year 2023-24 are provided below:

(₹ in Millions)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023	Year on Year Change
Sales & Other Income	42,010	35,759	6,251
Operating profit	7,322	6,472	850
Less: Interest	36	40	(4)
Less: Depreciation	537	519	18
Profit before tax for the year	6,749	5,913	836
Less: Income tax and deferred tax expenses	1,735	1,533	202
Profit after tax for the year	5,014	4,380	634
Profit brought forward from the previous year	29,958	26,374	3,584
Profit available for appropriations	34,972	30,754	4,218
Dividend	840	796	44
OCI portion of defined benefit plan settlement	104	-	104
Balance carried forward	34,028	29,958	4,070

Sales and Other Income registered an increase of 17.5%, Profit before tax is 16.6% of revenue from operations as compared to 17.2% in the previous year. Exports revenue increased over previous year by 14.8%.

DIVIDEND

The Board, at its meeting held on May 15, 2024, has recommended payment of final dividend at ₹100/- per equity share of the face value of ₹10/- each for FY 2023-24. (Previous Year: ₹95/- per equity share). The dividend, if approved by the Members at the ensuing Annual General Meeting, will result in a total cash pay-out of ₹884 Million. The Company is in compliance with its Dividend Distribution Policy as approved by the Board.

The closing balance of the retained earnings of the Company for FY 2023-24, after all appropriation and adjustments was ₹34,028 Million.

Pursuant to Section 134 (3)(j) of the Act, there is no amount to be transferred to reserves during the period under review.

OPERATIONS

The Management Discussion and Analysis annexed herewith provides full details of operational performance and business analysis of the Company.

INDUSTRY OUTLOOK

The details regarding Industry Outlook are given in the Management Discussion and Analysis which forms a part of this report.

HONEYWELL ACCELERATOR

Honeywell Accelerator is the Company's best-in-class operating system. The content is Honeywell-specific and it offers a framework and toolkit that enables us to get work done faster and smarter, and helps achieving the best business practices as listed below:

- revitalizing our Operating System to drive a sustainable advantage.
- revitalized operating system for how we manage and govern the business.
- includes employee resources like standard tools, processes and playbooks.
- removes barriers to execution and improves speed.
- Areas of benefits include innovation and product development, integrated supply chain, customer service and satisfaction, M&A integration, achievement of financial and ESG objectives and talent development.
- Accelerator content also enhances digital acumen and career development.

HUMAN RESOURCES

The Company believes in the immense potential of its human capital and acknowledges that employees are the core growth engine for the Company. The Company is committed to creating an inclusive, performance oriented and entrepreneurial culture that allows it to bring the best out of every individual and team. The Company is committed to creating an equal opportunity workplace, which promotes openness and diversity. The Company has a strong employee value proposition that focuses on 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.

Honeywell Automation India Limited Employees' Provident Fund Trust (HAIL PF Trust) received Provisional Order from the Employees' Provident Fund Organization (EPFO) for surrender of exemption granted to the Company with effect from February 1, 2024. Pursuant to the said Order, the Trust has settled all the dues with EPFO and consequently, further contributions are made to EPFO. Refer Notes to the Financial Statements for details.

The Company deploys a Labour and Employment Relations framework which elicits feedback in our factory and supports action planning to drive engagement at all levels in the organisation.

As on March 31, 2024, the Company's employee strength (full-time employees) was 3,096 as compared to 2,956 as on March 31, 2023. Women employees represent 16.4% of the workforce.

DIRECTORS, KMP AND SMP

As on March 31, 2024, the Board comprises of:

1. Dr. Ganesh Natarajan (DIN: 00176393), Independent Director and Chairman (Non-Executive) - Board
2. Ms. Neera Saggi (DIN: 00501029), Independent Director
3. Mr. Ashish Gaikwad (DIN: 07585079), Managing Director
4. Mr. Ashish Modi (DIN: 07680512), Non-Executive Director
5. Mr. Atul Pai (DIN: 02704506), Non- Executive Director
6. Mr. Brian Scott Rudick (DIN: 06759691), Non-Executive Director.

The following changes have taken place in the composition of Board during the year under review:

- Appointment of Ms. Nisha Gupta (DIN: 02331771) as the Non-Executive Director of the Company w.e.f March

1, 2023 was approved by the Shareholders by way of Postal Ballot, results of which were declared on May 28, 2023. Ms. Nisha Gupta resigned from the Directorship of the Company with effect from close of business hours of August 9, 2023. The Board places on record its appreciation of the valuable contribution made by Ms. Nisha Gupta during her tenure with the Company.

- Mr. Brian Scott Rudick (DIN: 06759691) was appointed as an Additional Director (Non-Executive) of the Company with effect from August 10, 2023. His appointment as a Non-Executive Director of the Company was approved by the Shareholders by way of Postal Ballot, results of which were declared on November 6, 2023.
- Ms. Neera Saggi (DIN: 00501029) was reappointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of 3 (three) consecutive years on the Board of the Company commencing from February 4, 2024 up to February 3, 2027 (both days inclusive).

No changes have taken place in the composition of KMP of the Company during the year under review. Mr. Ashish Gaikwad (DIN: 07585079), Managing Director, Mr. Pulkit Goyal, Chief Financial Officer and Ms. Indu Daryani, Company Secretary are the Key Managerial Personnel of the Company, pursuant to the provisions of Sections 2(51) and 203 of the Act, as on March 31, 2024.

At the Board Meeting held on May 15, 2024, the Board:

- took on record resignation of Mr. Ashish Gaikwad (DIN: 07585079) as the Managing Director as also a Director of the Company and Key Managerial Personnel under the Act, with effect from the close of business hours of May 15, 2024.
- approved appointment of Mr. Atul Pai (DIN: 02704506), as the Managing Director and Key Managerial Personnel under the Act for a term of 5 years with effect from May 16, 2024 up to May 15, 2029 (both days inclusive), subject to approval of the Shareholders of the Company at the 40th AGM.
- Approved appointment of Mr. Thaj Mathew (DIN: 07425690) as an Additional Director (Non-Executive Non-Independent Director) of the Company with effect from May 16, 2024, to hold office up to the date of the ensuing Annual General Meeting of the Company. His appointment will be subject to approval by the Shareholders of the Company at the 40th AGM.

For SMP details, please refer Corporate Governance Report.

As per the provisions of the Act, Mr. Ashish Modi (DIN: 07680512) retires by rotation at the forthcoming AGM, and being eligible, offers himself for re-appointment. The Board recommends his re-appointment.

The Board is of the opinion that the Independent Directors of the Company have fulfilled the conditions as specified in the SEBI Listing Regulations, are independent of the management, possess requisite qualifications, experience and expertise in the fields of industry knowledge, board governance, financials, strategy, leadership and they hold highest standards of integrity.

BOARD MEETINGS

During the Financial Year 2023-24, the Board duly met four times on (i) May 17, 2023, (ii) August 10, 2023, (iii) November 6, 2023 and (iv) February 8, 2024. The intervening period between two Board meetings was well within the maximum gap of 120 days as prescribed under the provisions of the Act.

Details of attendance at the Board Meetings is provided in the Corporate Governance Report, which forms part of this Annual Report.

COMMITTEES OF THE BOARD

The Board has the following statutory committees as per the requirements of the SEBI Listing Regulations and the Act:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Corporate Social Responsibility Committee
4. Stakeholders' Relationship Committee
5. Risk Management Committee

Details of terms of reference of the Committees, Committee membership and attendance at meetings are provided in the Corporate Governance Report, which forms part of this Annual Report.

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received necessary declarations from the Independent Directors as required under Section 149(7) of the Act, that he/she meets the criteria of Independence laid down under Section 149(6) of the Act and Regulation 25 of the SEBI Listing Regulations.

BOARD EVALUATION

Pursuant to the provisions of the Act and the SEBI Listing Regulations, the Board has carried out an annual evaluation of its own performance, its committees, as well as the Directors individually.

The outcome of the Board evaluation was discussed by the NRC and the Board on February 8, 2024.

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

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, 2024 is given in Report on Corporate Governance, which forms a part of this Annual Report.

CORPORATE SOCIAL RESPONSIBILITY

The Annual Report on CSR activities, as required under Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed herewith as Annexure-1 to the Directors' Report. A copy of the CSR Policy is available on the Company's website at <https://www.honeywell.com/in/en/hail#policies>. A copy of the Impact Assessment Report is available on the Company's website at <https://www.honeywell.com/in/en/hail#agm-egm-postalballot>.

AUDITORS

Statutory Audit

Pursuant to the provisions of Section 139 of the Act and the rules framed thereunder, Deloitte Haskins & Sells LLP (Firm Registration No.117366W/W-100018) were re-appointed as the Statutory Auditors for a period of 5 years at the 36th AGM of the Company to hold office from the conclusion of the 36th AGM up to the conclusion of the 41st AGM of the Company on such remuneration as was approved by the shareholders at the 36th AGM, re-produced below:

Particulars	Proposed per annum*
	FY 2020-21 to FY 2024-25
Statutory Audit Fees and Limited Review Fees	₹36,32,000

* Subject to addition or reduction upto 10% with prior approval of Audit Committee and Board.

Further, in addition to the above, the Statutory Auditors are also entitled to fees for others service like Audit of Internal Financial Controls, Tax Audit and Certificates etc. subject to prior approval of Audit Committee and Board.

Statutory Auditors' Report

There are no qualifications, reservations or adverse remarks made by Deloitte Haskins & Sells LLP (Firm Registration No.117366W/W100018), Statutory Auditors, in their report for the Financial Year ended March 31, 2024. The Notes on financial statements referred to in the Auditors' Report are self-explanatory.

Pursuant to provisions of Section 143 (12) of the Act, the Statutory Auditors have not reported any incident of fraud to the Audit Committee during the year under review.

Cost Audit

In terms of the provisions of Section 148 and other applicable provisions of the Act read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, Cost Audit is applicable to the Company for the Financial Year 2023-24. The Board at its meeting held on May 15, 2024, pursuant to recommendation of the Audit Committee, appointed M/s C S Adawadkar & Co., (Firm Registration No. 100401) as the Cost Auditors for the Financial Year ending March 31, 2025 at a remuneration of ₹7,00,000/- plus GST and reimbursement of out-of-pocket expenses. The remuneration is placed before the Annual General Meeting for ratification by the members.

The Company has maintained the cost accounts and records as specified by the Central Government under sub-section (1) of section 148 of the Act for the Financial Year ended March 31, 2024. The Cost Auditors have not reported any incident of fraud for the year under review.

Secretarial Audit

In terms of the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board appointed M/s J B Bhavé & Co, Practicing Company Secretaries, as Secretarial Auditors of the Company for the Financial Year 2023-24. The report of the Secretarial Auditors is enclosed as Annexure-2 to the Directors' Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark. The Secretarial Auditors have not reported any incident of fraud for the year under review.

RELATED PARTY TRANSACTIONS

The particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 are enclosed herewith as Annexure-3 to the Directors' Report.

RISK MANAGEMENT

The Company has an Enterprise Risk Management framework administered by the Risk Management Committee to develop, implement and monitor the effectiveness of risk management processes for the Company. This framework enables identification, assessment, monitoring and mitigation of strategic, operational, compliance, financial, reputation and Cyber & ESG risks that are key to achieving our business objectives. Risks are identified, evaluated and prioritized based on their likelihood of occurrence and severity of business impact.

Major risks identified by the businesses and functions are systematically addressed through mitigation plan and governance and reviewed by the Risk Management Committee and Audit Committee/Board.

WHISTLE BLOWER POLICY / VIGIL MECHANISM

In line with requirement under Section 177(9) and (10) of the Act and Regulation 22 of the SEBI Listing Regulations, the Company has established a whistle blower/vigil mechanism for its employees and Directors to report their genuine concerns. The details of the same are provided in the Corporate Governance Report.

INTERNAL FINANCIAL CONTROLS

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

HOLDING COMPANY

The Company is a subsidiary of HAIL Mauritius Limited, the ultimate holding Company being Honeywell International Inc. USA. The Company does not have any Joint Venture(s) or Associate Company(ies) or Subsidiary Company(ies).

TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

As required under Section 124 of the Act, the unclaimed dividend lying with the Company for a period of seven years pertaining to the Financial Year 2015-16 amounting to INR 2,45,210/- was transferred during the Financial Year 2023-24 to the Investor Education and Protection Fund established by the Central Government.

Members who have not encashed the dividend warrant(s) so far for the period ended March 31, 2017 or any subsequent financial years are requested to make their claim. 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.

PARTICULARS OF EMPLOYEES

A statement containing particulars of employees as required under Section 197(12) of the Act, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided as Annexure-6 to the Directors' Report. As per 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 will be open for inspection electronically upon request by the Members during the AGM. Any member interested in obtaining such information may write to the Company Secretary at HAIL.InvestorServices@Honeywell.com.

The ratio of the remuneration of each Director to the median employee's remuneration and other details prescribed in Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are enclosed in Annexure-4 to the Directors' Report.

The Nomination and Remuneration Policy of the Company is available on the website of the Company at <https://www.honeywell.com/in/en/hail#policies>.

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

The 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.

The Company has Internal Complaints Committees established in accordance with the aforesaid Act for addressing sexual harassment incidents.

No complaint on sexual harassment was received by the Company during the Financial Year under review.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

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.

SIGNIFICANT AND MATERIAL ORDERS

There are no significant and material orders during the Financial Year ended March 31, 2024 passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations.

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 in accordance with the Act read with Companies (Acceptance of Deposits) Rules, 2014.

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-5 to the Directors' Report.

MANAGEMENT DISCUSSION & ANALYSIS

The Management Discussion and Analysis pursuant to the SEBI Listing Regulations are annexed and form part of the Annual Report.

ANNUAL RETURN

Pursuant to Section 92 (3) of the Act and Rule 12 (1) of the Companies Management and Administration) Rules, 2014, the Annual Return is available on the website of the Company at <https://www.honeywell.com/in/en/hail#agm-egm-postal-ballot>.

CORPORATE GOVERNANCE REPORT

The Company believes in adopting best practices of corporate governance.

As per Regulation 34 of the SEBI Listing Regulations, a separate section on corporate governance practices followed by the Company, together with a certificate from M/s Bokil Punde & Associates, Company Secretaries, on compliance with corporate governance norms under the SEBI Listing Regulations, is provided in Corporate Governance Report which forms part of this Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to provisions of Section 134(3)(c) and Section 134(5) of the Act, 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, 2024 and of the profit for the year April 1, 2023 to March 31, 2024;
- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act 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;
- 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.

COMPLIANCE WITH SECRETARIAL STANDARDS

The Directors confirm that the Secretarial Standards issued by the Institute of Companies Secretaries of India, as applicable to the Company, have been duly complied with.

DIVIDEND DISTRIBUTION POLICY

In compliance with Regulation 43A of the SEBI Listing Regulations, the Company has formulated Dividend Distribution Policy and the same is available on the Company's website at <https://www.honeywell.com/in/en/hail#policies>.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

In compliance with the provisions of Regulation 34 (2) (f) of the SEBI Listing Regulations, the Business Responsibility and Sustainability Report (BRSR) forms part of this Annual Report.

GENERAL DISCLOSURES

The Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Issue of Equity Shares with differential rights as to dividend, voting or otherwise.
2. Issue of Equity Shares (including Sweat Equity Shares) to employees of the Company under any scheme.
3. The Company has not resorted to any buy back of its equity shares during the year under review.
4. The Company does not have any subsidiaries. Hence, neither the Managing Director nor the Whole-time Directors of the Company received any remuneration or commission during the year from any of its subsidiaries.
5. The details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof is not applicable.
6. The details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 during the year along with their status as at the end of the Financial Year is not applicable.
7. There has been no change in the nature of business of the Company.

ACKNOWLEDGMENT

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

For and on behalf of the Board

Dr. Ganesh Natarajan

Independent Director and
Chairman (Non-Executive) - Board
DIN: 00176393

Pune, May 15, 2024

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Email: HAIL.InvestorServices@Honeywell.com
Website: <https://www.honeywell.com/in/en/hail>

ANNEXURE-1 TO THE DIRECTORS' REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. Brief outline on CSR Policy of the Company

The Company is committed to improving the world we live in by creating, supporting, and nurturing CSR programs and initiatives that make a sustainable and measurable impact on communities that we serve. The Honeywell Hometown Solutions India Foundation (HHSIF) is a not-for-profit organization that deploys efforts of the Company in CSR in India in 3 critical areas:

- Education, Skill and Research
- Holistic and Sustainable Community Development
- Humanitarian Relief

The Corporate Social Responsibility Committee of the Company and the Board monitors this Policy and the effectiveness of the programs implemented under this Policy. The programs and activities are identified and approved by the Board. The Corporate Social Responsibility Committee formulates and recommends to the Board, an Annual Action Plan in pursuance of the CSR Policy.

The Company has undertaken below mentioned projects in various states & districts:

- Honeywell Center for Advancing Girls in Science – The project aims to develop the next generation of women leaders through specially curated STEM-focused transformative and enriching educational program. The project has impacted more than 1,400 students

directly and indirectly from across 17 districts (Patna, Delhi, New Delhi, Northeast Delhi, South Delhi, West Delhi, Ahmedabad, Aurangabad, Beed, Latur, Mumbai, Pune, Thane, Vasai, Yawatmal, Hyderabad & Allahabad) in 6 states (Bihar, Delhi, Gujarat, Telangana, Maharashtra & Uttar Pradesh).

- Sustainable & Holistic Community Development – The project aims to create a sustainable community through its four core areas i.e. Water & Sanitation, Health & Nutrition, Education and Economic Development (livelihood). The project has impacted 18,000+ beneficiaries, 4,000+ rural households in the Nashik district of Maharashtra.
- Strengthening Rural Health Infrastructure- The project aims to upgrade primary healthcare centres across rural India to provide quality and comprehensive healthcare to rural communities. The project has impacted more than 21 lakhs beneficiaries and 4.90 lakhs+ households across 6 districts (Bhiwani, Kaithal, Nashik, Sangli, Satara & Dehradun) in 3 states (Haryana, Maharashtra & Uttarakhand).
- Plant the Future Campaign – The project aims to promote environmental sustainability through planting 10 lakh trees over 10 years across 10 cities and creating biodiversity hubs. Through the project, the Company has planted more than 1.20 lakhs of saplings in the Bengaluru & Pune district of Karnataka & Maharashtra.

2. Composition of the CSR Committee as on March 31, 2024

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during FY 2023-24	Number of meetings of CSR Committee attended during FY 2023-24
i.	Ms. Neera Saggi	Committee Member/ Independent Director	2	2
ii.	Mr. Ashish Modi	Committee Member/ Non-Executive Director	2	*1
iii.	Mr. Atul Pai [^]	Committee Chairman/ Non-Executive Director	2	2

* Leave of absence was granted.

[^] Appointed as member and Chairman w.e.f. May 9, 2023.

3. Provide the web-link(s) where Composition of CSR Committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

CSR Policy- <https://www.honeywell.com/in/en/hail#policies>

CSR Committee- <https://www.honeywell.com/in/en/hail#board-of-directors>

CSR Project- <https://www.honeywell.com/in/en/csr>

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.

Weblink: <https://www.honeywell.com/in/en/csr>

Executive Summary: Covid 19 Relief Programs:

This study was conducted to assess the COVID relief efforts by Implementation partner- HHSIF Hometown Solutions India Foundation (HHSIF) in association with on-ground partners- Sustainable Environment and Ecological Development Society (SEEDS) and Americares India Foundation, across various parts of India.

Methodology

The research employed qualitative research to gain deeper insights into the activities, outputs, and outcomes of an intervention. In-depth interviews were conducted with Hospital staff (who have worked in COVID Care Centers & COVID Critical Care Centers), the personnel in charge of Oxygen Generation Plants, and personnel from the Implementation Team.

Findings

The major interventions undertaken by the HHSIF during the COVID-19 pandemic can be categorized into two main areas: providing infrastructural aid for COVID-19 patient care and implementing measures to alleviate oxygen shortage.

Infrastructural aid to COVID-19 patient care:

- HHSIF supplied 10,000 N95 respirators, and 4,500 personal protective equipment (PPE) kits, and established 2 COVID Critical Care Centers (CCCs) and 10 COVID Care Centers (CCs).
- These interventions were highly beneficial, with the facilities being utilized 50% to 60% of the time.
- Materials provided as part of the intervention are still in use, with CCC materials being repurposed to expand ICU facilities in hospitals and CC materials repurposed to remote Primary Health Centers (PHCs). Special mention has been made to the usefulness of portable X-ray machines and Laryngoscopy equipment in day to day functioning of the health facility.
- HHSIF's attention to detail, quick decision-making, and provision of high-quality materials were commended by stakeholders.

Measures to alleviate oxygen shortage:

- Honeywell donated around 1000 oxygen concentrators across the country and established 10 Oxygen Generation Plants (OGPs) across 4 states in India.
- Oxygen concentrators were provided promptly and stakeholders expressed satisfaction with their quality, with the oxygen concentrator still being used in the daily functioning of the facility.

- Setting up OGPs was challenging, but site visits by the Americare Foundation ensured proper functioning and detailed training and maintenance activities were conducted during the initial year.
- While setting up OGPs took around 6 months, they were established towards the end of the COVID wave, limiting their current impact but positioning them as valuable assets for future pandemic preparedness.

Conclusion

The study reveals significant positivity among stakeholders regarding their association with the HHSIF. Stakeholders appreciated the quality of materials provided by HHSIF and the prompt decision-making process. The high-quality materials received from HHSIF have contributed to their continued use beyond the COVID-19 pandemic, ensuring long-term impact. However, the only area of concern mentioned was the delay in setting up the Oxygen Generation Plants (OGPs) in some facilities, attributed to on-ground challenges during the peak of the second COVID-19 wave. Despite this delay, stakeholders unanimously testified that OGPs would be invaluable during future pandemics in preventing acute oxygen shortages at these locations. Overall, stakeholders expressed widespread positivity about their association with Honeywell, with all expressing a desire for future collaborations with the organization.

5. (a) **Average net profit of the company as per sub-section (5) of section 135.** ₹5,497 million
 - (b) **Two percent of average net profit of the company as per sub-section (5) of section 135.** ₹110 million
 - (c) **Surplus arising out of the CSR Projects or programmes or activities of the previous financial years.** Nil
 - (d) **Amount required to be set-off for the financial year, if any.** NIL
 - (e) **Total CSR obligation for the financial year [(b)+(c)-(d)].** ₹110 million
6. (a) **Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project).** ₹110 million
 - (b) **Amount spent in Administrative Overheads.** Nil
 - (c) **Amount spent on Impact Assessment, if applicable.** NIL
 - (d) **Total amount spent for the Financial Year [(a)+(b)+(c)].** ₹110 million

(e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year (₹ in millions)	Amount Unspent (₹ in million)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
110	NIL	Not Applicable	Not Applicable	Not Applicable	Not Applicable

(f) Excess amount for set-off, if any:

Sl. No.	Particular	Amount (₹ in million)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	110
(ii)	Total amount spent for the Financial Year	110
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	NIL
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	NIL
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	NIL

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

(1) Sl. No.	(2) Preceding Financial Year(s)	(3) Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (₹ in million)	(4) Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (₹ in million)	(5) Amount Spent in the Financial Year (₹ in million)	(6) Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any	(7) Amount remaining to be spent in succeeding Financial Years (₹ in million)	(8) Deficiency, if any
					Amount (in ₹)	Date of Transfer	
1	FY- 22-23	4	NIL	4	Not applicable	NIL	Not applicable
2	FY-21-22	NIL			Not applicable		
3	FY-20-21	NIL			Not applicable		

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No**9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5):**
Not Applicable**For and on behalf of the Board**

Ashish Gaikwad
Managing Director
 DIN: 07585079
 Pune, May 15, 2024

Atul Pai
Chairman, CSR Committee
 DIN: 02704506
 Pune, May 15, 2024

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ANNEXURE-2 TO THE DIRECTOR'S REPORT

FORM NO. MR-3

Secretarial Audit Report For The Financial Year Ended March 31, 2024

[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, Maharashtra

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **HONEYWELL AUTOMATION INDIA LIMITED** (CIN: L29299PN1984PLC017951) (hereinafter called 'the Company').

Secretarial Audit was conducted for the financial year 2023-24, in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances of the Company and for expressing my opinion thereon.

Based on my 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, the explanations and clarifications given to me and representations made by the Management, during the audit period covering the financial year ended on March 31, 2024 ("Audit Period"), complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and legal compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Audit Period according to the provisions of the following list of laws and regulations:

- (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 there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'), to the extent applicable:

- a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
 - e) Securities and Exchange Board of India SEBI (Share Based Employee Benefits and Sweat Equity) Regulations 2021;
 - f) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
 - g) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - h) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 2006 regarding the Companies Act and dealing with client
 - i) SEBI (Delisting of Equity Shares) Regulations, 2009
 - j) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 and circulars/ guidelines issued thereunder;
 - (vi) Other Applicable Laws: As informed by the management, no other laws are applicable specifically to the Company.
- I have also examined compliance with the applicable clauses of the following:
- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
 - (ii) SEBI (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.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Director 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 committee and board meetings, agenda and detailed notes on agenda are 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 meetings.

All the decisions of the board were passed with unanimous consent of all the directors present in the meeting and are recorded as part of the minutes.

I further report that 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.

I further report that during the audit period: -

1. The board by passing circular resolution on March 01, 2023, co-opted Ms. Nisha Gupta (DIN: 02331771) as an Additional Director (Non-Executive) with effect from

March 01, 2023 and appointed as Director through postal ballot dated May 28, 2023.

2. Ms. Nisha Gupta resigned as Non-Executive Director with effect from August 10, 2023.
3. In the board meeting held on August 10, 2023, Mr. Brian Scott Rudick (DIN: 06759691) was co-opted as an Additional Director (Non-Executive) with effect from August 10, 2023 and appointed as Director through postal ballot dated November 06, 2023.
4. Ms. Neera Saggi (DIN: 00501029) was reappointed as an Independent Director of the Company to hold office for a second term of 3 (three) years commencing from February 04, 2024 upto February 03, 2027 (both days inclusive) through postal ballot dated November 06, 2023.

For J. B. Bhavé & Co.
Company Secretaries

Jayavant B. Bhavé

Proprietor

FCS: 4266 CP: 3068

PR No. 1238/2021

UDIN: F004266F000361007

Place: Pune

Date: May 15, 2024

ANNEXURE TO THE SECRETARIAL AUDIT REPORT OF HONEYWELL AUTOMATION INDIA LIMITED (2023-24)

AUDITORS' RESPONSIBILITY

My Report of even date is to be read along with this letter.

In accordance with the ICSI Auditing Standards (CSAS1 to CSAS4) I wish to state as under-

- Maintenance of secretarial record is the responsibility of the Management of the Company. My responsibility as the Auditor is to express the opinion on the compliance with the applicable laws and maintenance of Records based on Secretarial Audit conducted by me.
- The Secretarial Audit needs to be conducted in accordance with applicable Auditing Standards. These Standards require that the Auditor should comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of Records.
- I am also responsible to perform procedures to identify, assess and respond to the risks of material misstatement or non-compliance arising from the Company's failure appropriately to account for or disclose an event or transaction. However, due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some Misstatements or material non-compliances may not be detected, even though the audit was properly planned and performed in accordance with the Standards.

Accordingly, I wish to state as under-

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the

correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.

3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards are the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report 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.

For J. B. Bhavé & Co.
Company Secretaries

Jayavant B. Bhavé
Proprietor
FCS: 4266 CP: 3068

PR No. 1238/2021
UDIN: F004266F000361007

Place: Pune
Date: May 15, 2024

ANNEXURE-3 TO THE DIRECTORS' REPORT

Form No. AOC-2: Particulars of contracts/arrangements made with Related Parties

For the Financial Year Ended March 31, 2024

(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 Section 188(1) of the Act 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, 2024, which were not at arm's length basis.

2. Details of material contracts or arrangement or transactions at arm's length basis:

(₹ in million)

Name of the Related Party	Nature of relationship	Nature of Contract/ Arrangement / Transaction	Duration of Contract/ Arrangement / Transaction	Salient terms	Amount
Honeywell International Inc.	Ultimate Holding company	Sale, purchase or supply of any goods or materials	Ongoing	In the ordinary course of business and based on purchase orders / agreements	560
		Sale of engineering services, purchase of services	Ongoing		3,583
		Sale or purchase of fixed Assets	Ongoing		-
Honeywell Measurex (Ireland) Ltd.	Fellow Subsidiary	Sale, purchase or supply of any goods or materials	Ongoing	In the ordinary course of business and based on purchase orders / agreements	4,313
		Sale of engineering services, purchase of services	Ongoing		-
		Sale or purchase of fixed Assets	Ongoing		-
Honeywell Turki- Arabia Limited	Fellow Subsidiary	Sale, purchase or supply of any goods or materials	Ongoing	In the ordinary course of business and based on purchase orders / agreements	131
		Sale of engineering services, purchase of services	Ongoing		534
		Sale or purchase of fixed Assets	Ongoing		-

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

Dr. Ganesh Natarajan

Independent Director and Chairman (Non-Executive) - Board

DIN: 00176393

Pune, May 15, 2024

ANNEXURE - 4 TO THE DIRECTORS' REPORT

Statement of Disclosure of Remuneration

Information as required under Section 197(12) of the Act 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 for the financial year ended March 31, 2024

Name	Designation	Ratio of remuneration to median remuneration of employees	Percentage increase in remuneration
Mr. Ashish Gaikwad*	Managing Director	17.7:1	12.0%
Mr. Pulkit Goyal	Chief Financial Officer	14.6:1	8.01%
Ms. Indu Daryani	Company Secretary	3.2:1	9.0%

* Remuneration does not include long term incentives by Honeywell International Inc.

(b) Remuneration disclosures for Independent Directors for the financial year ended March 31, 2024

(₹ in millions)

Name	Designation	Sitting Fees Paid	Commission Payable	Total Remuneration
Dr. Ganesh Natarajan	Independent Director and Chairman (Non-Executive) - Board	0.64	2.7	3.34
Ms. Neera Saggi	Independent Director	0.76	2.6	3.36

(c) 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 3,096 permanent employees on the rolls of Company as on March 31, 2024.
- There is decrease of 0.9% (including merit and mid-year progressions / adjustments) in the median remuneration of employees, because of 500+ employees joined in FY24 with median salary of ₹ 9.5 lacs Vs company median salary of ₹ 12.57 Lacs in FY 2022-23.
- Average percentage decrease in salaries (including merit and mid-year progressions / adjustments) of employees other than KMPs was 0.8%. The average increase in the remuneration of KMPs was 8.01%.
- The remuneration paid is as per the Remuneration Policy of the Company.

For and on behalf of the Board

Dr. Ganesh Natarajan

Independent Director and Chairman (Non-Executive) - Board

DIN: 00176393

Pune, May 15, 2024

ANNEXURE-5 TO THE DIRECTORS' REPORT

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

[Pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014]

A) Conservation of Energy

The Company continues to make every effort to conserve energy required either through technological upgradation or best operating practices for the facilities. The Company continues to make every effort to conserve energy required either through technological upgradation or best operating practices for the facilities. In order to upgrade and conserve energy, the Company has replaced conventional UPS with energy-efficient modular UPS units enhances system efficiency, resulting in energy savings by 89,570 kWh and cost benefits. This has also resulted in a reduction of 62.07 Mtons of Carbon emissions.

B) Technology Absorption

Starting from January 2024, Hadaspar facility has substantially elevated its green power sourcing through third-party PPA model. This strategic move has significantly boosted green power utilization, to the extend on 80% and can effectively offset 2,339 metric tonnes of carbon footprint annually. During the Financial Year 2023-24, total consumption of green energy amounted to 7.81 Lakhs kWh, representing 20% utilization and resulting in a carbon offset of 541 metric tons.

C) Foreign Exchange Earnings and Outgo

(₹ in millions)

(i)	Foreign exchange earned	16,369.91
(ii)	Foreign exchange outgo	14,758.14

For and on behalf of the Board

Dr. Ganesh Natarajan

Independent Director and Chairman (Non-Executive) – Board

DIN: 00176393

Pune, May 15, 2024

Management Discussion and Analysis

Key Financial Indicators and Performance Highlights for FY 2023-24

	For the year ended		Variation
	31st March 2024	31st March 2023	
Revenue from Operations (₹ in millions)	40,582	34,476	Up 17.7%
Operating Income (%)*	18.0%	18.9%	Down 90 bps
Net Income (%)	12.4%	12.8%	Down 40 bps

* Includes Other Income

INDUSTRY OUTLOOK AND OPPORTUNITIES

The Company's operating results are influenced by domestic and global macroeconomic developments which can have effect on trends such as industrial production, economic growth, capital spending, commercial and infrastructure construction, commodity prices and foreign exchange.

India Economic Overview

India continued its growth trajectory in fiscal year 2023-24 – full year real GDP growth rate is estimated to be 7.3% (Source: IHS). The economy has been resilient despite facing challenges of inflation (5.4%) and tight monetary policy (Source: RBI). The growth has been driven by government's capex investment push and a turnaround in the private investment cycle.

The interim budget announced for fiscal year 2024-25 in February envisions a total spending increase of 6.1% (to ₹4.8 million crore) and capital expenditure rising by 11% (to ₹1.1 million crore). This will keep up the economic expansion rate that was seen over the past few years. The government continues to focus on energy transition as a core policy initiative that is encouraging investments in solar, hydrogen, biofuels and electric mobility projects. The momentum in the private investment recovery is also expected to sustain improved capacity utilization rates and positive business sentiments.

India is also firmly on a digital transformation journey. With data consumption on the rise, cloud adoption accelerating and technology demand soaring higher than ever before, Indian corporations are investing in massive leaps forward to meet this demand. It is expected that India will see a six-fold increase in data centre capacity to 5,100-5,200 MW over next six years, involving investments of ~ ₹0.16 million crore. It will also drive enterprises to adopt digitally enabled innovative business models. (Source: ICRA)

While India is on a steady recovery path, global geopolitical developments, tightening of monetary policies in some countries may result in subdued global demand, impacting Indian exports. Broad supply chain disruptions can continue to cause cost inflationary pressure in future. Domestically, high interest rates and a return to rising consumer price inflation may exert pressure on household spending and corporate investments, leading to a moderation in the pace of overall GDP growth. However, the Company is confident of the strong fundamentals of the Indian economy to achieve growth in the longer term.

Industry Overview

The Company operates in multiple sectors i.e. infrastructure, manufacturing and energy that are directly linked to the sustainable, economic and industrial growth of the country.

- **Infrastructure:** The Indian construction sector is expected to remain steady in the years ahead, driven by build-out of airports, roads, ports, railways, metros, logistics parks, industrial corridors, data centers, cold storage and warehouses. Budget 2024 reinforces focus on infrastructure with capital expenditure raised by 11% to ₹1.1 million crore. Additionally, India's growing population and rising household incomes will continue to propel the demand. Construction capex outlook estimates construction year-on-year growth in 2024 to be 10% - further broken down to 8.9% growth estimate for residential segment, 7.2% for office segment and 15.2% for infrastructure segment. (Source: S&P Global)
- **Manufacturing:** The industrial production grew by 5.7% in 2023, supported by the government's manufacturing incentives and infrastructure investments. The manufacturing sector has emerged as one of the sectors with high growth potential in India. Government's Production Linked Incentive (PLI) scheme has been tremendously successful in boosting investments in the 14 key sectors that it covers, including automobile and auto components, electronics and IT hardware, telecom, pharmaceuticals, solar modules, metals and mining, textiles and apparel, white goods, drones and advanced chemistry cell batteries. The government's policies to support manufacturing intend to make India self-reliant under Aatma Nirbhar Bharat & Make in India programmes and also a global hub for manufacturing. Digitization of the manufacturing operations is also fast becoming one of the key priorities for manufacturers to reap the benefit of improved efficiencies at the same time protecting plant's assets and data safety against physical or cybersecurity threats. Digitization of the Manufacturing operations is

also becoming one of the key priorities to reap benefits of improved efficiencies, at the same time protecting plant's assets and data safety against physical or cybersecurity threats. (Source: S&P Global)

- **Energy:** With increasing population, urbanization and industrialization, India's energy requirement has already more than doubled since 2000 and is expected to increase in the coming years. In the coming three decades, India will see the largest energy demand growth of any country or region in the world. The demand for oil is estimated to go up from 5.2 million barrels per day (bpd) in 2022 to 6.8 million bpd in 2030 and 7.8 million bpd in 2050 (Source: IEA, *World Energy Outlook 2023*). To meet this increased energy requirement, the government is adopting strategies to enhance domestic oil & gas production, shifting to gas based economy and technological upgradation to improve refinery processes. India's refining capacity is expected to grow by 22% by 2028 vs. 2023 level (Source: MoPNG). The government has also taken up development of National Gas Grid and City Gas Distribution networks to provide clean and green fuel to the public.

India's long term energy roadmap is marked by its net zero by 2070 ambition, increased regulatory sophistication, a focus on clean energy deployment, and the creation of domestic clean energy technology supply chains. India's energy mix has been seeing a shift from more conventional energy sources to renewables, in line with the government's aim of achieving 500 GW installed capacity from non-fossil fuel-based capacity, and 5 mtpa green H2 capacity by 2030. (Source: NITI Aayog)

OPERATIONS

The Company has only one segment as per Ind-AS namely "Automation and Control Systems" across various business operations, as stated below:

Honeywell Process Solutions

The Process Solutions business continues to deliver strong performance across all the key financial parameters. We saw a strong traction with many of our strategic customers and EPCs, with our products businesses delivering a robust performance. Our strong engagement in the Life Sciences vertical also helped with significant tailwinds which resulted in certain key wins. The Process Solutions business provides leading technologies from the plant floor to the boardroom as well as comprehensive lifecycle services to ensure more productive and stable operations. We also continued to leverage our wide portfolio of products and solutions that help customers to operate safely, reliably, efficiently, sustainably and achieve profitable operations. We have the expertise and breadth of resources to execute projects of every size and complexity in the oil and gas, refining, pulp and paper, industrial power

generation, chemicals and petrochemicals, biofuels, pharma & life sciences and metals. We continue to expand our reach in various underpenetrated geographies within India through channel partners and OEM engagements. These have helped the Process Solutions business of the Company to deliver a reasonable performance in a challenging environment.

The Process Solutions business will continue to stay focused on its core strategies and aggressively leverage the new growth levers of digitization, sustainability and tailwinds across various industry segments like metals, life sciences, pharmaceuticals and gas etc. The entire business landscape is changing as the country drives make in India, sustainability goals, builds energy security & independence and encourages use of digital solutions. The Company is excited about the opportunities that these industries bring to the business. Apart from the core markets and solutions, the Company is uniquely positioned to drive growth in software solutions such as cyber security. The Company is also enhancing its reach and coverage to serve the renewable energy market with new and innovative solutions. As customers shift their focus to be carbon neutral and environmentally compliant operations, the Company would like to serve these new needs in the industry.

Honeywell Sensing Solutions (Formerly Safety Sensing Technologies)

The Honeywell Sensing Solutions (HSS) distribution business consists of various sensors and switches applied in on key industries like Transportation, Medical & Health Care, and Defense and Aerospace. HSS offers a wide portfolio, which includes pressure switches, airflow sensors, humidity and temperature sensors, oxygen and breath sensors. This helped the business win in healthcare and other industrial verticals. HSS added new product portfolio to leverage mega trend in Electric Vehicles, Green Hydrogen and other new sustainable ideas. With Make in India drive, the Company will continue to access the portfolio for localization opportunities to drive higher penetration of the products. HSS also leveraged its defense and military product portfolio to get into new military programs of government customers.

HSS business did a good job in marketing products for upcoming new verticals and on-time supply to customers by efficient operations management. This business rationalized its portfolio and gave priority to right technologies and future customer demand. To drive higher business growth, the Company took number of initiatives like establishing the application engineering support system in India, consolidation of the business accounts to concentrating on master distributors for improved sales productivity and enabled us to focus on strategic accounts. This business also launched multiple new products that address customer needs in water management, medical equipment, machine safety and healthcare. The local control and higher local

content could further drive up the productivity further and help overcome the supply chain and quality issues.

Honeywell Building Solutions

The Building Solutions business caters to customer needs by providing system integration services that transform buildings into green, efficient, safe and smart using diverse automation and control technologies using its comprehensive suite of solutions. Notably, the unit leverages Honeywell's Enterprise Building Integrator™ (EBI) to deliver these integrated solutions. Building Solutions provides state-of-the-art ground lighting, video analytics software (implemented in various airports across the country) and an extensive suite of after-sales services for various control systems. It also offers comprehensive maintenance plans to ensure optimal upkeep of key infrastructure for their customers.

Increased government funding allocated to the development of critical national infrastructure, including Ports, Railways, Airports, Metro systems, and Safe City initiatives, presents significant growth opportunities. A surge in private investments within large data centers, semiconductor factories, and similar establishments further strengthens this outlook. By capitalizing on our expertise in areas like analytics, energy optimization, software solutions for connected buildings and cybersecurity, Building Solutions business is well-positioned to capitalize on these emerging growth levers.

Building Management Systems

Building Management Systems (BMS) is a leading provider of building automation products and that seamlessly integrates with their specific building automation needs. BMS portfolio offers a comprehensive suite of controllers, field devices, and software solutions, empowering customers to tailor a system. It excels in facilitating the effortless monitoring and management of a building's mechanical, electrical, and electromechanical elements. Our extensive portfolio encompasses solutions for Healthy Buildings and Heating, Ventilation and Air Conditioning (HVAC) applications, catering to a diverse range of verticals across India. These include large, mission-critical facilities in pharmaceutical, healthcare, and government infrastructure (airports, stadiums, metro stations), alongside IT parks, residential complexes, industrial spaces and hospitality sectors.

BMS unit has experienced consistent growth throughout the year and remains committed to its core strategies. This commitment manifests through a focus on commercial excellence levers such as optimized sales deployment, efficient onboarding processes, channel partner excellence, robust pipeline expansion and the introduction of innovative new product offerings. These initiatives ensure continued growth through the leverage of our existing product portfolio.

The business unit is actively targeting high-growth verticals like Healthcare, Data centers and Government infrastructure. We are fostering this expansion through exciting new initiatives such as Connected Buildings and upcoming product launches, coupled with a strategic enhancement of our market reach. These efforts solidify our position in a rapidly evolving market.

Exports

The exports business focuses on Engineering Services, Contract Manufacturing & Projects across Company's line of businesses for Honeywell affiliates.

Engineering Services business fosters engineering across verticals market in the Process Automation and Building Automation businesses by providing various engineering services. It provides basic and detailed engineering, application software development, project management services, solution consulting, site commissioning for Projects, Life Cycle Services, Connected Process and Building Solutions of Honeywell. This division delivers projects efficiently by leveraging competence, economy of scale, etc. and improving the productivity and cost competitiveness for several Honeywell business units and regional affiliates. For Process Solutions, it serves in several core verticals like oil & gas, refinery & petrochemical, power, minerals, mining, & metals, etc. and new areas like life sciences, energy management and storage, etc. For Building Solutions, it provides services for airports, data centers, commercial and residential buildings, etc.

As a contract manufacturer, this business focuses on delivering high quality products and project solutions right and fast to India and the global market through Built-In Quality and Continuous Improvement processes under the Honeywell Accelerator framework. The Company continues to invest in new product initiatives, meaningful automation, capacity enhancement and localization to be cost competitive and improve deliveries. The Company maintains high HSE standards, robust control environment and continuous improvement culture. Under project solutions we deliver turn-key contract of automation and control solutions for industrial applications, primarily batch and continuous processes. Its competitiveness allows Process Solutions to grow globally, especially in highly competitive nations and large-scale programs in the EMEA and APAC regions. This division serves as a Center of Excellence for end-to-end project execution for global projects involving Process Solutions systems, safety and environmental controls, industrial security system, software application engineering, advanced software applications. Offerings from this business address the requirements of industries, such as oil & gas, refining, power production, water, and chemicals & life sciences.

Sustainability Portfolio

The Company has a number of products and solutions to support the ambitious goal of the country in energy transition and sustainability as follows:

- (a) Battery Energy Storage Systems (BESS), which store electric energy using renewable sources (i.e. solar or wind) and functions as operating reserves that constantly work to manage frequency fluctuations on the grid, charging up during off-peak times and discharging when energy demand and electricity costs increase.
- (b) The Company has innovative control technology for the automation of compressed biogas, compressor systems, distribution and special applications which offer odorization, station automation, smart metering and software visualization for pressure, quantity and measurements.
- (c) Our process automation and controls portfolio also provides a complete package for hydrogen production as well as 1G/2G ethanol production. It offers innovative software applications that manage, monitor and control operations for maximum efficiency and minimum cost of production.
- (d) Company also offers a suite of sensor offerings for enhanced safety in EV batteries and energy storage systems to offer the best combination of performance and reliability. Honeywell's battery-current sensing devices provide high accuracy readings with low temperature drift to the Battery Management System for electrical management protection and state of charge monitoring.
- (e) Honeywell's automation and process safety solutions are used in in Gigafactories, helping the operators to run safe operations and also optimize use of energy and minimize waste, helping to increase battery production.
- (f) Company's Intelligent Building Optimization helps building owners and operators meet two pressing yet often conflicting objectives: reduce the environmental impact of buildings to meet their carbon neutrality goals while optimizing indoor air quality to support occupant well-being.

Leadership and Talent

The Company believes in the immense potential of its human capital and continues to invest in technical and leadership capabilities as key enablers for business growth. The Company leverages processes that have been the cornerstone of its growth. These include Honeywell Performance Development and Management Resource Review. These foundational

processes enable careful and continual review of leadership talent within the organization, while promoting meritocracy, clarity in goals, providing structured feedback, development planning, Individual Development Plan (IDP) and proactive succession planning for all key positions across the organization.

As part of our evolved **Honeywell Behaviors** (ACT WITH), talent development continues to be a strategic priority for us as we work to develop and retain our dedicated employees. Career advancement and development opportunities continue to fuel retention and engagement. We ask managers and employees prioritize career advancement and development conversations and these important conversations provide an avenue for employees and their managers to discuss IDP's, resulting in tangible action plans to accelerate readiness for future career progression. We have witnessed first-hand positive impact that a quality development plan can have on driving success in an employee's current role and accelerating their readiness for future roles. Developing leadership capability in employees is a key expectation of every business leader and the Company actively promotes internal movements for career growth. Development plans help focus on capability building and skills development to enable leaders to take up larger roles. The HPD process ensures that there is a consistent framework to assess our employees on goals and behaviors, creating opportunities for objective feedback and discussions on development plans.

As on 31st March 2024, the Company's employee strength was 3,096 as compared to 2,956 (full-time employees) as on 31st March 2023.

Employee Health & Safety

At Honeywell, the health and well-being of our employees are paramount priorities. A healthy workforce is productive, and we are committed to providing a safe and supportive work environment that promotes physical, mental and emotional well-being.

Throughout the past year, we have implemented various initiatives and programs to support our employees in maintaining and improving their health. The key highlights includes:

- **Health and Wellness Programs:** We offer a range of health and wellness programs, such as nutrition workshops and mental health awareness sessions. These programs are designed to empower employees to make positive lifestyle choices and take control of their health. Our company gym provides access to fitness equipment and exercise classes, ensuring employees have the resources to stay active and fit.

- **Ergonomic Assessments and Support:** We conduct ergonomic assessments to ensure employees have a proper workstation and equipment to support their physical well-being and prevent musculoskeletal injuries. We also provide personalised ergonomic training and help implement ergonomic solutions tailored to each employee.

We prioritize workplace safety and adhere to strict health and safety protocols to protect our employees from work-related hazards and risks. Regular safety training sessions and awareness campaigns ensure employees are well-informed and equipped to manage emergencies. By fostering a culture of care, support and safety, we are fulfilling our responsibility to our employees and driving sustainable business growth and success.

FINANCIALS

Overall revenue from operations was ₹40,582 million registering a 17.7% growth as compared to the previous year. The domestic segment registered revenue of ₹24,178 million for the current year as compared to ₹20,054 million in the previous year, registering a 20.6% growth. Revenue from exports was ₹16,370 million as against ₹14,265 million in the previous year, registering a growth of 14.8%. The New Orders base increased by 10.8% YoY.

Overall profit after tax was ₹5,014 million. The Company delivered a return of 12.4% on sales for the year (previous year: 12.8%). Cost of goods sold was 57.0% of sales (previous year: 53.2%).

Net cash flow from operations was ₹4,387 million, as compared to ₹4,099 million in the previous year representing 87.5% of net profit (previous year: 93.6%). The Company will continue to focus on working capital performance and positive operating cash flows.

Related party transactions for the financial year ending 31st March 2024 are in accordance with the provisions of Section 188 of the Act and Regulation 23 of the SEBI Listing Regulations, 2015.

RISKS AND CONCERNS

The Company generates a good percentage of its sales and profits from both direct customers and its business with Honeywell affiliates (including the ultimate holding company). The Company's ability to maintain or grow revenue & profits with both external customers and Honeywell affiliates depends upon performance factors like:

- Identify emerging trends and customer requirements and develop product & service offerings superior to those of its competitors.

- Meet or surpass the price, quality and delivery requirements of Honeywell affiliates and its end-customers in a cost-effective and competitive manner.

- Develop and retain employees and leaders with the necessary expertise.

- Honeywell-specific business considerations (independent of its shareholdings in the Company), including changes in Honeywell's strategies regarding utilization of alternative opportunities to globally source products and services currently provided by the Company (including from alternative sources that Honeywell affiliates may acquire or develop), the level and/or mix of Honeywell's business with the Company.

- An overall competitive landscape, pricing pressures on sale of goods and services to Honeywell, or a reduction in the volume or change in the mix of orders or sales to Honeywell.

In addition, major macro and micro economic factors pose some risks to business despite Company's diversified products & services for varied industries as follows:

- **Geopolitical risks:** The ongoing Russia-Ukraine war and the tensions in the Middle East will continue to have an impact on the global economy and supply chains, leading to higher trading and logistics costs.
- **High oil import bill:** India's net oil and gas imports in value terms for April-January of fiscal year 2023-24 declined by nearly a fifth on a year-on-year basis to \$101.3 billion due to relatively lower prices of crude oil, natural gas and petroleum products in the international market. However, India's strong dependence on crude oil imports subjects it to a range of international demand and supply factors that have an influence on the crude oil prices. (*Source: MoPNG*)
- **Global economy:** Owing to an elevated risk of capital outflows, India's economy remains vulnerable to global financial tightening. Slowing global demand would weigh on growth via reduced exports and foreign capital inflows.
- **Forex rate fluctuations:** The Indian rupee has been stable over the past six months, in response to a combination of shifting expectations for the US Federal Reserve's policy direction and interventions by the Reserve Bank of India. However, the rupee remains vulnerable to external factors such as financial market volatility and elevated sovereign bond yields in advanced economies and domestic factors such as current-account and fiscal deficits and high public

debt. The company normally has a reasonable natural hedge position given a healthy mix of Export business.

- **Global supply chain disruptions and energy price shocks:** Supply chain disruptions can impact the industrial output. High energy costs may squeeze corporate profit margins and add to already high consumer price inflation, subsequently suppressing demand and delaying investments, resulting in slower than anticipated GDP growth.
- **Competition:** The Company is witnessing an overall increasingly competitive landscape and pricing pressures on sale of goods and services in both domestic and exports segments, which can impact the revenue and profits of the Company.

INTERNAL CONTROLS

The Company has established adequate internal control procedures commensurate with the nature of its business and size of its operations. The internal control process of the Company has been effective and provides reasonable assurance on reliability of financial information, compliances with laws and regulations in-force and standard operating procedures. It ensures documentation and evaluation of entity-level controls through existing policies and procedures, primarily to identify significant gaps and define key actions for improvement. The Company has continued its efforts to align all its processes and controls with global best practices. We believe that our system of internal controls provides reasonable assurance regarding the reliability of financial reporting and the effectiveness and efficiency of operations. We remain committed to continuously evaluating and enhancing our internal control framework to adapt to evolving risks and business requirements.

In addition to external audits, the financial and operating controls of the Company are reviewed regularly by the internal audit team as per the annual plan approved by the Audit Committee. Audit observations and follow-up actions thereon are tracked for resolution by the Company and reported to the Audit Committee.

The Audit Committee regularly reviews the audit plans, significant audit findings, adequacy of internal controls, compliance with accounting standards as well as reasons for changes in accounting policies and practices, if any.

The Company's Code of Conduct sets out the fundamental standards to be followed by employees in all of the business dealings and day-to-day operations. The code provides guidance around financial reporting, ethical conduct, regulatory compliance, conflicts of interest's review and reporting of concerns.

The Company also has a robust Integrity and Compliance program, in which 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 workplace, 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. The Company also has a formal process to receive and address incidents related to business conduct lodged by employees and other stakeholders.

SUMMARY

The Company's mix of exports revenue decreased as compared to the previous period. Overall revenue improved 17.7%. Net income was 12.4% of sales as compared to 12.8% in the previous year. Increased competitive environment in both domestic and exports segments, supply chain disruptions and inflation continue to be a challenge. The risks and concerns as mentioned above are being addressed through concerted efforts on operational excellence, driving productivity and cost rationalization. The Company is continuously driving new productivity initiatives to remain committed to the journey of profitable growth.

Details of various key ratios have been presented in the "Performance Highlights" section. Please note that the interest coverage ratio and debt equity ratio is not applicable to the Company as there is no debt.

Corporate Governance Report

1. The Company's Philosophy on Code of Governance

The Company is committed to good corporate governance practices, aimed at increasing value for all stakeholders. The Company follows the Code of Corporate Governance in letter and in spirit to ensure transparency, accountability and integrity.

2. Board of Directors ("Board")

The Board comprises of a total of six Directors, out of which two are Independent Non-Executive Directors (including a Woman Director), a Managing Director and three Non-Independent Non-Executive Directors. The Chairman of the Board is an Independent Non-Executive Director.

The Board has an optimum combination of Executive and Non-executive Directors, which is in conformity with the requirements of Regulation 17 of the SEBI Listing Regulations. All Directors, other than the Independent Non-Executive Directors and Additional Directors, are liable to retirement by rotation. The composition of the Board and of the various committees of the Board have been disclosed on the Company's website at <https://www.honeywell.com/in/en/hail#board-of-directors>.

Details of composition of the Board, category of Directors, attendance of each Director at the Board Meetings held during FY 2023-24 and at the last AGM, number of other Boards or committees in which a director is a member or chairperson as on March 31, 2024 are as under:

DIN	Name	Category	No. of Board Meetings attended during FY 2023-24	Attendance at the last AGM held on August 10, 2023	No. of Directorship in other Public Limited Companies [#]	No. of committee positions held in other public companies ^{\$}	
						Chairperson	Member
00176393	Dr. Ganesh Natarajan	Independent Non-Executive Chairman -Board	4/4	Yes	3	1	3
00501029	Ms. Neera Saggi [@]	Independent Non-Executive	4/4	Yes	4	1	4
07585079	Mr. Ashish Gaikwad	Non-Independent Executive Managing Director	4/4	Yes	Nil	Nil	Nil
02704506	Mr. Atul Pai	Non-Independent Non-Executive	4/4	Yes	Nil	Nil	Nil
07680512	Mr. Ashish Modi	Non-Independent Non-Executive	** 3/4	Yes	Nil	Nil	Nil
02331771	Ms. Nisha Gupta [*]	Non-Independent Non-Executive	** 0/1	NA	NA	NA	NA
06759691	Mr. Brain Rudick [^]	Non-Independent Non-Executive	3/3	Yes	Nil	Nil	Nil

[#] Excludes Directorships/Chairpersonships in private limited companies, foreign companies, companies registered under Section 8 of the Act, Government Bodies and Alternate Directorships, if any.

^{\$} Represents Chairpersonships/Memberships of Audit and Stakeholders Relationship Committees in all public limited companies as required under Regulation 26(1)(b) of the SEBI Listing Regulations.

[@] Completion of first term as an Independent Director on Feb 3, 2024. Reappointed for the second consecutive term for a period of 3 years w.e.f. Feb 4, 2024 upto Feb 3, 2027 (both days inclusive).

^{*} Appointed as a Director with effect from March 1, 2023 and resigned as a Director from the closure of business hours of August 9, 2023.

[^] Appointed as a Director with effect from August 10, 2023.

^{**} Leave of absence was granted.

As on March 31, 2024, the Independent Directors of the Company also hold directorship in the following listed entities:

1. Ms. Neera Saggi: GE T&D India Limited, KEC International Limited and Adani Green Energy Limited (as Non-Executive, Independent Director).

2. Dr. Ganesh Natarajan: Hinduja Global Solutions Limited and Cinerad Communications Limited (as Non-Executive, Independent Director).

None of the Directors on the Board is a Member of more than 10 Committees and Chairman of more than 5 Committees

across companies in which he/she is a Director (computed in accordance with Regulation 26 of the Listing Regulations). All the Directors have made the requisite disclosures regarding Committee positions occupied by them in other companies.

Mr. Ashish Gaikwad (DIN: 07585079), Managing Director, holds 200 equity shares in the Company. None of the other Directors hold any equity shares in the Company.

There is no relationship between the Directors *inter-se*.

The Independent Directors have given a certificate of independence to the Board. Pursuant to the aforementioned certificate, all the Independent Directors satisfy the criteria of Independence as defined under the Act and the SEBI Listing Regulations. Further, the Board of Directors are of the opinion that Independent Directors fulfill the conditions specified in the Act and the SEBI Listing Regulations and are independent of the management.

The Company familiarises its Independent Directors pursuant to the requirements of the SEBI Listing Regulations with their roles, rights, responsibility in the Company, nature of the industry in which the Company operates and business model of the Company. The details of familiarisation programmes imparted to the Independent Directors of the Company during the Financial Year 2023-24 are available on the website of the Company at <https://www.honeywell.com/in/en/hail#board-of-directors>.

The terms and conditions for appointment/re-appointment of Independent Directors are available on the website of the Company at <https://www.honeywell.com/in/en/hail#board-of-directors>.

During FY 2023-24, the Board met four times on (i) May 17, 2023, (ii) August 10, 2023, (iii) November 6, 2023 and (iv) February 8, 2024. The maximum interval between any two consecutive meetings did not exceed one hundred and twenty days.

The required information, including information as enumerated in Regulation 17(7) read together with Part A of Schedule II of the SEBI Listing Regulations is made available to the Board of Directors, for discussion and consideration at the Board Meetings. The requisite quorum was present for all Board meetings.

The Board comprises of qualified members who bring in the required skills, expertise and attributes that helps them to make effective contribution to the Board and its Committees. The NRC ensures selection of Board members based on diversified skills and expertise which helps the Company to be compliant and maintain high standards of Corporate Governance. The expertise of the Company's Board members is highlighted below. These skills/competencies are broad-based, encompassing several areas of expertise/ experience. Each Director may possess varied combinations of skills/ experience within the described set of parameters.

Skills / Expertise / Competencies	Definition	Dr. Ganesh Natarajan	Ms. Neera Saggi	Mr. Ashish Gaikwad	Mr. Ashish Modi	Mr. Atul Pai	Ms. Nisha Gupta*	Mr. Brian Rudick^
Industry Knowledge	Experience or exposure of Indian business environment specifically key markets and industries served by the Company.	✓	✓	✓	✓	✓	✓	✓
Board Governance	Experience of Indian/ Multinational Boards and in corporate governance and protecting stakeholder interests.	✓	✓	✓	✓	✓	✓	✓
Financials	Understanding essentials of financial and operating performance, its relevance and importance and the ability to work with subject matter experts to get more insights.	✓	✓	✓	✓	✓	✓	✓
Strategy	Appreciate the key Company strategies to improve market share & profitability and guide business leaders in execution.	✓	✓	✓	✓	✓	✓	✓
Leadership	Be able to support management in leadership development.	✓	✓	✓	✓	✓	✓	✓

* Appointed as a Director with effect from March 1, 2023 and resigned as a Director from the closure of business hours of August 9, 2023.

^ Appointed as a Director with effect from August 10, 2023.

3. Audit Committee

Terms of Reference

The Audit Committee of the Company is constituted in line with the requirements of Section 177 of the Act and Regulation 18 of the SEBI Listing Regulations. The terms of reference of the Company's Audit Committee *inter-alia* 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:
 - a. matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section (3) of Section 134 of the Act;
 - b. changes, if any, in accounting policies and practices and reasons for the same;
 - c. major accounting entries involving estimates based on the exercise of judgment by Management;
 - d. significant adjustments made in the financial statements arising out of audit findings;
 - e. compliance with listing and other legal requirements relating to Financial Statements;
 - f. disclosure of any Related Party Transactions;
 - g. 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 utilised 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 issue or rights issue or preferential issue or qualified institutions placement, 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 Company, 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 internal control systems;
- reviewing the adequacy of the 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 on any significant findings and follow-up thereon;
- 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 whistleblower 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;

- reviewing the utilisation of loans and/or advances from/investment by the holding company in the subsidiary exceeding ₹100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments; and
- consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders.

The Audit Committee shall mandatorily review the following information:

- management discussion and analysis of financial condition and results of operations;
- management letter/letters of internal control weaknesses issued by the statutory auditors;
- internal audit reports relating to internal control weaknesses;
- the appointment, removal and terms of remuneration of the Head-Internal Audit and
- statement of deviations:
 - quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations.
 - annual statement of funds utilized for purposes other than those stated in the Offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI Listing Regulations.

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

The Audit Committee comprises of three members, all being Non-Executive Directors, out of which two/third are Independent Directors. The members of the Audit Committee have relevant experience in the field of financial reporting and accounting. The Chairman of the Audit Committee is an Independent Non-executive Director.

During FY 2023-24, the Audit Committee met four times on (i) May 17, 2023, (ii) August 10, 2023, (iii) November 6, 2023 and (iv) February 8, 2024. The maximum interval between any two consecutive Audit Committee meetings did not exceed one hundred and twenty days.

The composition of the Audit Committee as on March 31, 2024 and the attendance of members at the aforesaid meetings are as under:

Name	Committee Designation, Nature of Directorship	FY 2023-24	
		Meetings held	Meetings attended
Dr. Ganesh Natarajan	Chairman, Independent Director	4	4
Ms. Neera Saggi	Member, Independent Director	4	4
Mr. Atul Pai	Member, Non-Executive Director	4	4

The Company Secretary acts as the Secretary to the Committee. The Managing Director, Chief Financial Officer, Head-Internal Audit and the representative(s) of the Statutory Auditors are invited to the meetings of the Audit Committee.

The Chairman of the Audit Committee was present at the 39th AGM of the Company held on August 10, 2023.

4. Nomination and Remuneration Committee ("NRC")

Terms of Reference

The NRC of the Company is constituted in line with the requirements of Section 178 of the Act and Regulation 19 of the SEBI Listing Regulations. The broad terms of reference of the Company's NRC *inter-alia* are as follows:

- formulation of 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;
- for every appointment of an Independent Director, the NRC shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an Independent Director. The person recommended to the Board for appointment as an Independent Director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - use the services of an external agencies, if required;
 - consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - consider the time commitments of the candidates.

- formulation of 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; and
- reviewing and recommending to the Board, all remuneration, in whatever form, payable to Managing Director, Key Managerial Personnel and Senior Management Personnel.

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

The NRC comprises of three members, all being Non-Executive Directors, out of which two are Independent Directors. The Chairperson of the NRC is an Independent Non-Executive Director.

During FY 2023-24, the NRC met three times on (i) May 17, 2023, (ii) November 6, 2023 and (iii) February 8, 2024.

The composition of the NRC and the attendance of members at the aforesaid meetings are as under:

Name	Committee Designation, Nature of Directorship	FY 2023-24	
		Meetings held	Meetings attended
Ms. Neera Saggi	Chairperson, Independent Director	3	3
Dr. Ganesh Natarajan	Member, Independent Director	3	3
Ms. Nisha Gupta [#]	Member, Non-Executive Director	NA	NA
Mr. Ashish Modi [^]	Member, Non-Executive Director	3	2*

[#] Ceased to be a member effective May 9, 2023.

[^] Appointed as a member effective May 9, 2023.

* Leave of absence was granted

The Chairperson of the NRC was present at the 39th AGM of the Company held on August 10, 2023.

Annual Evaluation of Board, Committees and Directors

Considering the Performance Evaluation Guidelines prescribed under the Act and the SEBI Listing Regulations,

the NRC and the Board approved the framework for evaluating the performance, on an annual basis, of the Board, its committees and each director including the Chairman of the Board.

The Board has undertaken an evaluation of its own performance, the performance of its committees and of all the individual Directors including Independent Directors and the Chairman of the Board of Directors based on various parameters relating to attendance, roles, responsibilities and obligations of the Board, effectiveness of its functioning, contribution of Directors at meetings and the functioning of its committees. The results of such evaluation were presented to the NRC and the Board at its respective meetings held on February 8, 2024.

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 Section 198 of the Act. 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 sitting fees are paid for each Board, Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders' Relationship Committee and Risk Management Committee attended the Independent Directors, as mentioned below:

Type of Meeting	Sitting fees per meeting (₹)
Board	60,000
Audit Committee	50,000
Other Committees	40,000

The Non-Executive Non-Independent Directors 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), commission (a variable component), and long-term incentives (comprising of performance plan, stock options, restricted stock units of the Ultimate Holding Company. Salary is paid within the range approved by shareholders. The Board approves the annual increments (effective April 1 of each year) on the recommendation of the NRC.

The Board fixes a ceiling on perquisites and allowances as a percentage of salary. The commission is calculated with reference to the net profit of the Company in a particular financial year and is determined by the Board at the end of the financial year, based on the recommendation of the NRC, subject to the overall ceiling as stipulated in the Act.

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

of the financial year, based on the recommendation of the NRC, subject to the overall ceiling as stipulated in the Act.

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

Although the Company does not have stock option scheme for its own shares, some of its employees, including the Managing Director, are granted stock options and restricted stock units of the Ultimate Holding Company, namely Honeywell International Inc.

The details of Remuneration paid to Directors for FY 2023-24 for attending the Board meetings and various Board constituted Committee Meetings are as under:

Non-Executive Directors

(₹ in millions)

Name of Director	Sitting Fees Paid	Commission Payable	Shareholding (No. of shares)
Dr. Ganesh Natarajan (Independent)	0.64	2.7	NIL
Ms. Neera Saggi (Independent)	0.76	2.6	NIL
Mr. Atul Pai	-	-	NIL
Mr. Ashish Modi	-	-	NIL
Ms. Nisha Gupta*	-	-	NIL
Mr. Brain Rudick^	-	-	NIL

*Resigned as a Director from the closure of business hours of August 9, 2023.

^Appointed as a Director with effect from August 10, 2023.

Managing Director

(₹ in millions)

Name	Salary, perquisites, allowances & Incentive Compensation Plan for FY 2023-24	Others (non-taxable allowances, retirement and other long-term incentives)	Stock Options*	Total
Mr. Ashish Gaikwad	38.96	7.57	17.21	63.74

* Stock options include restricted stock units and stock options granted by the Ultimate Holding Company, Honeywell International Inc.

Period of contract of Managing Director: 5 years from October 1, 2021 (2nd Term)

(Mr. Ashish Gaikwad) 5 years from October 1, 2016 (1st Term)

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

Severance fees - as per the policy of the Company as applicable to all employees from time to time.

Senior Management

Details of Senior Management Personnel(s) as on the date of this Report are as follows:

Name	Function
Ashish Gaikwad	Managing Director
Pulkit Goyal	Chief Financial Officer
Indu Daryani	Company Secretary
Madhavi Bhalerao	Internal Audit

Name	Function
Maresh Joshi	Human Resources
Anant Tewari	Business Management (HBS)
Shreeharsha Karve	Procurement
Deepak Goyal	Information Technology
Girish Shastri	Global Engineering Services

During the reporting period, (i) Mr. Dipankar Routray, Director Global Engineering Services and (ii) Mr. Anindya Majumdar, General Counsel, ceased to be SMP of the Company.

5. Stakeholders' Relationship Committee ("SRC")

Terms of Reference

The SRC of the Company is constituted in accordance with Section 178 of the Act and Regulation 20 of the SEBI Listing Regulations. The broad terms of reference of the Company's SRC *inter-alia* are as follows:

- resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings;
- review of measures taken for effective exercise of voting rights by shareholders;
- review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent; and
- review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

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

The comprises of three members. The Chairman of the SRC is a Non-executive Director.

During FY 2023-24, the Stakeholders' Relationship Committee met twice on (i) May 17, 2023 and (ii) February 8, 2024.

The composition of the SRC as on March 31, 2024 and the attendance of members at the aforesaid meetings are as under:

Name	Committee Designation, Nature of Directorship	FY 2023-24	
		Meetings held	Meetings attended
Ms. Nisha Gupta [#]	Chairperson, Non-Executive Director	NA	NA
Mr. Ashish Modi [^]	Chairman, Non-Executive Director	2	1*
Dr. Ganesh Natarajan	Member, Independent Director	2	2
Mr. Ashish Gaikwad	Member, Managing Director	2	2

* Leave of absence was granted.

[#] Ceased to be Chairperson as also member effective May 9, 2023.

[^] Appointed as Chairman and member effective May 9, 2023.

Ms. Indu Daryani, Company Secretary is the Compliance Officer pursuant to the requirements of the SEBI Listing Regulations.

Details of Investor Complaints:

Investor Complaints	Number
Number of pending complaints as on April 1, 2023	0
Number of shareholders' complaints received during year ended March 31, 2024	12
Number of complaints resolved during year ended March 31, 2024	12
Number of pending complaints as on March 31, 2024	0

6. Risk Management Committee ("RMC")

The RMC of the Company is constituted, with the terms of reference as stipulated under Regulation 21 of the SEBI Listing Regulations.

During FY 2023-24, the RMC met thrice on (i) May 17, 2023, (ii) November 6, 2023 and (iii) February 8, 2024.

The composition of the RMC as on March 31, 2024 and the attendance of members at the aforesaid meetings are as under:

Name	Committee Designation, Nature of Directorship	FY 2023-24	
		Meetings held	Meetings attended
Mr. Ashish Gaikwad	Chairman, Managing Director	3	3
Ms. Neera Saggi	Member, Independent Director	3	3
Mr. Ashish Modi	Member, Non-Executive Director	3	2*
Mr. Atul Pai	Member, Non-Executive Director	3	3
Mr. Pulkit Goyal	Member, Chief Financial Officer	3	3

* Leave of absence was granted.

7. Corporate Social Responsibility ("CSR") Committee

The CSR Committee of the Company is constituted pursuant to Section 135 of the Act.

During FY 2023-24, the CSR Committee met twice on (i) May 17, 2023 and (ii) February 8, 2024.

The composition of the CSR Committee as on March 31, 2024 and the attendance of members at the aforesaid meetings are as under:

Name	Committee Designation, Nature of Directorship	FY 2023-24	
		Meetings held	Meetings attended
Ms. Nisha Gupta [#]	Chairperson, Non-Executive Director	NA	NA
Mr. Atul Pai [^]	Chairman, Non-Executive Director	2	2
Ms. Neera Saggi	Member, Independent Director	2	2
Mr. Ashish Modi	Member, Non-Executive Director	2	1*

* Leave of absence was granted.

[#] Ceased to be Chairperson as also member effective May 9, 2023.

[^] Appointed as Chairman and member effective May 9, 2023.

8. Separate Meeting of Independent Directors

A separate meeting of Independent Directors was held on February 8, 2024, without the presence of Non-Executive Directors, Managing Director and the Management, pursuant to the provisions of the Act and the SEBI Listing Regulations.

9. Managing Director (MD) and Chief Financial Officer (CFO) certification

Certification from the MD and CFO as required under Regulation 17 read with Part B of Schedule II to the SEBI Listing Regulations forms part of the Corporate Governance Report.

10. General Body Meetings

Location and time, where last three AGMs held:

For FY	Meeting and Venue	Day, Date and Time (IST)	Details of Special Resolutions passed
2022-23	39 th AGM held via Video Conferencing	Thursday, August 10, 2023 at 4:00 p.m.(IST)	NIL
2021-22	38 th AGM held via Video Conferencing	Wednesday, August 17, 2022 at 4:00 p.m. (IST)	NIL
2020-21	37 th AGM held via Video Conferencing	Wednesday, August 18, 2021 at 4:00 p.m. (IST)	NIL

Details of Special Resolution passed by Postal Ballot during FY 2023-24:

- **Particulars of Resolution:** Special Resolution for re-appointment of Ms. Neera Saggi (DIN: 00501029) as an Independent Director of the Company, not liable to retirement by rotation, to hold office for a second term of 3 (three) consecutive years on the Board of the Company commencing from February 4, 2024 up to February 3, 2027 (both days inclusive).
- **Person who conducted the postal ballot exercise:** The Board had appointed Ms. Amruta Rajashri (Membership No. 8957 and CP No. 10411), Partner at Bokil Punde and Associates, Practicing Company Secretaries, to act as the Scrutinizer, for conducting the postal ballot process, in a fair and transparent manner.
- **Procedure adopted for Postal Ballot:** Notice of Postal Ballot dated October 4, 2023, along with the Statement pursuant to the applicable provisions of the Act read with the SEBI Listing Regulations, seeking approval of the Members of the Company *inter-alia* on the aforesaid Resolution was emailed to shareholders on Oct 6, 2023. Details of remote e-voting are as under:

Sr. No.	Particulars	Details
1	Date of Postal Ballot Notice	Wednesday, October 4, 2023
2	Cut-off date	Saturday, September 30, 2023
3	Voting Start day, date and time	Sunday, October 8, 2023 at 9:00 a.m. (IST)
4	Voting End day, date and time	Monday, November 6, 2023 at 5:00 p.m. (IST)

Based on the report of the Scrutinizer, we hereby inform that the Members of the Company have duly passed the above Resolution with requisite majority.

11. Means of Communication

The quarterly/half-yearly/annual financial results were published in The Business Standard (English daily) and Loksatta (Marathi daily) for the Financial Year 2023-24.

The financial results and the official news releases are also placed on the Company's website at: <https://www.honeywell.com/in/en/hail>

The Company has a dedicated email ID: HAIL.InvestorServices@Honeywell.com for providing necessary information to investors.

The presentation made to institutional investors or to the analysts (i.e. made at the last AGM) and other information, as applicable, is uploaded on the Company's website pursuant to Regulation 46 of the SEBI Listing Regulations.

12. General Shareholder Information

AGM - date, time and venue; Dividend Payment Date

Please refer the Notice of 40th AGM forming part of this Annual Report for details on the day, date, time and mode of the AGM; dates of closure of Register of Members and share transfer books, Record Date and Dividend Payment.

Financial Year

The Company's financial year is from April 1 – March 31.

Listing on Stock Exchanges

The Equity Shares of the Company are listed on the following Stock Exchanges in India, having nationwide trading terminals:

- **BSE Limited**, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001

- **The National Stock Exchange of India Limited,**
Exchange Plaza, Bandra Kurla Complex, Mumbai 400
051

Stock Code/Symbol

- BSE: 517174
- NSE: HONAUT
- ISIN in NSDL and CDSL: INE671A01010

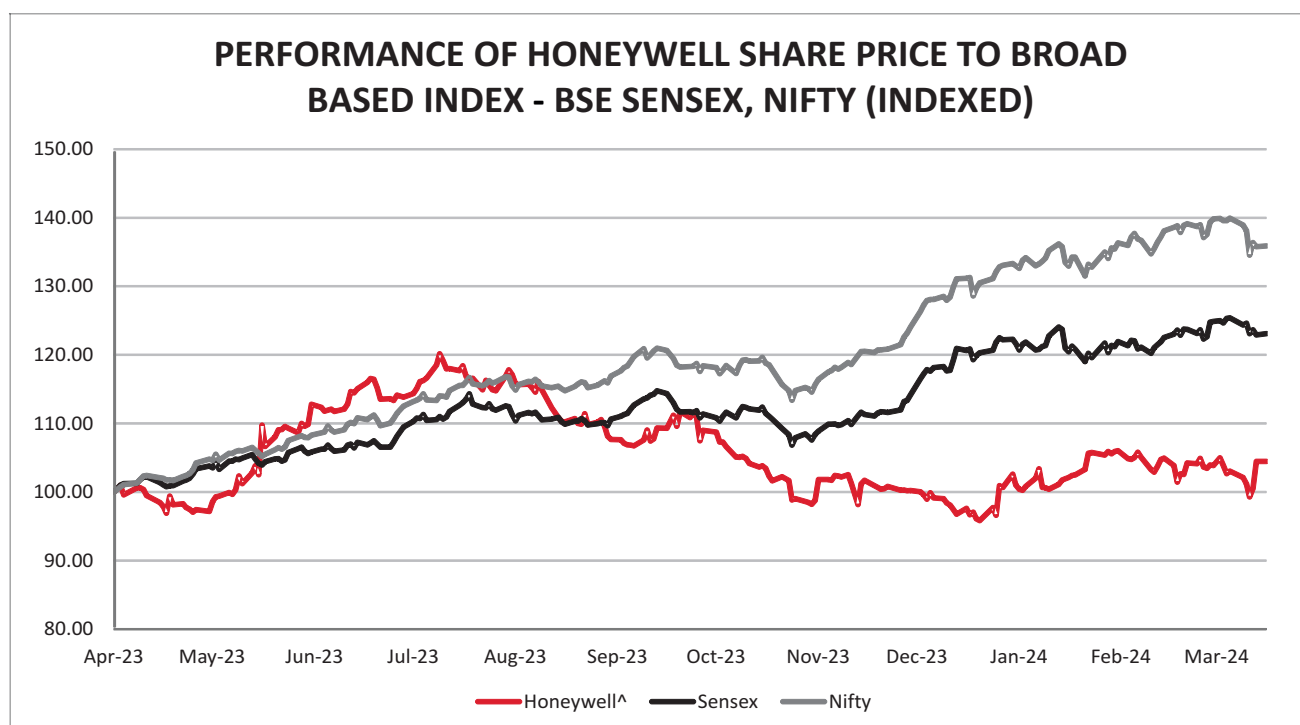
The Company has paid listing fees for the Financial Year 2023-24 to the aforesaid Stock Exchanges.

Company's Market Price Data & performance in comparison to broad-based indices

The closing Market Price of the Company's Equity Shares traded on BSE and NSE during each month in the last financial year, are as follows:

Particulars	Company's Closing Market Price				BSE Index	Closing Share Price	NSE	Closing Share Price
	BSE		NSE		(Sensex)	BSE (₹)	(S&P Nifty)	NSE (₹)
	High (₹)	Low (₹)	High (₹)	Low (₹)				
April 2023	37,076.65	34,619.05	37,194.95	34,649.15	61,112.44	35,644.55	15,219.55	35,595.40
May 2023	41,250.00	35,514.15	41,258.80	35,500.00	62,622.24	40,095.05	15,766.40	40,054.60
June 2023	42,750.00	39,970.00	42,825.00	39,943.95	64,718.56	41,646.70	16,430.00	41,679.05
July 2023	44,100.00	41,611.10	44,150.00	41,626.05	66,527.67	42,779.35	17,059.00	42,992.95
August 2023	43,534.40	39,500.00	43,499.00	39,369.65	64,831.41	39,563.00	16,924.30	39,643.70
September 2023	41,130.20	38,699.00	41,150.05	38,651.00	65,828.41	39,876.25	17,292.60	39,853.75
October 2023	40,044.00	35,902.10	39,990.00	35,920.05	63,874.93	36,032.15	16,801.10	35,997.50
November 2023	37,786.00	35,322.00	37,699.95	35,724.00	66,988.44	36,653.60	17,987.95	36,653.45
December 2023	37,250.00	34,990.00	37,300.00	34,977.70	72,240.26	36,825.85	19,429.15	36,847.00
January 2024	38,999.50	36,089.35	39,008.55	36,500.05	71,752.11	38,620.15	19,802.10	38,687.50
February 2024	40,150.00	36,850.00	40,165.90	36,866.10	72,500.30	37,857.00	20,090.05	37,930.65
March 2024	39,097.50	36,238.35	39,050.00	36,271.00	73,651.35	38,650.90	20,255.15	38,687.25

The movement of the closing Market Price of the Company's Equity Shares traded on BSE and NSE as compared to the respective indices, is depicted below:



The securities of the Company were not suspended from trading by any of the stock exchanges during the year under Report.

Distribution of Shareholding as on March 31, 2024, is tabulated as under:

Shares Range	No. of Share holders	% of Total Shareholders	Total Shares for the range	% of Capital
1 to 500	33,962	99.27	6,05,794	6.85
501 to 1,000	96	0.28	70,036	0.79
1,001 to 2,000	54	0.16	78,798	0.89
2,001 to 3,000	11	0.03	27,434	0.31
3,001 to 4,000	16	0.05	55,188	0.62
4,001 to 5,000	13	0.04	57,569	0.65
5,001 to 10,000	19	0.06	1,38,250	1.56
Over 10,000	41	0.12	78,08,454	88.32
Total	34,212	100.00	88,41,523	100.00

Based on Shares Held

Categories of Shareholders as on March 31, 2024, is tabulated as under:

Category of shareholders	No. of Share holders	No. of shares held	Share holding %
Foreign Promoter	1	66,31,142	75
Mutual Fund	28	8,26,065	9.34
Alternate Investment Funds	14	7,977	0.09
Insurance Companies	11	2,44,522	2.77
NBFCs registered with RBI	3	15,951	0.18
Other Financial Institutions	1	100	0
Foreign Portfolio Investors Category I	87	2,44,183	2.76
Foreign Portfolio Investors Category II	2	304	0
Central Government / President of India	1	285	0
Directors and their relatives	1	200	0
Investor Education and Protection Fund	1	14,256	0.16
Resident Individual holding nominal share capital up to ₹ 2 lakhs	30,003	7,44,399	8.42
Non-Resident Indians	1,507	27,304	0.31
Bodies Corporate	587	31,211	0.35
Trusts	10	753	0.01
Escrow Account	1	325	0
Limited Liability Partnership	62	35,272	0.40
Hindu Undivided Family	865	17,273	0.20
Clearing Member	1	1	0
Total	33,186	88,41,523	100

PAN Based Shareholding

Details on dematerialization of shares and liquidity

As on March 31, 2024, 99.65% equity shares of the Company are in dematerialized form and have reasonable liquidity on the BSE Limited and the National Stock Exchange of India Limited.

Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversion date and likely impact on equity

The Company has not issued GDRs, ADRs, Warrants or any other convertible instruments and as such, there is no impact on the equity share capital.

Commodity price risk or foreign exchange risk and hedging activities

The Company is exposed to foreign exchange risk on account of import and export transactions which is monitored periodically. The Company leverages on global treasury operations of Honeywell to improve mitigation of risk relating to foreign exchange.

Registrar to an issue and share transfer agents (RTA)

Share related matters, dividend payment and all other investor related matters are attended to and processed by our Registrar and Share Transfer Agent viz. Link Intime India Pvt. Ltd. (Erstwhile TSR Consultants Private Limited)

Registered Office:

Link Intime India Private Limited
C-101, Embassy 247,
L.B.S. Marg, Vikhroli (West)
Mumbai - 400083C-101, Embassy 247,
L.B.S. Marg, Vikhroli (West)
Tel: +91-8108118484
Email: rnt.helpdesk@linkintime.co.in
Website: www.linkintime.co.in

Branch Office details of the RTA available on the website of the Company at:

<https://www.honeywell.com/in/en/hail#investor-contacts>
and also on the website of the RTA at www.linkintime.co.in

Share Transfer System

SEBI has mandated transfer of securities only in dematerialised form. Pursuant to circular dated 25th January 2022, SEBI has mandated that certain service requests including transmission or transposition of securities held in physical form shall be processed by issuing securities in dematerialised form only and physical share certificates shall not be issued by the Company to the Securities holder/claimant.

Members who are still holding share certificate(s) in physical form are advised to dematerialise their shareholding.

The Company has obtained the annual certificate from a Company Secretary in Practice certifying that all Letter of Confirmations have been issued within prescribed time from the date of lodgement for transmission, deletion of name, consolidation, renewal, etc. as per the requirement of Regulation 40(9) of the SEBI Listing Regulations. This certificate has been submitted to the Stock Exchanges.

The Share Transfer Committee approves cases of transmission, issue of shares in exchange for sub-

divided, consolidated, defaced shares etc., as approved by the authorised persons and issue of duplicate share certificates / Letter of Confirmations.

List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit program or any scheme or proposal of the listed entity involving mobilisation of funds, whether in India or abroad

Not Applicable.

Plant location

Honeywell Automation India Limited
Gate No.181, Plot No. 2 &3, Fulgaon, Pune 412 216,
Maharashtra, India

Address for correspondence

Honeywell Automation India Limited
56 & 57, Hadapsar Industrial Estate,
Pune- 411 013 Tel:+912071148888
Email: HAIL.InvestorServices@Honeywell.com
Website: <https://www.honeywell.com/in/en/hail>

Corporate Identity Number

L29299PN1984PLC017951

13. Compliance with Mandatory Requirements

Your Company affirms that all the requirements applicable under the SEBI Listing Regulations and applicable amendments thereto are fully complied with.

14. Compliance with Non-Mandatory Requirements

The Company has adopted the non-mandatory requirements as provided in Part E of Schedule II to the SEBI 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 in Pune.
- The Company does not maintain a separate office for the Non-Executive Chairman.
- The Company publishes financial results in two newspapers of wide circulation. Further, the financial results are available on the website of your Company and of the stock exchanges where the shares of your Company are listed, i.e., BSE and NSE. 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.

15. Other Disclosures

Disclosures on materially significant related party transactions.

The Company has formulated a policy for dealing with materiality of related party transactions pursuant to Regulation 23 of the SEBI 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 Act and the SEBI Listing Regulations. All material related party transactions are approved by the shareholders.

There was no materially significant related party transaction during the year having potential conflict with the interests of the Company. The policy on dealing with related party transactions is available on the website of the Company at:

<https://www.honeywell.com/in/en/hail#policies>

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 your Company by the Stock Exchanges or SEBI or any statutory authorities relating to the above.

Whistle Blower Policy / Vigil Mechanism

The Company has adopted the Whistle-Blower Policy / vigil mechanism in line with Honeywell Global 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 Company's website at the following link

<https://www.honeywell.com/in/en/hail#policies>

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

No complaint on sexual harassment was received by the Company during the financial year under review.

Code of Conduct

As required under the SEBI Listing Regulations, the Company has in place a Code of Conduct applicable to the Board Members as well as the senior management personnel and that the same is available on the Company website at

<https://www.honeywell.com/in/en/hail#policies>

All the Board Members and the senior management personnel have affirmed compliance with the Code of Conduct for the Financial Year ended March 31, 2024.

In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and amendments from time to time, the Company has a Code of Conduct for Prohibition of Insider Trading and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information.

Reconciliation of share capital audit

A qualified practicing Company Secretary carries 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.

Payment to Statutory Auditors

The total fees for all services paid by the Company to the statutory auditors for the financial year ended March 31, 2024 and all entities in the network firm/network entity of which the statutory auditor is a part is disclosed in Notes to the Financial Statements.

Certificate from Company Secretary in Practice

The certificate from Bokil Punde & Associates, Practicing Company Secretaries in compliance with corporate governance norms prescribed under the SEBI Listing Regulations is annexed hereto.

Pursuant to Schedule V (Part C) of the SEBI Listing Regulations, the Company has obtained a certificate from Bokil Punde & Associates, Practicing Company Secretaries that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Board / Ministry of Corporate Affairs or any such statutory authority and is annexed hereto.

Details relating to shares in the demat suspense account or unclaimed suspense account, as applicable

- Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year: 2 shareholders for aggregate 325 shares.
- Number of shareholders who approached the Company for transfer of shares from suspense account during the year: 2 shareholders for aggregate 325 shares.
- Number of shareholders to whom shares were transferred from suspense account during the year: 1 shareholder of 100 shares.
- Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year: 1 shareholder for 225 shares.

Please note that the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

Other non-applicable Disclosures

- The Company does not have a subsidiary. Therefore, the disclosure requirement regarding (1) details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries and (2) web link where policy for determining 'material' subsidiaries is disclosed, are not applicable and hence not disclosed.

- There have been no instances by the Company of Loans and advances in the nature of loans to firms/ companies in which directors are interested.
- Disclosures regarding commodity price risk and hedging activities pursuant to Regulation 34(3) read with clause 9(n) of Part C of Schedule V of the SEBI Listing Regulations: Nil.
- Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A): Nil.
- There have been no instances where the board had not accepted any recommendation of any committee of the board, which is mandatorily required, in the relevant financial year.
- Disclosure of certain types of agreements binding listed entities Information disclosed under clause 5A of paragraph A of Part A of Schedule III of these regulations: Nil.

For and on behalf of Board

Dr. Ganesh Natarajan

Independent Director and
Chairman (Non-Executive) - Board
DIN: 00176393
Pune, May 15, 2024

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, 2024.

For Honeywell Automation India Limited

Ashish Gaikwad

Managing Director
DIN: 07585079

Pune, May 15, 2024

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

In connection with the financial statements of the Company for the year April 1, 2023 to March 31, 2024, we, Ashish Gaikwad, Managing Director and Pulkit Goyal, Chief Financial Officer certify that:

- A. We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
 1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit Committee:
 1. Significant changes in internal control over financial reporting during the year;
 2. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 3. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Honeywell Automation India Limited

Ashish Gaikwad
Managing Director
DIN: 07585079

Pulkit Goyal
Chief Financial Officer

Pune, May 15, 2024

CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To
The Members,
Honeywell Automation India Limited,
56 & 57, Hadapsar Industrial Estate,
Pune-411013 Maharashtra, India

We have examined the compliance of the conditions of Corporate Governance by Honeywell Automation India Limited (CIN: L29299PN1984PLC017951) ("the Company") as stipulated under Regulation 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and Paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and amendments from time to time for the financial year ended on March 31, 2024.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was carried out in accordance with the SEBI Listing Regulations. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with the conditions of Corporate Governance.

In our opinion and on the basis of our examination of the records produced, explanations and information furnished

to us and the representations made by the Management, we certify that the Company has complied with the mandatory conditions of Corporate Governance as stipulated under Regulation 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and Paragraphs C, D and E of Schedule V of the SEBI Listing Regulations as applicable and amended from time to time for the financial year ended on March 31, 2024.

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.

**For BOKIL PUNDE & ASSOCIATES,
COMPANY SECRETARIES**

CS AMRUTA RAJARSHI

Partner

FCS: 8957 | C.P. No. 10411

UDIN: F008957F000370604

Peer Review Number: 1132/2021

Date: May 15, 2024

Place: Pune

CERTIFICATE BY PRACTICING COMPANY SECRETARY

Pursuant to Schedule V read with Regulation 34(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
The Members,
Honeywell Automation India Limited
56 & 57, Hadapsar Industrial Estate,
Pune- 411 013 Maharashtra, India

We have examined the relevant registers, records, forms, returns, and disclosures received from the Directors of HONEYWELL AUTOMATION INDIA LIMITED having CIN: L29299PN1984PLC017951 and having Registered Office at 56 & 57, Hadapsar Industrial Estate, Pune- 411013 Maharashtra, India (hereinafter referred to as "the Company"), produced before us through electronic mode, by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34 (3) read with Schedule V Para C clause (10) (i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanation furnished to us by the Company and its officers and agents, we hereby certify that the following persons were the Directors of the Company (during 01/04/2023 to 31/03/2024) and none of them have been debarred or disqualified from being appointed or for continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	Designation	DIN	Date of Appointment	Date of Cessation
1	Dr. Ganesh Natarajan	Chairman & Independent Director	00176393	March 08, 2021	NA
2	Mr. Ashish Gaikwad	Managing Director	07585079	October 01, 2016	NA
3	Ms. Neera Saggi*	Woman Independent Director	00501029	February 04, 2019	NA
4	Mr. Ashish Modi	Non-Independent, Non-Executive Director	07680512	October 22, 2019	NA
5	Mr. Atul Pai	Non-Independent, Non-Executive Director	02704506	November 09, 2020	NA
6	Ms. Nisha Gupta#	Non-Independent, Non-Executive Director	02331771	March 01, 2023	August 9, 2023
7	Mr. Brain Rudick@	Non-Independent, Non-Executive Director	06759691	August 10, 2023	NA

* re-appointed as an Independent Director with effect from November 06, 2023

Appointment approved by shareholders on May 28, 2023

@ Appointment approved by shareholders on November 06, 2023

Ensuring the eligibility of the appointment / continuity of every Director on the Board is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these, based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For BOKIL PUNDE & ASSOCIATES, COMPANY SECRETARIES

CS AMRUTA RAJARSHI

Partner

FCS: 8957 | C.P. No. 10411

UDIN: F008957F000370659

Peer Review Number: 1132/2021

Date: May 15, 2024

Place: Pune

Business Responsibility and Sustainability Report

Foreword

Dear Stakeholders

Honeywell Automation India Limited (the Company or HAIL), an integrated automation, industrial software, and sustainability solutions provider, is developing products and solutions using Honeywell technologies that help customers achieve their environmental, social and governance (ESG) goals along with their business results. The Company offers a portfolio of offerings comprising futuristic technologies to help customers and their businesses digitalize operations, reduce greenhouse gas (GHG) emissions, conserve energy, measure / reduce carbon impact, and support the adoption of renewable energy sources, thereby helping in energy transition.

We do not believe climate-related risks are reasonably likely to have a material effect in the near future on the Company's business or the markets it serves, nor on our operations, capital expenditure or financial position.

The Company is committed as well as uniquely positioned to shape a safer and more sustainable future. We continue to invent, innovate, and develop technologies that provide our customers with adaptable and efficient solutions to address their safety, productivity, energy efficiency and environmental needs.

We present this Business Responsibility & Sustainability Report (BRSR) of the Company pursuant to the provisions of Regulation 34(2)(f) of the SEBI Listing Regulations, 2015 describing the initiatives taken by the Company from an environmental, social and governance perspective.

Ashish Gaikwad
Managing Director

SECTION A: GENERAL DISCLOSURES

I. Details of the Company

1.	Corporate Identity Number (CIN)	L29299PN1984PLC017951
2.	Name	Honeywell Automation India Limited
3.	Year of incorporation	January 13, 1984
4.	Registered Office Address	56 & 57, Hadapsar Industrial Estate, Pune - 411013
5.	Corporate Office Address	56 & 57, Hadapsar Industrial Estate, Pune - 411013
6.	Email	HAIL.InvestorServices@Honeywell.com
7.	Telephone	+91 2071148888
8.	Website	https://www.honeywell.com/in/en/hail
9.	Financial Year for which reporting is being done	April 1, 2023 to March 31, 2024 (FY 2023-24)
10.	Name of the Stock Exchange(s) where shares are listed	The BSE Limited and National Stock Exchange of India Limited
11.	Paid-up Capital	₹88,415,230
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Ms. Indu Daryani, Company Secretary 56 & 57, Hadapsar Industrial Estate, Pune - 411013 HAIL.InvestorServices@Honeywell.com
13.	Reporting boundary	Disclosures made in this report are on a standalone basis for Honeywell Automation India Limited. The references to Honeywell International Inc. (Honeywell) strategies, policies, projects and framework in the report are applicable to the extent it relates to the Company's business operations.
14.	Name of assurance provider	Not Applicable.
15.	Type of assurance obtained	Not Applicable.

II. Products/services

16. Details of business activities (accounting for 90% of the Company's Turnover)

Sr. No.	Description of Main Activity	Description of Business Activity	% of Turnover
a.	Manufacturing	Manufacture of industrial process control and automation systems.	53
b.	Trading	Trading of sensing, measurement equipment and control equipment.	19
c.	Services	Installation, engineering and repair/maintenance services of industrial control and automation systems.	28

17. Products/Services sold by the Company (accounting for 90% of the Company's Turnover)

S. No.	Product/Service	NIC Code	% of total Turnover contributed
a.	Manufacture of electronic systems and components	NIC Code 26	53
b.	Trading of machinery, equipment and supplies	NIC Code 46	19
c.	Repair and maintenance	NIC Code 33	28

III. Operations**18. Number of locations where plants and/or operations/offices of the Company are situated.**

Location	Number of plants	Number of offices	Total
National	1	8	9
International	-	4	4

19. Markets served by the Company**a. Number of locations**

Locations	Number
National (No. of states)	*36
International (No. of countries)	56

*(including Union Territories)

In addition to serving the domestic market, the Company exports goods/services to Honeywell affiliates in the US, Europe, Asia Pacific and other regions.

b. Contribution of exports as a percentage of the total turnover of the Company.

Exports contribute 40.34% of the total turnover of the Company.

c. A brief on types of customers

In the domestic market, the Company caters to both public and private sector customers in discrete and process industries such as oil and gas, refining, pulp and paper, chemicals and petrochemicals, pharma and life sciences, infrastructure (Metro, Airports, Commercial buildings, data centre, Smart Cities), transportation, etc.

In Export Market, the Company caters to only Honeywell affiliates across the world rendering engineering services and contract manufacturing of products and projects for similar end markets as it does for its Indian customers.

IV. Employees**20. Details as at the end of Financial Year****a. Employees and workers (including differently abled)**

S. No.	Particulars	Total	Male		Female	
		(A)	No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	3,044	2,542	83.51	502	16.49
2.	Other than Permanent (E)	2,814	2,666	94.74	148	5.26
3.	Total employees (D + E)	5,858	5,208	88.90	650	11.10
WORKERS						
4.	Permanent (F)	52	46	88.46	6	11.5
5.	Other than Permanent (G)	5	4	80.0	1	20.0
6.	Total workers (F + G)	57	50	87.72	7	12.28

b. Differently abled Employees and workers

Note: Currently, the Company does not capture data for differently abled employees and workers.

21. Participation / Inclusion / Representation of women

	Total	No. and percentage of Females	
	(A)	No. (B)	% (B / A)
Board of Directors	6	1	16.67
Key Management Personnel	3	1	33.33

22. Turnover rate for permanent employees and workers

	FY 2023-24			FY 2022-23			FY 2021-22		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees (in %)	11.9	14.9	12.4	15.1	25.3	16.9	13.1	19.5	14.3
Permanent Workers (in %)	-	-	-	2.2	-	2.1	-	-	-

V. Holding, Subsidiary and Associate Companies (including joint ventures)

23.a. Names of holding / subsidiary / associate companies / joint ventures

Sr. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Whether holding/ Subsidiary / Associate / Joint Venture	% of shares held in the Company	Does the Company indicated at column A, participate in the Business Responsibility initiatives of the Company? (Yes/No)
1	HAIL Mauritius Limited	Holding Company	75%	Yes*

* through the ultimate holding Company, Honeywell International.

VI. CSR Details

24.a. Whether CSR is applicable as per Section 135 of Companies Act, 2013: Yes

b. Turnover (in ₹): 40,852 million

c. Net worth (in ₹): 36,062 million

VII. Transparency and Disclosures Compliances

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in place (Yes/No)	FY 2023-24			FY 2022-23		
		No. of complaints filed during the year	No.of complaints pending resolution at close of the year	Remarks	No.of complaints filed during the year	No. of complaints pending resolution at close of the year	Remarks
Communities	Yes, through 'Help & Support' section.	0	0	-	0	0	-
Investors (Shareholders and other than shareholders)	Yes, through: SEBI platform Email IDs of BSE and NSE Company's Email ID SMART ODR platform	12	0	-	15	0	-
Employees and workers	Yes, various internal channels	25	3	-	26	7	5 cases with 2 issues, 1 case with 3 issues
Customers	Yes, through toll free numbers and emails.	2	0	-	0	0	-
Value Chain Partners	Yes, through 'Help & Support' section.	1	1	-	2	0	-

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in place (Yes/No)	FY 2023-24			FY 2022-23		
		No. of complaints filed during the year	No. of complaints pending resolution at close of the year	Remarks	No. of complaints filed during the year	No. of complaints pending resolution at close of the year	Remarks
Others	Yes, through 'Help & Support' section.	1	0	-	0	0	-

Weblinks for:

- 'Help & Support' section: <https://www.honeywell.com/us/en/contact>.
- SEBI platform: www.scores.gov.in
- Email IDs of BSE and NSE: www.bseindia.com; www.nseindia.com
- The Company's Email ID: HAIL.investorservices@honeywell.com
- Smart ODR platform: <https://smartodr.in/login>

26. Overview of the Company's material responsible business conduct issues

Material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to business, rationale for identifying the same, approach to adapt or mitigate the risk along with its financial implications.

The Company entirely leverages Honeywell's oversight on ESG performance, strategies, goals, and objectives, monitoring ESG risks and opportunities and ESG disclosures. Honeywell utilizes the enterprise risk management program and strategic planning process to identify and prioritize ESG risks and opportunities, assess the overall performance and monitor risk mitigation efforts.

Examples on opportunities and risks can be referred to in the TCFD Disclosures section of Honeywell's 2023 Environmental, Social and Governance Report following the weblink given in Annexure-1 to the BRSR.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions		P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes										
1.	a.	Whether your Company's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	b.	Has the policy been approved by the Board? (Yes/No) - Yes.	The mandatory policies under Indian laws and regulations have been adopted by the Board.							
	c.	Web Link of the Policies, if available.	Please refer Annexure-1 of BRSR.							
2.		Whether the Company has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3.		Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4.		Name of the national and international codes/certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your Company and mapped to each principle	The Company's policies are in line with the international standards and practices such as ISO 45001:2018, ISO 14001:2015							
5.		Specific commitments, goals and targets set by the Company with defined timelines, if any.	The ESG commitments, goals and targets are set globally by Honeywell, the details of which (including the current performance) are available in Honeywell's 2023 Environmental, Social and Governance Report. The Company adheres to this commitment and contributes towards achievement of the same.							
6.		Performance of the Company against the specific commitments, goals and targets along-with reasons in case the same are not met.								
Governance, leadership and oversight										
8.		Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Mr. Ashish Gaikwad Managing Director DIN: 07585079							

9. Does the Company have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	The Managing Director is responsible for decisions on all sustainability related issues of the Company. In addition, the governance and social activities of the Company are reviewed by the Audit Committee, Risk Management Committee and Corporate Social Responsibility Committee as required under the Act and the SEBI Listing Regulations.
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10. Details of Review of NGRBCs by the Company:

Disclosure Questions	Indicate whether review was undertaken by Director / Committee of the Board / Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action					Yes													Annually / as mandated by law
Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances					Yes													As mandated by law/internal policies

11. Has the Company carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	P1	P2	P3	P4	P5	P6	P7	P8	P9
	No								

12. If answer to question (1) above is “No” i.e., not all Principles are covered by a policy, reasons to be stated: Not Applicable

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as “Essential Indicators” and “Leadership Indicators”.

Whilst the Essential indicators have been disclosed by the Company as mandated to file in this report, the Leadership indicators have been voluntarily disclosed where applicable/feasible.

PRINCIPLE 1: Businesses should conduct and govern themselves with integrity and in a manner that is Ethical, Transparent and Accountable.

ESSENTIAL INDICATORS

1. Percentage coverage by training and awareness programmes on any of the Principles during the Financial Year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors (BoD)	3	Familiarization Program, Code of business Conduct, Conflict of Interest, etc.	100
Key Managerial Personnel (KMP)	5	Code of business Conduct and all other relevant policies including anti-Corruption, Anti Bribery, Conflict of Interest, Books and Records, Data Privacy and Cyber Security, Prevention of Sexual Harassment.	100
Employees other than BoD and KMP	8	Code of business Conduct and all other relevant policies including anti-Corruption, Anti Bribery, Conflict of Interest, Books and Records, Data Privacy and Cyber Security, Prevention of Sexual Harassment.	100
Workers	3	Code of business Conduct and all other relevant policies including anti-Corruption, Anti Bribery, Conflict of Interest, Prevention of Sexual Harassment, HSE	100

- 2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the Company or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the Financial Year. The Company has made disclosures on the basis of materiality as specified in Regulation 30 of the SEBI Listing Regulations and as disclosed on the Company's website).**

Monetary					
	NGRBC Principle	Name of the regulatory / enforcement agencies / judicial institutions	Amount (in ₹)	Brief of the case	Has an appeal been preferred? (Yes/No)
Penalty/Fine	-	-	-	-	-
Settlement	-	-	-	-	-
Compounding Fee	-	-	-	-	-

Non-Monetary				
	NGRBC Principle	Name of the regulatory / enforcement agencies / judicial institutions	Brief of the case	Has an appeal been preferred? (Yes/No)
Imprisonment	-	-	-	-
Punishment	-	-	-	-

- 3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.**

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
-	-

- 4. Does the Company have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

Yes, the Company leverages Honeywell's policies. Please refer to Annexure-1 of BRSR for weblinks of the Honeywell Code of Business conduct and the Honeywell Anticorruption Policy.

- 5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:**

	FY 2023-24	FY 2022-23
Directors	-	-
KMPs	-	-
Employees	-	-
Workers	-	-

- 6. Details of complaints with regard to conflict of interest:**

	FY 2023-24		FY 2022-23	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	-	-	-	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	-	-	-	-

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Nil.

8. Number of days of accounts payables [(Accounts payable*365) / Cost of goods or services procured]

	FY 2023-24	FY 2022-23
Number of days of accounts payables	117	144

9. Openness of Business

Details of concentration of purchases and sales with Trading Houses, Dealers, and Related Parties along with Loans and Advances & Investments, with Related Parties.

Parameter	Metrics	FY 2023-24	FY 2022-23
Concentration of Purchases	Purchases from trading houses as % of total purchases.	-	-
	Number of trading houses where purchases are made from.	-	-
	Purchases from top 10 trading houses as % of total purchases from trading houses.	-	-
Concentration of Sales	Sales to dealers/distributors as % of total sales	10.3%	8.0%
	Number of dealers/ distributors to whom sales are made	140	217
	Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	51.1%	50.5%
Share of RPTs in	Purchases (Purchases with Related Parties / Total Purchases)	37.9%	37.6%
	Sales (Sales to Related Parties / Total Sales)	38.0%	38.8%
	Loans & advances (Loans & Advances given to Related Parties / Total Loans & Advances)	-	-
	Investments (Investments in Related Parties / Total Investments made)	-	-

LEADERSHIP INDICATORS

1. Awareness programmes conducted for value chain partners on any of the Principles during the Financial Year:

Total number of awareness programmes held	Topics / principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
-	-	-

Honeywell has established standardized policies and processes to evaluate, monitor and audit suppliers against our Supplier Code of Business Conduct through a supply chain due diligence program that includes the following elements:

- **Screening of New Suppliers:** Honeywell has an ongoing policy of screening and vetting new suppliers. As part of the screening process, Honeywell considers reliable third-party sources that identify various compliance risks, including labor and human rights violations, fraud and illegal activities. Identified risks are reviewed and vetted by a subject matter expert.
- **Supplier Monitoring:** Honeywell applies the same screening and review process to conduct a real-time continuous monitoring diligence program that applies to all existing suppliers.
- **Supplier On-Site Audits:** Honeywell has a risk-based program in place to conduct on-site audits of its higher-risk suppliers to ensure compliance with the Supplier Code of Business Conduct, including the Principles.

2. Does the Company has processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

Yes. In order to avoid/manage conflicts of interest, the Company obtains a mandatory declaration from the members of its Board. The declaration ensures that the members of the Board are in compliance with the Honeywell Code of Business Conduct.

PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe**ESSENTIAL INDICATORS**

- 1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the Company, respectively.**

	FY 2023-24	FY 2022-23	Details of improvements in environmental and social impacts
R&D (%)	60	60	Percentage of Honeywell's investment in new product research and development directed towards ESG-oriented outcomes is ~60% (See additional details in 2023 ESG Report)
Capex (%)	-	-	

- 2. a. Does the Company have procedures in place for sustainable sourcing? (Yes/No)**

- b. If yes, what percentage of inputs were sourced sustainably?**

Yes. Honeywell has established standardized policies and processes to evaluate, monitor and audit suppliers against our Supplier Code of Business Conduct through a supply chain due diligence program to ensure responsible sourcing. This due diligence program includes screening of new Suppliers, Supplier Monitoring and Supplier on-site Audits.

- 3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

The Company is committed to ensuring that our products are manufactured to comply with environmental regulations in the markets we serve. Regulatory monitoring combined with expertise and internal procedures help ensure comprehensive programs are in place throughout the Company to manage and meet regulatory requirements to reclaim Plastics (including packaging), E-waste, Hazardous waste and other waste.

The process to reclaim product E-waste, battery waste and plastic waste is managed as part of our Extended Producer Responsibility Program (EPR). Producer Responsibility Organisations (PROs) are nominated by the Company for the collection of these wastes which are then recycled as applicable. Hazardous waste is sent either for incineration to Common Hazardous Waste Treatment, Storage and Disposal Facilities or to authorized recyclers/ reproducers depending on their nature.

- 4. Whether Extended Producer Responsibility (EPR) is applicable to the Company's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

Yes, EPR is applicable for E-waste, battery and plastic waste generated by the Company. The waste is collected by the nominated PROs. The quarterly returns and annual returns are filed with the Central Pollution Control Board (CPCB).

The waste collection is in line with the targets specified by the CPCB in the authorization granted to the Company.

LEADERSHIP INDICATORS

1. Has the Company conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

NIC Code	Name of Product /Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web- link.
-	-	-	-	-	-

Note: The Company has not conducted LCAs. However, LCAs are being conducted by Honeywell on some offerings to assess the environmental impacts associated with all the stages of the life cycle.

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product / Service	Description of the risk / concern	Action Taken
-	-	-

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input Material	Recycled or re-used input material to total material	
	FY 2023-24	FY 2022-23
-	-	-

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed.

Indicate input Material	FY 2023-24			FY 2022-23		
Plastics (including packaging)	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
E-waste	-	-	-	-	-	-
Hazardous waste	-	-	-	-	-	-
Other waste	-	-	-	-	-	-

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
NIL	NIL

PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

ESSENTIAL INDICATORS

1. a. Details of measures for the well-being of employees:

% of employees covered by											
Category	Total	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
	(A)	No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
Permanent Employees											
Male	2,542	2,542	100	2,542	100	-	-	336	13.22	1	0.04
Female	502	502	100	502	100	85	16.93	-	-	1	0.20
Total	3,044	3,044	100	3,044	100	85	2.79	336	11.04	2	0.07
Other than Permanent Employees											
Male	2,666	2,666	100	2,666	100	-	-	-	-	-	-
Female	148	148	100	148	100	-	-	-	-	-	-
Total	2,814	2,814	100	2,814	100	-	-	-	-	-	-

Note: All the employees are covered under Maternity and Paternity benefits. At the Company, we are following flexible working including hybrid working. Hence, daycare / creche facility availed by limited employees.

b. Details of measures for the well-being of workers:

Category												% of employees covered by											
		Total		Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities											
		(A)		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)										
Permanent Workers																							
Male		46		46		100		46		100		-		-		3		6.52		-		-	
Female		6		6		100		6		100		1		16.67		-		-		-		-	
Total		52		52		100		52		100		1		1.92		3		5.77		-		-	
Other than Permanent Workers																							
Male		4		4		100		4		100		-		-		-		-		-		-	
Female		1		1		100		1		100		-		-		-		-		-		-	
Total		5		5		100		5		100		-		-		-		-		-		-	

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent)

	FY 2023-24	FY 2022-23
Cost incurred on well-being measures as a % of total revenue of the Company	0.20	0.27

2. Details of retirement benefits.

Benefits	FY 2023-24			FY 2022-23		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100	100	Y	100	100	Y
Gratuity	100	100	Y	100	100	Y
ESI	100	100	Y	NA	NA	NA
Others	-	-	-	-	-	-

3. Accessibility of workplaces

Are the premises / offices of the Company accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the Company in this regard.

Various offices of the Company, including the Registered and Corporate Offices have ramps for easy movement of differently abled people. Most offices are located in commercial premises which are either on the ground floor or have elevators and infrastructure for differently abled individuals. Wheelchair accessible restrooms are available in certain premises of the Company.

4. Does the Company have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

The Company follows Equal Opportunity Policy. This Policy describes the procedures and processes that the Company shall follow to ensure that it shall not discriminate against qualified employees and applicants on the basis of disability or any other legally protected status. It is the Company's intent to comply with law regarding the treatment of persons with disabilities.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

	Permanent employees		Permanent workers	
	Return to work (%)	Retention (%)	Return to work (%)	Retention (%)
Male	100	100	100	100
Female	100	100	100	100
Total	100	100	100	100

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

The Company believes in open and transparent communication. Employees are encouraged to share their concerns with their business/function heads, HR business partners or members of the senior management. The Company follows an open-door policy, wherein any employee irrespective of hierarchy has access to the senior management.

Yes/No (If Yes, then give details of the mechanism in brief)	
Permanent Workers	Yes
Other than Permanent Workers	Yes
Permanent Employees	Yes
Other than Permanent Employees	Yes

In addition, the Grievance / Employee Complaint Policy provides a formal platform to share grievances on various matters like:

- Work / Working Condition
- Benefits & Organization Policy - PF / Payroll / Leave
- Unfair Treatment
- Relationship with Colleagues
- Bullying or Harassment
- Discrimination
- Code of Business Conduct (Violation of Code will lead to BCIR process).

The Company has a policy on prevention, prohibition and redressal of sexual harassment of women at the workplace and has an ICC in compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The ICC comprises majority of women members. Members of the Company's ICC are responsible for conducting inquiries pertaining to such complaints. The Company, on a regular basis, sensitizes its employees on the prevention of sexual harassment at the workplace through workshops, group meetings, online training modules and awareness programs which are held on a regular basis.

Alternatively, ACCESS Integrity helpline is another channel for reporting and seeking redressal for violation of the Honeywell Code of business conduct guidelines.

7. Membership of employees and worker in association(s) or Unions recognized by the Company.

The Company does not have any employee associations. The Company, however, recognizes the right to freedom of association.

8. Details of training given to employees and workers

Category	FY 2023-24					FY 2022-23				
	Total	On Health & Safety measures		On Skill upgradation		Total	On Health & Safety measures		On Skill upgradation	
	(A)	No. (B)	% (B/A)	No. (C)	% (C/A)	(D)	No. (E)	% (E/D)	No. (E)	% (E/D)
Employees										
Male	2,542	2,542	100	2,542	100	2,393	2,393	100	2,393	100
Female	502	502	100	502	100	513	513	100	513	100
Total	3,044	3,044	100	3,044	100	2,906	2,906	100	2,906	100
Workers										
Male	46	46	100	46	100	45	45	100	2,393	45
Female	6	6	100	6	100	3	3	100	513	3
Total	52	52	100	52	100	48	48	100	2,906	48

Note: The above numbers include trainings given to employees who have resigned/retired during the year. Some of the training programs offered under health and safety and skill upgradation are mandatory. Hence, all employees have been considered under such training programs.

9. Details of performance and career development reviews of employees and worker:

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. (B)	No. % (B/A)	Total (C)	No. (D)	No. % (D/C)
Employees						
Male	2,542	2,542	100	2,393	2,393	100
Female	502	502	100	513	513	100
Total	3,044	3,044	100	2,906	2,906	100
Workers						
Male	46	46	100	45	45	100
Female	6	6	100	3	3	100
Total	52	52	100	48	48	100

All employees undergo an annual performance appraisal process as determined by the Company. Further, the NRC and the Board evaluate the performance of the members of executive management (one level below the Board) and Senior Management Personnel on an annual basis. The underlying philosophy of the Performance Management System is to have a fair and transparent system of appraisal, which ensures an objective mechanism to measure each employee's performance & potential, and implement a reward system which recognizes merit. Performance assessment is a bi-annual process that includes mid-year and final year assessment.

Employees joining after 31st of October are not considered as part of performance appraisal cycle for the same year, they become eligible in the next cycle.

10. Health and safety management system**a. Whether an occupational health and safety management system has been implemented by the Company? If yes, the coverage such system?**

Yes, the Company maintains the Sustainable Opportunity Policy which defines commitments to the Health, Safety and Environmental Management System (HSEMS).

The HSEMS incorporates all applicable ISO 14001:2015, ISO 45001:2018 and Honeywell requirements. The HSEMS is an integral part of the overall Honeywell Operating Model and defines how HSEMS is integrated with the manufacturing, service and business organization processes.

The HSEMS is designed to:

- Provide the business and global Honeywell facilities with a systematic framework for minimizing HSE risks and associated liabilities.

- Implement processes that monitor, identify, and control risks associated with the design, production, and delivery of products and services including intended use through disposition.
- Provide a framework for continual improvement of the management system and the fulfillment of conformity to applicable statutory, regulatory and stakeholder requirements; and
- Promote the integration of HSEMS with business planning and performance processes throughout the organization.

In addition, the HSEMS covers the standardization of processes related to security (physical and cyber), stakeholder outreach, distribution and transportation.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the Company?

The Company's operating locations rely on comprehensive processes for assessments of hazards that could pose a risk to workers, including employees, contractors, and visitors. Based on these assessments, risk mitigation controls are identified, implemented, and monitored to help ensure effective worker protection remain in place.

Types of assessments include ergonomic assessments, personal protective equipment evaluations and inspections, procedure checks for reporting adverse effects from an activity on a regular basis, working in confined space, etc.

HSEMS teams document and rank risks associated with such aspects having significant impact on health, safety, environment, security, product stewardship, transportation, sustainability, etc., and take immediate corrective actions.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks.

Yes, the Company has a process to report work-related hazards through Safety Observations System (SOS)-near miss and Leadership HSE Gemba. Also risks are captured in Cell Risk Assessment (CRA) and appropriate control measures are in place as per the hierarchy of control.

d. Do the employees/workers of the Company have access to non-occupational medical and healthcare services?

Yes. The employees/workers are covered under the Company's health insurance and personal accident policy.

11. Details of safety related incidents.

Safety Incident/Number	Category*	FY 2023-24	FY 2022-23
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	-	-
	Workers		
Total recordable work-related injuries	Employees	-	-
	Workers		
Number of fatalities	Employees	-	-
	Workers		
High consequence work-related injury or ill-health (excluding fatalities)	Employees	-	-
	Workers		

* Including in the contract workforce

12. Describe the measures taken by the Company to ensure a safe and healthy workplace.

The Company strives to continually improve the suitability, adequacy and effectiveness of the HSEMS to prevent occurrence of potential incidents and nonconformities and to promote improvements in HSE performance. Honeywell establishes, implements and maintains a continual improvement process which consider the outputs of the activities described in the following:

- Policy and Leadership Commitment
- Risk assessment
- Communications and Participation through SOS, HSE Committee meetings etc.
- Monitoring, Measurement, Analysis and Evaluation by internal safety audits and Management Operations Review
- Rewards & Recognitions through 'Bravos' and Town meetings
- On-site medical practitioner
- Ergonomics and Physiotherapists
- Incidents management e.g. work-related injuries or illness and environment contamination

We retain documented information as evidence of the results of continual improvement. From the Operational Control and Planning, we follow these methods: Safe Operating Sheet, CRA, Training, PPE Compliance, Near Miss Reporting and Investigation, Safety Observation System, Incident Reporting and Investigation, Communicating Single-point lessons from the other Honeywell sites, HSE Message Weekly Communication to ensure Safety Perfect Culture within the organization.

13. Number of Complaints on the following made by employees and workers

	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	NIL	NIL	NIL	NIL	NIL	NIL
Health & Safety	NIL	NIL	NIL	NIL	NIL	NIL

Note: Employees and workers report health, safety and working condition observations in Safety Observation System (SOS) tool which are timely actioned.

14. Assessments for the year:

% of your plants and offices that were assessed (by entity or statutory authorities or third parties)	
Health and safety practices	100% - ISO 45001 audit by Det Norske Veritas (DNV)
Working Conditions	100% - ISO 14001 audit by DNV

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

We maintain a process to act in a timely manner to the incidents or nonconformities, and as applicable take action to control or correct the incident or nonconformity and address the consequences.

The process includes evaluating the need for correction action(s) with participation of relevant persons working under the control of Honeywell to eliminate root causes of the incident or nonconformity in order that the incident or nonconformity does not recur or occur elsewhere.

We maintain a process to act in a timely manner to the incidents or nonconformities, and as applicable take action to control or correct the incident or nonconformity and address the consequences.

As needed, corrective actions are implemented, and the Management of Change process is utilized as appropriate. Corrective actions are reviewed to ensure that they are effective to address the incident or nonconformity. HSEMS are reviewed and actions or changes made as necessary.

We maintain documented information as evidence of the nature of the incidents or nonconformities and any subsequent action(s)/corrective action(s) and the results of those corrective action(s).

LEADERSHIP INDICATORS

1. Does the Company extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

Yes. Life insurance is for all the permanent employees and workers.

2. Provide the measures undertaken by the Company to ensure that statutory dues have been deducted and deposited by the value chain partners.

The Company follows a detailed compliance procedure to ensure all statutory clearance and compliances are met by its vendors.

The Company is regularly depositing undisputed statutory dues including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Service Tax, a Duty of Customs, a Duty of Excise, Value-added Tax, CESS and other statutory dues to the appropriate authorities and compliance of this is rigorously followed including for all of its vendors. These aspects are also checked as part of vendor compliance due diligence while onboarding new vendors and on an ongoing basis as well.

3. Provide the number of employees / workers having suffered high consequence work- related injury / ill-health/ fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment.

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2023-24	FY2022-23	FY 2023-24	FY2022-23
Employees	-	-	-	-
Workers	-	-	-	-

4. Does the Company provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

No.

5. Details on assessment of value chain partners:

SSR audit conducted by third party to evaluate supplier working conditions compliances with local regulations and safety overview.

% of value chain partners (by value of business done with such partners) that were assessed	
Health and safety practices	60
Working Conditions	60

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Nil.

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

ESSENTIAL INDICATORS

1. Describe the processes for identifying key stakeholder groups of the Company.

Stakeholder groups are identified based on the nature of their engagement with the Company.

Any individual or group of individuals or institution that adds value to the business chain of the Company is identified as a core stakeholder. This *inter alia* includes employees, shareholders, customers/service partners, regulators, communities and non-governmental organizations, suppliers amongst others.

2. List of stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stake holder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	Emails, Surveys, Newsletters, Company Intranet, Honeywell Internal Social Media group, Notice Board and Townhalls.	Employee satisfaction Surveys on half yearly basis through survey tools. Emails / Notices / social media / intranet are sent to employees on important Company communication on regular/need basis. Quarterly townhalls	Information about the Company's business growth plans and business performance. Top-down communication about important changes, policies, wellbeing initiatives. Platform for gathering informal feedback Workplace diversity is encouraged through various diversity, equity and inclusion initiatives.
Shareholders	No	Email, Newspaper, Notice board, Website, General Meeting.	Quarterly and need based while annually – for AGM	Corporate governance, financial performance and Shareholder related communication.
Customers / Service Partners	No	Email, Honeywell website, Surveys	As and when required	Ensuring product/service Quality, meeting delivery timeliness, Information on Business Offerings, etc.
Suppliers	No*	Email, conference calls, virtual/in person meetings, vendor portal	As and when required	Order to Payment life cycle, Ethical business conduct, understand the new market trends and educating the suppliers, etc.
Communities	No	Email, Call, SMS, Virtual and in person meetings	Quarterly/ need based	CSR Program planning, Monitoring of CSR implementation, Finances and annual review, Impact assessment, Success Stories, etc.

* The Company encourages suppliers from all sections including MSMEs. However, the final engagement depends upon the quality and timely delivery of services.

LEADERSHIP INDICATORS

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

Engagement and consultation with stakeholders on various topics is delegated by the Board and governed as per the operating policies of the Company. Any material feedback from such consultations is provided to the Board on a periodic basis through Board Meetings or Committee Meetings.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the Company.

No.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

NIL

PRINCIPLE 5: Businesses should respect and promote human rights

ESSENTIAL INDICATORS

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the Company.

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	3,044	3,044	100	2,906	2,906	100
Other than permanent	2,814	2,814	100	631	631	100
Total Employees	5,858	5,858	100	3,537	3,537	100
Workers						
Permanent	52	52	100	48	48	48
Other than permanent	5	5	100	-	-	-
Total Employees	57	57	100	48	48	48

Note: Human Rights related issues/policies are covered under the Honeywell Human Rights Policy and the Honeywell Code of Business Conduct. Please refer to Annexure-1 to the BRSR for the weblink. Employees and workers are enrolled for/ imparted the aforementioned trainings on their joining and subsequently on an annual basis.

2. Details of minimum wages paid to employees and workers.

Category		FY 2023-24				FY 2022-23				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Permanent	3,044	-	-	3,044	100	2,906	-	-	2,906	100
Male	2,542	-	-	2,542	100	2,393	-	-	2,393	100
Female	502	-	-	502	100	513	-	-	513	100
Other than permanent	2,814	-	-	2,814	100	631	-	-	631	100
Male	2,666	-	-	2,666	100	483	-	-	483	100
Female	148	-	-	148	100	148	-	-	148	100
Workers										
Permanent	52	-	-	52	100	48	-	-	48	100
Male	46	-	-	46	100	45	-	-	45	100
Female	6	-	-	6	100	3	-	-	3	100
Other than permanent	5	-	-	5	100	-	-	-	-	-
Male	4	-	-	4	100	-	-	-	-	-
Female	1	-	-	1	100	-	-	-	-	-

3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	5	Please refer Annexure-4 Statement of Disclosure of Remuneration forming part of the Board's Report for details.	1	Please refer Annexure-4 Statement of Disclosure of Remuneration forming part of the Board's Report for details.
Key Managerial Personnel (KMP)	2	₹20.05 million per annum	1	₹3.95 million per annum
Employees other than BoD and KMP	2,542	₹1.48 million per annum	502	₹1.13 million per annum
Workers	46	₹0.94 million per annum	6	₹0.80 million per annum

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business?

Honeywell has a dedicated Integrity and Compliance organization that is led by the Vice President and Chief Compliance Officer and the Vice President and General Counsel, ESG who also serves as Corporate Secretary. Both have oversight and responsibility for addressing human rights or issues caused or contributed by the business.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

Honeywell has policies, processes, training and other compliance controls in place to help it fulfill its Human Rights commitments. Honeywell directors, officers, and employees have a responsibility to report any circumstance that may involve a violation of Honeywell's Human Rights Policy and may do so anonymously. Honeywell personnel and third parties may report concerns through Honeywell's or e-mail: access.integrityhelpline@honeywell.com. Honeywell treats all reports confidentially to the extent possible, consistent with the law, company policy, and the requirements necessary to conduct an effective investigation. All reports will be investigated promptly and thoroughly, consistent with applicable law. Honeywell will not tolerate any form of retaliation against anyone for making a good faith report of actual or potential misconduct.

6. Number of Complaints on the following made by employees and workers:

	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	Nil	Nil	NA	Nil	Nil	NA
Discrimination at workplace	Nil	Nil	NA	Nil	Nil	NA
Child Labour	Nil	Nil	NA	Nil	Nil	NA
Forced Labour/Involuntary Labour	Nil	Nil	NA	Nil	Nil	NA
Wages	Nil	Nil	NA	Nil	Nil	NA
Other human rights related issues	Nil	Nil	NA	Nil	Nil	NA

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

	FY 2023-24	FY 2022-23
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	-	-
Complaints on POSH as a % of female employees / workers	-	-
Complaints on POSH upheld	-	-

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

For cases related to Sexual Harassment, there is an Internal Committee for redressal of the same. The Committee takes concrete actions to ensure that every Complainant is protected. It maintains confidentiality of all complaints.

For all other cases related to discrimination, harassment, workplace respect and workplace violence the Integrity and Compliance team investigates all reported cases and takes appropriate action.

9. Do human rights requirements form part of your business agreements and contracts?

Yes. The requirement to comply with the Supplier Code of Business Conduct is incorporated as part of Honeywell's standard sourcing terms. Honeywell expects all suppliers to adhere to the Supplier Code of Business Conduct and all applicable laws and regulations and to ensure that these requirements are met within their supplier chain. Supplier adherence is a key consideration when we make sourcing decisions. Honeywell reserves the right to terminate a supplier relationship if the supplier fails to comply with applicable legal requirements or the Honeywell Supplier Code of Business Conduct, including Honeywell's policies aimed at combatting slavery and human trafficking.

10. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100
Forced/involuntary labour	100
Sexual harassment	100
Discrimination at workplace	100
Wages	100

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.

Corrective Action and Remediation: Honeywell implements corrective action plans to remediate risks or findings identified through Supplier Screening, Monitoring or Audits programs, up to and including suspension or termination of the supplier relationship.

LEADERSHIP INDICATORS

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/ complaints.

To address the potential risk of modern slavery in our supply chain, Honeywell has established standardized policies and processes to evaluate, monitor and audit suppliers against our Supplier Code of Business Conduct through a supply chain due diligence program that includes Screening of New Suppliers, Supplier Monitoring and Supplier On-Site Audits.

Corrective Action and Remediation: Honeywell implements corrective action plans to remediate risks or findings identified through Supplier Screening, Monitoring or Audits programs, up to and including suspension or termination of the supplier relationship.

Honeywell has a robust human rights due diligence process through which it continuously assesses and improves its ability to respond to any negative human rights impacts.

2. Details of the scope and coverage of any Human rights due-diligence conducted.

Honeywell has established standardized policies and processes to evaluate suppliers prior to selection including detailed compliance checks and rating assessments encompassing supply chain risk management. All new suppliers must pass this assessment process prior to contracting with Honeywell. Honeywell also monitors its supply chain through adverse media to detect vulnerabilities of its supply chain that include labor violations. Furthermore, Honeywell has a program in place to conduct audits, when needed, of its supply chain to ensure compliance with the Supplier Code of Business Conduct, including Honeywell's policies regarding slavery and human trafficking. Honeywell reserves the right to terminate a supplier relationship if the supplier fails to comply with applicable legal requirements or the Honeywell Supplier Code of Business Conduct, including Honeywell's policies aimed at combatting slavery and human trafficking.

3. Is the premise/office of the Company accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

The registered and corporate offices of the Company have ramps for easy movement of differently abled visitors. Most of the offices are located in commercial premises which may be on the ground floor or have elevators and infrastructure for differently abled visitors. Wheelchair accessible restrooms are available in certain offices of the Corporation.

4. Details on assessment of value chain partners:

The Company expects its value chain partners to adhere to the same values, principles and business ethics upheld by the Company in all their dealings. No specific assessment in respect of value chain partners has been carried out.

% of value chain partners (by value of business done with such partners) that were assessed	
Sexual Harassment	-
Discrimination at workplace	-
Child Labour	-
Forced Labour/Involuntary Labour	-
Wages	-
Others – please specify	-

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

Corrective Action and Remediation: Honeywell implements corrective action plans to remediate risks or findings identified through Supplier Screening, Monitoring or Audits programs, up to and including suspension or termination of the supplier relationship.

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment.

ESSENTIAL INDICATORS

1. Details of total energy consumption (in Joules or multiples) and energy intensity.

Parameter	FY 2023-24	FY 2022-23
From renewable sources		
Total electricity consumption (A)	28,11,60,72,00,000	-
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
Total energy consumed from renewable sources (A+B+C)	28,11,60,72,00,000	-
From non-renewable sources		
Total electricity consumption (D)	2,57,15,03,13,00,000	2,48,57,77,47,84,000
Total fuel consumption (E)	51,43,06,72,50,000	21,05,52,71,04,000
Energy consumption through other sources (F)	-	-
Total energy consumed from non-renewable sources (D+E+F)	3,08,58,09,85,50,000	2,69,63,30,18,88,000
Total energy consumed (A+B+C+D+E+F)	3,36,69,70,57,50,000	2,69,63,30,18,88,000
Energy intensity per Rupee of Turnover (Total energy consumed / Revenue from Operations)	829.66	782
Energy intensity per Rupee of Turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from Operations adjusted for PPP)	829.73	-
Energy intensity in terms of physical output	-	-
Energy intensity (optional) – the relevant metric may be selected by the Company	-	-

Energy consumption captured in Joules.

Renewable Energy Transition - Starting from January 2024, Hadaspar facility has substantially elevated its green power sourcing through third-party PPA model.

Energy Intensity- This is currently unavailable.

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)
If yes, name of the external agency.

No, the Company did not carry out independent assessment by an external agency.

2. Does the Company have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

No, the Company does not have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India.

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2023-24	FY 2022-23
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Ground water	12,502	10,733
(iii) Third party water	8,042	3,290
(iv) Seawater / desalinated water	-	-
(v) Others*	19,120	19,643
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	39,664	33,666
Total volume of water consumption (in kilolitres)	39,664	33,666
Water intensity per Rupee of Turnover (Total water consumption / Revenue from Operations)	0.000000977	0.000000976
Water intensity per Rupee of Turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from Operations adjusted for PPP)	0.000000977	-
Water intensity in terms of physical output	-	-
Water intensity (optional) – the relevant metric may be selected by the Company	-	-

* Usage of municipal water is shown here, as the Company doesn't extract water directly from the sources.

Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N)
If yes, name of the external agency.

No, the Company did not carry out independent assessment by an external agency.

4. Provide the following details related to water discharged.

Sr. No.	Parameter	FY 2023-24	FY 2022-23
Water discharge by destination and level of treatment (in kilolitres)			
(i)	To Surface water	-	-
	No treatment		
	With treatment – please specify level of treatment		
(ii)	To Ground water	-	-
	No treatment		
	With treatment – please specify level of treatment		
(iii)	To Seawater	-	-
	No treatment		
	With treatment – please specify level of treatment		
(iv)	To Third party water	-	-
	No treatment		
	With treatment – please specify level of treatment		
(v)	Others	-	-
	No treatment		
	With treatment – please specify level of treatment		
Total Water discharged (in kilolitres)		-	-

5. Has the Company implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes, water being an important environmental resource, necessary initiatives are taken in the Company's manufacturing unit to conserve and recycle water, thus ensuring Zero Liquid Discharge. Suitable and efficient wastewater treatment like STP are installed in the manufacturing unit with primary, secondary, and tertiary treatment which include nano filtration / Reverse Osmosis / Ultra Violet treatment facilities to treat wastewater to usable quality water. The treated water is further used for gardening activities within the premises.

6. Please provide details of air emissions (other than GHG emissions) by the Company, in the following format:

Parameter	Unit	FY 2023-24	FY 2022-23
NOx	-	-	-
SOx	Kg/day	1.59	2.37
Particulate matter (PM)	Mg/nm ³	26.28	20.83
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-
Others	-	-	-

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)
If yes, name of the external agency.

No, the Company did not carry out independent assessment by an external agency.

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2023-24	FY 2022-23
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ Equivalent	237.59	160
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ Equivalent	5,123	5,593
Total Scope 1 and Scope 2 emissions per Rupee of Turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	-	0.00000013	0.00000019
Total Scope 1 and Scope 2 emission intensity per rupee of Turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from Operations adjusted for PPP)	-	0.00000013	-
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the Company	-	-	-

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)
If yes, name of the external agency.

No, the Company did not carry out independent assessment by an external agency.

8. Does the Company have any project related to reducing Green House Gas emission? If Yes, then provide details.

The Company adheres to Honeywell's commitment to be carbon neutral in its facilities and operations by 2035. Honeywell's commitment to being environmentally responsible is reflected in the extensive work it does to reduce GHG emissions, increase energy efficiency, conserve water, minimize waste and drive efficiency throughout our operations. Honeywell also champions responsible remediation projects and efforts to make our products safer and more sustainable. Please refer to Honeywell's ESG Report 2023 for more details.

9. Provide details related to waste management by the Company, in the following format:

Parameter	FY 2023-24	FY 2022-23
Total Waste generated (in metric tonnes)		
Plastic waste (A)	3.98	16.61
E-waste (B)	4.1	0.96
Bio-medical waste (C)	0.013	0.14
Construction and demolition waste (D)	-	-
Battery waste (E)	-	-
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any. (G)	1.17	2.0
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	225.92	220
Total (A+B + C + D + E + F + G+ H)	235.19	240
Waste intensity per Rupee of Turnover (Total waste generated / Revenue from Operations)	0.0000000057	0.0000000069
Waste intensity per Rupee of Turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from Operations adjusted for PPP)	0.0000000057	-
Waste intensity in terms of physical output	-	-
Waste intensity (optional) – the relevant metric may be selected by the Company	-	-
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	225.92	237.5
(ii) Re-used	-	-
(iii) Other recovery operations	-	-
Total	225.92	237.5
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	0.644	-
(ii) Landfilling	-	-
(iii) Other disposal operations	-	-
Total	0.644	-

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)

If yes, name of the external agency.

No, the Company did not carry out independent assessment by an external agency.

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Honeywell manages waste in accordance with all regulatory requirements while also seeking to minimize waste generation and environmental impact. All of our locations and functions are required to handle waste in accordance with our HSEPS management system which includes:

- Detailed characterization and classification of all waste streams.
- Process of due diligence and impact assessment for all facilities receiving hazardous waste, from our operations including a review and approval process by a global team; Honeywell's hazardous waste streams are only permitted to be sent to these approved facilities.
- Annual duty of care assessments of all receiving facilities and transporters of Honeywell's waste, including compliance with local regulations and permitting requirements and ability to handle our waste streams, prior to any waste movement.
- On-site management of waste streams to prevent releases and impact on the environment, including container management and spill prevention.

- Annual training for all employees and contractors that perform waste related activities.
- Annual or more frequent audits of waste movements to confirm compliance and identify opportunities for waste reduction and diversion.

11. If the Company has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details.

Currently, no office or factory location of the Company are part of ecologically sensitive areas.

12. Details of environmental impact assessments of projects undertaken by the Company based on applicable laws, in the current financial year:

No projects were implemented in FY 2023-24 which required EIA to be undertaken by the Company.

13. Is the Company compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances.

The Company complies to all the applicable environmental law/ regulations/ guidelines in India.

LEADERSHIP INDICATORS

1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

(i) Name of the area- Fulgaon plant & Hadapsar facility

(ii) Nature of operations- Manufacturing

(iii) Water withdrawal, consumption and discharge

Parameter	FY 2023-24		FY 2022-23	
Water withdrawal by source (in kilolitres)				
	Fulgaon	Hadapsar	Fulgaon	Hadapsar
(i) Surface water	-	-	-	-
(ii) Groundwater	12,502	-	10,733	-
(iii) Third party water	-	8,042	-	3,290
(iv) Seawater / desalinated water	-	-	-	-
(v) Others		19,120	-	19,643
Total volume of water withdrawal (in kilolitres)	12,502	27,162	10,733	22,933
Total volume of water consumption (in kilolitres)	12,502	27,162	10,733	22,933
Water intensity per rupee of turnover (Water consumed / turnover)	0.000000977		0.000000976	
Water intensity (optional) – the relevant metric may be selected by the entity	-	-	-	-
Water discharge by destination and level of treatment (in kilolitres)				
(i) Into Surface water	-	-	-	-
- No treatment				
- With treatment – please specify level of treatment				
(ii) Into Groundwater	-	-	-	-
- No treatment				
- With treatment – please specify level of treatment				
(iii) Into Seawater	-	-	-	
- No treatment				
- With treatment – please specify level of treatment				
(iv) Sent to third-parties	-	-	-	-
- No treatment				
- With treatment – please specify level of treatment				
(v) Others	-	-	-	-
- No treatment				
- With treatment – please specify level of treatment				
Total water discharged (in kilolitres)	-	-	-	

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No, the Company did not carry out independent assessment by an external agency.

2. Please provide details of total Scope 3 emissions & its intensity.

Parameter	Unit	FY 2023-24	FY 2022-23
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	-	-
Total Scope 3 emissions per rupee of turnover	-	-	-
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	-	-	-

Scope 3 calculations are done at Honeywell Enterprises level, and details are unavailable at the entity level currently.

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No, the Company did not carry out independent assessment by an external agency.

3. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the Company on biodiversity in such areas along-with prevention and remediation activities.

NIL

4. If the Company has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives.

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
-	-	-	-

5. Does the Company have a business continuity and disaster management plan? Give details in 100 words/ web link.

Honeywell's Global Business Continuity Program adheres to the international standard of Business Continuity (BC) lifecycle process, which is based on a risk-based, all-hazards planning approach. This means that no matter what causes a disruption, a plan is documented based on the following loss scenarios:

1. Loss of availability of people/workforce/specialized personnel
2. Loss of IT applications/hardware/services/infrastructure
3. Loss of facility/building/campus/workspace
4. Loss of supplier services/product

The Company follows the annual business continuity lifecycle of performing business impact assessments, documenting recovery strategies in business continuity plan and testing the recovery strategies through table top exercises and functional test.

The Technology Resilience Program is designed to provide a scalable structured program to ensure the identification, mitigation and communication of risks and resiliency related to technology failure events (hardware, software, network, data, telecom), as well as datacenter outages.

The Technology Resilience Standard identifies the minimum requirements for the Technology Resilience Program. These requirements include the identification of risks and vulnerabilities, Technology Resilience Plans (TRPs), recovery strategies, testing of plans, tracking and communicating compliance.

The Company is covered for any application failure by application recovery plans that has been developed and tested by Honeywell. HAIL sites have their own IT site recovery plans for any technology failure hosted locally all the sites, these plans are reviewed and exercised annually.

6. Disclose any significant adverse impact to the environment, arising from the value chain of the Company. What mitigation or adaptation measures have been taken by the Company in this regard.

No significant adverse impact by value chain partners.

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

Nil.

PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

ESSENTIAL INDICATORS

1. a. Number of affiliations with trade and industry chambers/ associations.

The Company is a member of 2 trade and industry chambers/ associations, details of which are given in point 1.b. below.

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the Company is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1.	National Association of Software and Service Companies (NASSCOM)	National
2.	Mahratta Chamber of Commerce, Industry and Agriculture (MCCIA)	State

2. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the Company, based on adverse orders from regulatory authorities.

There were no cases of any anti-competitive conduct during the reporting period.

LEADERSHIP INDICATORS

1. Details of public policy positions advocated by the Company:

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain (Yes / No)	Frequency of Review by Board (Annual / Half Yearly / Quarterly / Others - please specify)	Web link if available
NIL					

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development.

ESSENTIAL INDICATORS

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
-	-	-	-	-	-

SIA was not applicable in the reporting year.

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your Company.

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In ₹)
-	-	-	-	-	-	-

3. Describe the mechanisms to receive and redress grievances of the community.

The Company has a defined process to ensure all the complaints and feedback from all stakeholders including communities are received and addressed, few of the links given below:

- Dedicated contact link for Honeywell Help and support: <https://www.honeywell.com/us/en/contact>
- Dedicated page for Integrity and Compliance Access integrity: <https://www.honeywell.com/us/en/company/integrity-and-compliance>

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2023-24	FY 2022-23
Directly sourced from MSMEs/ small producers	19.78%	21.53%
Sourced directly from within India	53%	54%

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

LOCATION	FY 2023-24	FY 2022-23
Rural	-	-
Semi-Urban	-	-
Urban	-	-
Metropolitan	100	100

LEADERSHIP INDICATORS

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
-	-

SIA was not applicable in the reporting year.

2. Provide the following information on CSR projects undertaken by your Company in designated aspirational districts as identified by government bodies:

S. No.	State	Aspirational District	Amount Spent (₹)
-	-	-	-

None of the projects that were supported from HAIL funding (Avasara, Swades, Americares PHC & GMT) are undertaken in aspirational districts in FY23-24

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)

(b) From which marginalized /vulnerable groups do you procure?

(c) What percentage of total procurement (by value) does it constitute?

No.

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your Company (in the current financial year), based on traditional knowledge:

S. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
-	-	-	-	-

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved

Name of Authority	Brief of the Case	Corrective Action Taken
-	-	-

6. Details of beneficiaries of CSR Projects:

Project Name	Brief of the Project	Impact created
Education, Skill & Research – Avasara Academy	The project aims to develop the next generation of women leaders through specially curated STEM-focused transformative and enriching educational training. Beneficiaries– students & Science educators	Total number of students enrolled – 373 Direct Students Beneficiaries Indirect Beneficiaries enrolled in Camps – 1097 Number of science educators trained – 29
Sustainable & Holistic Community Development – Swades Foundation	The project aims to create stronger communities and model villages that are economically prosperous, environmentally sustainable, healthy, and resilient through need-based interventions in terms of infrastructure, water and hygiene, agriculture, and allied businesses, entrepreneurship, vocational training, etc. Beneficiaries– Households & rural population	Total beneficiaries impacted – 18,171 Total Household Impacted – 4,480
Sustainable & Holistic Community Development – Americares Foundation	The project aims to upgrade primary healthcare centres across rural India to provide quality comprehensive primary healthcare services. Beneficiaries– Rural population	Number of beneficiaries impacted – 13,99,471
Plant the Future Campaign – Give Me Trees	The project aims to promote environmental sustainability through plantation and creating biodiversity hubs across various project locations around Honeywell sites.	Number of saplings planted – 2,813

PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner

ESSENTIAL INDICATORS

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

The Company has defined a process to ensure all the complaints and feedback from customers received from multiple channels are addressed. Dedicated contact link for Honeywell Help and support is available on the weblink: <https://process.honeywell.com/us/en/contact-us>

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover*
Environmental and social parameters relevant to the product	100% (of products)
Safe and responsible usage	100% (of products)
Recycling and/or safe disposal	100% (of products)

* as required under relevant laws.

3. Number of consumer complaints in respect of the following:

Category	FY 2023-24		Remarks	FY 2022-23		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	0	0	-	0	0	-
Advertising	0	0	-	0	0	-
Cyber-security	0	0	-	0	0	-
Delivery of essential services	0	0	-	0	0	-
Restrictive Trade Practices	0	0	-	0	0	-
Unfair Trade Practices	0	0	-	0	0	-
Other	0	0	-	0	0	-

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	0	-
Forced recalls	0	-

5. Does the Company have a framework/ policy on cyber security and risks related to data privacy? (Yes/No). If available, provide a web-link of the policy.

Regarding privacy measures, Honeywell has a Data Privacy Function (corporate-wide) which acts as a resource to help ensure compliance with global data privacy laws such as GDPR and CCPA.

As part of the Global Data Privacy Standards and Compliance Resources, Honeywell's Data Privacy Policy establishes uniform and global guidance regarding how Honeywell intends generally to Process and protect Personal Data. To the extent that Law or contractual provisions impose stricter requirements than the guidance set in the Policy, Honeywell will comply with the more restrictive Law or contractual provisions.

Honeywell has a data privacy policy (Policy 2006). Policies are proprietary and cannot be shared but can be demonstrated.

Further information on Honeywell's data privacy can be found on Honeywell's Data Privacy Trust Center :

<https://www.honeywell.com/us/en/company/data-privacy>

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

There were no such complaint received by the Company.

For cybersecurity corrective actions, Honeywell provides centralized configuration management in which configurations common across multiple systems are stored in a repository, versioned, and deployed. Baseline configuration settings for all IT products are documented in build books.

Changes to the configuration settings are monitored and controlled through the technical configuration process using a host/client scanner that connects to hosts and collects the configuration information from operating systems. The configuration settings are then compared to the baseline located on the server and flagged accordingly. Corrective actions are taken to remediate/mitigate the gaps found.

Patching is performed at regular intervals dependent on the device. All changes, including patches related to infrastructure and applications within the production environment, are managed in a controlled manner. Changes are logged, assessed, and authorized prior to implementation and reviewed against planned outcomes following implementation. This assures risk mitigations do not negatively affect the stability or integrity of the production environment.

7. Provide the following information relating to data breaches:

- Number of instances of data breaches along-with impact
- Percentage of data breaches involving personally identifiable information of customers
- Impact, if any, of the data breaches

No reportable data breach incidents pursuant to laws and regulations applicable to HAIL.

ANNEXURE-1 TO THE BRSR

Web Links of Honeywell Policies and Statements

Honeywell Policies in line with the National Guidelines on Responsible Business Conduct:

Sr. No.	Policy	Link
1.	Honeywell Code of Business Conduct	https://www.honeywell.com/content/dam/honeywellbt/en/documents/downloads/code-of-conduct/HON_COC_English.pdf
2.	Honeywell Supplier Code of Business Conduct	https://www.honeywell.com/us/en/company/integrity-and-compliance/supplier-code-of-business-conduct
3.	Honeywell Anticorruption Policy	https://www.honeywell.com/content/dam/honeywellbt/en/documents/downloads/hon-anticorruption-policy.pdf
4.	Honeywell Human Rights Policy	https://www.honeywell.com/content/dam/honeywellbt/en/documents/downloads/hon-human-rights-policy.pdf
5.	Honeywell Environmental, Social and Governance Report 2023	https://www.honeywell.com/us/en/company/esg-report
6.	Corporate Social Responsibility Policy	https://www.honeywell.com/in/en/hail#policies
7.	Policy for Determination of Materiality of Events & Information	https://www.honeywell.com/in/en/hail#policies
8.	Whistle Blower Policy	https://www.honeywell.com/in/en/hail#policies
9.	General Policies	https://www.honeywell.com/in/en/hail#policies

All other policies are available on the Company's internal network.

Independent Auditor's Report

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

Opinion

We have audited the accompanying financial statements of Honeywell Automation India Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2024, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year ended on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibility for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matters	Auditor's Responses
1	<p>Accuracy of revenue recognition in line with Ind AS 115 - "Revenue from Contracts with Customers"</p> <p>The Company recognizes revenue from turnkey contracts on a percentage of completion basis in proportion of the contract costs incurred at balance sheet date, relative to the total estimated costs of the contract at completion. The recognition of revenue is therefore dependent on estimates in relation to total estimated costs of each such contract. The estimation of total costs involves significant judgment and is assessed throughout the period of the contract to reflect any changes based on the latest available information. Cost contingencies are included in these estimates to take into account specific uncertain risks, arising within each contract. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the estimated efforts or costs to complete the contract.</p> <p>Given the significance of the judgments necessary to estimate costs associated with these long-term contracts (which varies upon the length of the contract), auditing long-term contracts requires a high degree of auditor judgment.</p> <p>Refer to Note Number. 2(g) and Note number 21 of the Financial Statements.</p>	<p>Principal Audit Procedures Performed:</p> <ul style="list-style-type: none"> We tested the effectiveness of internal controls over the recognition of revenue on Percentage of Completion basis and the determination of estimated contract costs including controls over the review of management's assumptions and key inputs used to recognize revenue and costs on long-term contracts using the input method on basis of cost incurred. We tested the relevant underlying computer application systems used in recording revenue/project costs and budgeting systems including system generated reports. We selected samples of ongoing turnkey contracts, wherein revenue was recorded on percentage of completion basis, and performed the following: <ul style="list-style-type: none"> tested contractual terms by agreeing these back to signed contracts, tested the mathematical accuracy of the cost incurred till date to budgeted total cost and re-performed the calculation of revenue recognized during the year based on the percentage of completion; tested the actual costs incurred on construction works during the reporting period with supporting system reports on project status and extent of obligations fulfilled against the Company's estimates as provided in prior periods or initial budget to identify significant variations and evaluate whether those variations have been considered appropriately and timely performed enquiries with the project managers for the samples selected and corroborated their responses to the contract testing. tested management's estimates of the impact to revenue and budgeted costs arising from scope changes made to the original contracts, claims, disputes and liquidation damages with reference to supporting documents including variation orders/executed purchase orders and correspondences between the Company and the customers.

Sr. No.	Key Audit Matters	Auditor's Responses
		<ul style="list-style-type: none"> performed a retrospective review of costs incurred with costs estimated to assess management's ability to achieve estimates and to identify potential bias in the recognition of revenue over time, if any.
2	<p>Evaluation of Provisions, disclosures and analysis with respect to direct and indirect tax litigations</p> <p>The Company has various disputes/litigations related to direct and indirect taxes in various states and at various levels of appellate authorities.</p> <p>The evaluation of the Company's position and determination of possible outcome of these disputes and provisions and related disclosures, if any, required to be made in the books involves significant management judgment.</p> <p>Refer Note 2(L) and note 34 to the financial statements.</p>	<p>Principal Audit Procedures Performed:</p> <ul style="list-style-type: none"> We assessed management's processes and tested the internal controls implemented for the identification, recognition and measurement of tax positions and its assessment of the potential impact on the Company. We received a statement of all ongoing disputes/litigations along with the necessary documentation and <ul style="list-style-type: none"> We evaluated management's assessments including advice/opinion obtained from external consultants/legal advisors with respect to prospects of success of appeals and tax proceedings. We involved our internal experts to challenge the management's position on the select litigations and to consider legal precedence and other rulings in evaluating management's position on these tax positions.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's report including specific Annexures to Board's Report and Management Discussion and Analysis, but does not include the financial statements and our auditor's report thereon.
- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

the Act for safeguarding 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.

In preparing the financial statements, management and Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's Board of Directors are also responsible for overseeing the Company's financial reporting process.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including Ind AS specified under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion.

Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating

the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal financial controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit that:
 - a) 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.
 - b) 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, except for not keeping backup on a daily basis of such books of account maintained in electronic mode in a server physically located in India (refer Note 41 to the financial statements) and not complying with the requirement of audit trail (refer Note 42 to the financial statements) as stated in (i)(vi) below.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

- e) On the basis of the written representations received from the directors as on 31st March, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164(2) of the Act.
- f) The modifications relating to the maintenance of accounts and other matters connected therewith, are as stated in paragraph (b) above.
- g) With respect to the adequacy of the internal financial controls with reference to financial statements 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 with reference to financial statements.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended.

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

- i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 34 to the financial statements;
 - ii. 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 35 to the financial statements;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the note 37 (B) (iii) to the financial statements

no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the note 37 (B) (iv) to the financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- v. The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.

As stated in note 39 to the financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. Such dividend proposed is in accordance with section 123 of the Act, as applicable.

- vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the year ended March 31, 2024 which has a feature of

recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except that audit trail was not enabled at the database level to log direct data changes, if any.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the year ended March 31, 2024. (Refer Note 42 to financial statements)

2. As required by the Companies (Auditor's Report) Order, 2020 ("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's Registration No. 117366W/W-100018)

Kedar Raje

Partner
(Membership No. 102637)
UDIN: 24102637BKELXC3775

Place: Pune

Date: May 15, 2024

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1 (g) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls with reference to financial statements of **Honeywell Automation India Limited** (“the Company”) as of 31st March 2024 in conjunction with our audit of the Ind AS 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 with reference to financial statements based on 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 Act.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to financial statements of the Company 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 Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an

understanding of internal financial controls with reference to financial statements, 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 auditor’s 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 with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A Company’s internal financial control with reference to financial statements 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 with reference to financial statements 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 with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to

financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March, 2024, based the criteria for internal financial control with reference to financial statements 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's Registration No. 117366W/W-100018)

Kedar Raje
Partner
(Membership No. 102637)
UDIN: 24102637BKELXC3775

Place: Pune
Date: May 15, 2024

ANNEXURE “B” TO THE INDEPENDENT AUDITORS’ REPORT

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

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, Capital work-in-progress and relevant details of right-of-use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a program of verification of Property, Plant and Equipment so to cover all the items in a phased manner over a period of three 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 Property, Plant and Equipment were due for verification during the year and 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) Based on the examination of the title deeds and property tax paid receipts provided to us, we report that, the title deed of all the immovable property, (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment and capital work-in progress are held in the name of the Company as at the balance sheet date.

(d) The Company has not revalued any of its Property, Plant and Equipment (including Right-of-use assets) and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at 31st March 2024 for holding any benami property under the Benami Transaction (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) The inventories except for goods in transit were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanation given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for

each class of inventories were noticed on such physical verification of inventories when compared with books of account.

(b) According to the information and explanation given to us, at any point of time of the year, the Company has not been sanctioned any working capital facility from banks or financial institutions and hence reporting under clause 3 (ii) (b) of the order is not applicable.

(iii) The Company has not made any investments in, provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, and hence reporting under clause 3 (iii) of the Order is not applicable.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of investments made by the Company. According to the information and explanations given to us, the Company has not granted loans or provided guarantees and securities.

(v) The Company has not accepted any deposits or amount which are cleaned from the public 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) 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, Customs Duty, Goods and Service Tax (GST), Cess and other material statutory dues applicable to it to the appropriate authorities.

There were no undisputed amounts payable in respect of Provident Fund, Employees’ State Insurance, Income-tax, Customs Duty, GST, Cess and other

material statutory dues in arrears as at 31st March 2024 for a period of more than six months from the date they became payable.

(b) Details of statutory dues referred to in sub- clause (a) above which have not been deposited as on 31st March 2024 on account of disputes are given below:

Income Tax Act, 1961

(₹ in millions)

Nature of Dues	Forum where Dispute is Pending	Period to which the amount relates	Amount unpaid	Amount Paid/ Adjusted Against Demand*
Income Tax	Assessing office	AY 2003-04	34.92	19.51
Income Tax	High Court	AY 2005-06	0.00	105.02
Income Tax	Commissioner of Income Tax Appeals	AY 2008-09	13.41	3.42
Income Tax	Assessing office/ Transfer Pricing officer	AY 2010-11	9.74	2.48
Income Tax	Commissioner of Income Tax Appeals	AY 2011-12	0.78	0.20
Income Tax	Commissioner of Income Tax Appeals	AY 2012-13	0.95	0.24
Income Tax	Commissioner of Income Tax Appeals	AY 2013-14	35.68	9.19
Income Tax	Income Tax Appellate Tribunal	AY 2014-15	5.17	-
Income Tax	Commissioner of Income Tax Appeals	AY 2019-20	25.89	75.67
Income Tax	The Tax Appeal Committee (TAC) Ministry of Finance, Kuwait	AY 15-16 and 16-17	51.11	-

*Amount paid includes amount adjusted against refund of same or other assessment years.

Respective Sales tax laws- Sales tax, Value added tax (VAT), Central Sales Tax (CST), Works Contract Tax, Entry Tax, etc

(₹ in millions)

Nature of Dues	Forum where pending	Period to which it pertains (FY)	Amount Unpaid	Amount Paid
BST	Tribunal, Maharashtra	2001-02	3.23	-
CST	Additional commissioner, Bihar	2015-16	1.32	0.38
CST	Additional Commissioner GR-2 (Appeal) Lucknow-III, Uttar Pradesh	2016-17 and 2017-18	1.02	2.65
CST	Assessing officer, Gurugram (EAST), Haryana	2015-16, 2016-17 and 2017-18	10.04	-
CST	Assistant commissioner, Tamil Nadu	2014-15, 2016-17 and 2017-18	1.10	0.62
CST	Deputy commissioner (Commercial Tax), Telangana	2016-17	0.19	-
CST	High Court, Maharashtra	2009-10, 2013-14, 2014-15 and 2015-16	7.33	2.62
CST	Joint Commissioner (Appeals), Maharashtra	2015-16, 2016-17 and 2017-18	160.31	0.39
CST	Revision board-Bench - VII, West Bengal	2012-13	13.13	1.51
CST	Special Objection Hearing Authority, Delhi	2007-08, 2015-16, 2016-17 and 2017-18	18.70	1.45
CST	Tribunal, Maharashtra	2014-15	10.36	-
Entry Tax	Deputy Commissioner of Commercial Tax, Madhya Pradesh	2016-17	0.62	0.21
GST	Appellate Authority, Delhi	2017-18	4.43	0.22
GST	Appellate Authority, Odisha	2017-18	0.11	0.00
GST	Appellate Authority, Tamil Nadu	2017-18	16.84	0.83
GST	Appellate Authority, Telangana	2017-18 to 2019-20	1.49	0.12
GST	Appellate Authority, West Bengal	2017-18	1.22	0.11

Nature of Dues	Forum where pending	Period to which it pertains (FY)	Amount Unpaid	Amount Paid
GST	Deputy commissioner(ST), Andhra Pradesh	2018-19	1.74	-
GST	Deputy commissioner(ST), Kerala	2018-19	1.13	-
GST	Tribunal, Gujarat	2018-19	4.94	-
GST	Tribunal, Odisha	2019-20 and 2020-21	1.86	0.14
GST	Assistant Commissioner, Karnataka	2018-19	0.47	-
GST	Assistant Commissioner, Tamil Nadu	2018-19	12.23	-
VAT	Tribunal, Andhra Pradesh	2014-15	1.06	1.06
VAT	Additional commissioner, Bihar	2015-16 and 2016-17	1.57	0.34
VAT	Additional commissioner GR-2 (Appeal) Lucknow-III, Uttar Pradesh	2016-17	0.19	0.16
VAT	Appellate authority (Deputy Commissioner) Hyderabad, Telangana	2015-16	6.41	-
VAT	Assistant commissioner, Tamil Nadu	2010-11	0.58	-
VAT	Commissioner (Appeals), Haryana	2017-18	0.61	-
VAT	Deputy commissioner (Commercial Tax), Telangana	2010-11 and 2011-12	2.30	-
VAT	Deputy Commissioner of Commercial Tax, Madhya Pradesh	2016-17	0.32	0.11
VAT	Deputy Commissioner, Gujarat	2001-02	1.97	-
VAT	Deputy Commissioner, Kerala	2009-10, 2011-12 to 2015-16	39.72	2.35
VAT	Deputy commissioner, Uttar Pradesh	2014-15 and 2015-16	17.92	0.37
VAT	High Court, Maharashtra	2013-14	11.69	-
VAT	High Court, Uttar Pradesh	2011-12	12.55	8.81
VAT	Joint Commissioner (Appeals), Maharashtra	2015-16	19.41	0.48
VAT	Special Objection Hearing Authority, Delhi	2007-08, 2010-11, 2011-12, 2016-17 and 2017-18	29.67	0.00
VAT	Tribunal, Karnataka	2014-15	11.66	5.00
VAT	Tribunal, Uttar Pradesh	2012-13	16.51	-
VAT	Tribunal, West Bengal	2011-12	0.01	-
VAT	High Court, Orissa	2011-12 and 2012-13	15.36	-
WCT	Joint Commissioner (Appeals), Maharashtra	2001-02	1.32	-
The Customs Act, 1962				
Customs	Customs, Excise and Service Tax Appellate Tribunal	2000-01, 2006-07 and 2007-08	7.09	-
Customs	Deputy Commissioner (Customs)	1994-95	8.13	-
Customs	Commissioner of Customs (Appeals)	2017-2020	2.26	1.11
The Central Excise Act, 1944				
Excise	Customs, Excise and Service Tax Appellate Tribunal	2000-01	0.24	-

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) (a) The Company has not taken any loans or borrowings from any lender. Hence reporting under clause 3 (ix)(a) of the Order is not applicable.

- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause 3 (ix)(c) of the Order is not applicable.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause 3 (ix)(e) of the Order is not applicable.
- (f) The Company has not raised any loans during the year and hence reporting on clause 3 (ix)(f) of the Order is not applicable.
- (x) (a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause 3 (x) (a) of the Order is not applicable.
- (b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3 (x) (b) of the Order is not applicable.
- (xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) To the best of our knowledge, no report under sub-section (12) of Section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) We have taken into consideration the whistle-blower complains received by the Company during the year and provided to us, when performing our audit.
- (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, the Company is in compliance with Section 177 and 188 of the Act, 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) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit issued to the Company during the year and covering period upto March 2024 and draft of the internal audit reports, where issued after the balance sheet date covering period April-2024 for the period under audit.
- (xv) In our opinion, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with them and hence provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3 (xvi) (a), (b) and (c) of the Order is not applicable.
- The group does not have any Core Investment Company (CIC) as a part of the group and accordingly reporting under clause 3 (xvi) (d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based

on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating the Company is not capable of meeting its liabilities existing at the date of the balance sheet as and when they fall due within period of one year from the balance sheet date. We however, state that this is not an assurance as to the future viability of the Company. We further state that, our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Act or special account in compliance with the provision of sub-

section (6) of section 135 of the said Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Kedar Raje
Partner
(Membership No. 102637)
UDIN: 24102637BKELXC3775

Place: Pune
Date: May 15, 2024

Balance Sheet as at March 31, 2024

(₹ in millions)

Particulars	Notes	As at 31st March 2024	As at 31st March 2023
Assets			
Non-current assets			
(a) Property, Plant and Equipment	4	1,121	1,200
(b) Right-Of-Use Assets	30	577	309
(c) Capital work in progress	4	19	24
(d) Intangible assets	5	0	0
(e) Financial assets			
(i) Trade receivables	6	86	85
(ii) Other financial assets	9	262	146
(f) Income tax assets	10	243	444
(g) Deferred tax assets (net)	11	703	721
(h) Other non-current assets	12	547	607
Total non-current assets		3,558	3,536
Current assets			
(a) Inventories	13	1,591	1,646
(b) Financial assets			
(i) Trade receivables	6	9,261	9,378
(ii) Cash and cash equivalents	7	28,224	4,809
(iii) Bank balances other than (ii) above	8	6	18,986
(iv) Other financial assets	9	5,580	5,433
(c) Other current assets	12	731	717
Total current assets		45,393	40,969
Total Assets		48,951	44,505
Equity and Liabilities			
Equity			
(a) Equity share capital	14	88	88
(b) Other equity	15	35,974	31,797
Total Equity		36,062	31,885
Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Lease liabilities	17	485	175
(ii) Other financial liabilities	19	12	-
(b) Provisions	16	196	173
Total non-current liabilities		693	348
Current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	17	111	188
(ii) Trade payables	18		
(A) total outstanding dues of micro enterprises and small enterprises; and		819	669
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		6,794	6,578
(iii) Other financial liabilities	19	1,164	1,490
(b) Other current liabilities	20	1,658	1,471
(c) Provisions	16	894	1,412
(d) Income tax liabilities	10	756	464
Total current liabilities		12,196	12,272
Total Equity and Liabilities		48,951	44,505

See accompanying notes to the financial statements
In terms of our report of even date

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

Kedar Raje
Partner
Membership No: 102637

For and on behalf of the Board

Ganesh Natarajan
Chairman
DIN: 00176393

Pulkit Goyal
Chief Financial Officer
M No: 124311

Ashish Gaikwad
Managing Director
DIN: 07585079

Indu Daryani
Company Secretary
FCS No: 9059

Place: Pune
Date: May 15, 2024

Place: Pune
Date: May 15, 2024

Statement of Profit and Loss for the year ended 31st March 2024

(₹ in millions)

Particulars	Notes	As at 31st March 2024	As at 31st March 2023
(I) Revenue from operations	21	40,582	34,476
(II) Other Income	22	1,428	1,283
(III) Total Income (I + II)		42,010	35,759
(IV) Expenses:			
Cost of materials consumed	23	17,541	14,704
Purchases of Stock in Trade		5,551	3,798
Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	20	(170)
Employee benefits expense	25	6,600	6,259
Finance costs	26	36	40
Depreciation and amortization expense	4,5 & 30	537	519
Other expenses	27	4,976	4,696
Total expenses		35,261	29,846
(V) Profit before tax (III - IV)		6,749	5,913
(VI) Income tax expense:			
-Current tax		1,690	1,594
-Deferred tax		29	(68)
-Relating to earlier years		16	7
Total tax expense		1,735	1,533
(VII) Profit for the year (V-VI)		5,014	4,380
(VIII) Other comprehensive income			
A (i) Items that will not be reclassified to Profit and Loss			
(a) Remeasurements losses of the defined benefit plans		(74)	(109)
A (ii) Income tax relating to items that will not be reclassified to profit or loss		19	27
B (i) Items that may be reclassified to Profit and Loss			
(a) Effective portion of gains and loss on designated portion of hedging instruments in cashflow hedge		30	(30)
B (ii) Income tax relating to items that may be reclassified to profit and loss		(8)	8
Total other comprehensive income (A (i-ii) + B (i-ii))		(33)	(104)
(IX) Total comprehensive income for the year (VII + VIII)		4,981	4,276
Earning per equity share (In ₹)			
Basic and Diluted	31	567.13	495.40
Nominal value per share: ₹10			

See accompanying notes to the financial statements
In terms of our report of even date

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

Kedar Raje
Partner
Membership No: 102637

Place : Pune
Date : May 15, 2024

For and on behalf of the Board

Ganesh Natarajan
Chairman
DIN: 00176393

Pulkit Goyal
Chief Financial Officer
M No: 124311

Place : Pune
Date : May 15, 2024

Ashish Gaikwad
Managing Director
DIN: 07585079

Indu Daryani
Company Secretary
FCS No: 9059

Statement of Cash Flow for the year ended 31st March 2024

(₹ in millions)

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
A. Cash flow from operating activities		
Profit for the year	5,014	4,380
Adjustments for:		
Income tax expense recognised in profit and Loss account	1,735	1,533
Depreciation and amortisation of non current assets	537	519
(Gain) / Loss on sale / write off of property, plant and equipment (net)	0	(1)
Interest income recognised in profit and loss	(1,291)	(870)
Employee stock options provisions	36	37
Effects of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies	(27)	(117)
Effect of unrealized exchange (Gain)/Loss	6	5
Other interest cost	36	40
Liabilities no longer required written back	(34)	(18)
Reversal of actuarially determined liability (Refer Note 25)	(279)	-
Interest on Other financial assets carried at amortised cost	(8)	(8)
Bad debts written off (net of expected credit loss allowance)	177	425
Movements in working capital:		
(Increase) /decrease in trade and other receivables	(30)	(2,953)
(Increase) /decrease in amount due from customers under construction contracts and unbilled services	(427)	1,891
(Increase) in inventories	55	(660)
(Increase) /decrease in other assets	75	15
Increase/ (decrease) in trade payables	386	17
Increase/ (decrease) in provisions	(290)	194
Increase/ (decrease) in other current liabilities	(71)	270
Cash generated from operations	5,600	4,699
Income taxes paid (net of refund, if any)	(1,213)	(600)
Net cash generated from operations	4,387	4,099
B. Cash flow from investing activities		
Payments for Property, Plant and equipment and Intangibles	(320)	(281)
Proceeds from disposal of Property, Plant and equipment and Intangibles	5	65
Interest received	1,391	753
Fixed deposits placed during the year	(20,790)	(16,850)
Proceeds from fixed deposits matured during the year	39,770	15,020
Net cash generated from/ used in investing activities	20,056	(1,293)

Statement of Cash Flow

for the year ended 31st March 2024

(Cont'd)

(₹ in millions)

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
C. Cash flow from financing activities		
Repayment of lease liabilities	(215)	(225)
Dividend paid	(840)	(796)
Net cash used in financing activities	(1,055)	(1,021)
Net change in cash and cash equivalents	23,388	1,785
Cash and cash equivalents as at the beginning of the period	4,809	2,907
Effects of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies	27	117
Cash and cash equivalents as at the end of the period	28,224	4,809
Movement in cash and cash equivalents	23,388	1,785

- Statement of cash flows has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows" as specified in the Companies (Indian Accounting Standards) Rules, 2015.
- Payments for Property, Plant and equipment and Intangibles represents additions to property, plant and equipment and other intangible assets adjusted for movement of (a) capital work in progress for property, plant and equipment and (b) intangible assets under development during the year.
- Cash and cash equivalents included in the Statement of Cash Flows comprise the following:

Cash and cash equivalents consist of	As at 31st March 2024	As at 31st March 2023	As at 31st March 2022
Bank Balances			
Current Accounts	3,884	3,849	2,637
Cheques on hand	-	-	-
Demand deposits (Original maturity less than 3 months)	24,340	960	270
	28,224	4,809	2,907

See accompanying notes to the financial statements
In terms of our report of even date

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

Kedar Raje
Partner
Membership No: 102637

Place: Pune
Date: May 15, 2024

For and on behalf of the Board

Ganesh Natarajan
Chairman
DIN: 00176393

Pulkit Goyal
Chief Financial Officer
M No: 124311

Place: Pune
Date: May 15, 2024

Ashish Gaikwad
Managing Director
DIN: 07585079

Indu Daryani
Company Secretary
FCS No: 9059

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2024

A. Equity share capital

(₹ in millions)

Particulars	Amount
Balance as at 31st March 2022	88
Changes in Equity share capital during the year	-
Balance as at 31st March 2023	88
Changes in Equity share capital during the year	-
Balance as at 31st March 2024	88

B. Other equity

(₹ in millions)

	Reserves and surplus				Other comprehensive Income		Total
	Securities Premium	General Reserves	Retained earnings	Share based payment reserve	Remeasurements of the defined benefit plans	Effective portion of cash flow hedge	
Balance as at 31st March 2022	158	1,855	26,374	93	(211)	11	28,280
Profit for the year	-	-	4,380	-	-	-	4,380
Other comprehensive income for the year, net of income tax	-	-	-	-	(82)	(22)	(104)
Total comprehensive income for the year	-	-	4,380	-	(82)	(22)	4,276
Dividend Paid (refer note 39)	-	-	(796)	-	-	-	(796)
Recognition of share-based payments	-	-	-	37	-	-	37
Balance as at 31st March 2023	158	1,855	29,958	130	(293)	(11)	31,797
Profit for the year	-	-	5,014	-	-	-	5,014
Other comprehensive income for the year, net of income tax	-	-	-	-	(55)	22	(33)
Total comprehensive income for the year	-	-	5,014	-	(55)	22	4,981
Dividend Paid (refer note 39)	-	-	(840)	-	-	-	(840)
OCI portion of defined benefit plan settlement (refer note 36)	-	-	(104)	-	104	-	-
Recognition of share-based payments	-	-	-	36	-	-	36
Balance as at 31st March 2024	158	1,855	34,028	166	(244)	11	35,974

See accompanying notes to the financial statements
In terms of our report of even date

For **Deloitte Haskins & Sells LLP**

Chartered Accountants
Firm Registration Number - FRN 117366W/W100018

Kedar Raje

Partner
Membership No: 102637

For and on behalf of the Board

Ganesh Natarajan

Chairman
DIN: 00176393

Pulkit Goyal

Chief Financial Officer
M No. 124311

Place : Pune

Date : May 15, 2024

Ashish Gaikwad

Managing Director
DIN: 07585079

Indu Daryani

Company Secretary
FCS No: 9059

Notes to the Financial Statements

Note 1 – General Information:

Honeywell Automation India Limited (the 'Company') is engaged primarily in the business of Automation & Control systems on turnkey basis and otherwise. The Company is a public limited company incorporated and domiciled in India and has its registered office at 56,57 Hadapsar Industrial Estate, Pune – 411013, Maharashtra, India. The Company is listed on the Bombay Stock Exchange, Mumbai (BSE) and the National Stock Exchange (NSE). The financial statements are approved for issue by the Company's Board of Directors on May 15, 2024.

Note 2 – Material Accounting Policy Information:

A. Statement of Compliance

These financial statements are prepared in accordance with Indian Accounting Standard (Ind AS), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ("the Act") (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued there after.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

Operating cycle for current and non-current classification :

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle, based on the duration of the specified project/contract/product line/service including the defect liability period, wherever applicable and extends up to the realization of receivables (including retention monies) within the agreed credit period normally applicable to this industry.

B. Basis of Preparation and Presentation

The financial statements have been prepared on a historical cost convention and on an accrual basis, except for the following material items that have been measured at fair value as required by relevant Ind AS:

- i) Derivative financial instruments

- ii) Certain financial assets and financial liabilities measured at fair values (as required by the relevant Ind AS)

- iii) Share based payment transactions and

- iv) Defined benefit and other long term employee benefits

Historical cost is generally based on the fair value of the consideration given in exchange of goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the assets or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and disclosure purpose in these financial statement is determined on such basis, except for share-based transactions that are within scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

Amounts in the financial statements are presented in Indian ₹ in million and rounded off as permitted by Schedule III to the Companies Act, 2013, except where otherwise indicated. Per share data are presented in Indian ₹ to two decimal places.

C. Property, Plant and Equipment

Property, Plant and Equipment are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any.

Items of Property, Plant and Equipment 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 Property, Plant and Equipment are recognised in the Statement of Profit and Loss.

Freehold land is not depreciated.

NOTES TO THE FINANCIAL STATEMENTS

The Company depreciates Property, Plant and Equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows:

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

Based on technical evaluation, the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence, the useful lives for these assets are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

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

The estimated useful life of the Property, Plant and Equipment are reviewed at the end of each financial year, with the effect of any changes in estimate accounted for on a prospective basis.

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. The amortisation period and the amortisation method are reviewed 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. Losses arising from the retirement of, gain or losses arising from disposal of an intangible asset are recognised in the Statement of Profit and Loss. The Purchased Software are amortized over a period of 3 years.

The estimated useful life of the intangible assets are reviewed at the end of each financial year, with the effect of any changes in estimate accounted for on a prospective basis.

E. Impairment of Property, Plant and Equipment and Intangible Assets

Assessment is done at each Balance Sheet date as to whether there is any indication that an asset (property, plant and equipment 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.

F. Inventories

Inventories comprise of raw material, work in progress, finished goods, stock in trade and 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.

G. Revenue Recognition

The Company earns revenue primarily from turnkey projects with respect to automation and related control systems, AMC services and other business solutions.

- i) Revenue from construction of plants and systems with performance obligations satisfied over time are recognized using input method. Revenue from such contracts is recognized over time because of the continuous transfer of control to the customer. With control transferring over time, revenue is recognized based on the extent of progress towards completion of the performance obligation. Cost based input method of progress is used because it best depicts the transfer of control to the customer that occurs as costs are incurred. Under the cost based cost method, the extent of progress towards completion is measured based on the proportion of costs incurred to date to the total estimated costs at completion of the performance obligation. Cost estimates on significant contracts are reviewed on a periodic basis, or when circumstances change and warrant a modification to a previous estimate. Cost estimates are largely based on negotiated or estimated purchase contract terms,

historical performance trends and other economic projections. Significant factors that influence these estimates include if the desired site is made available on time, inflationary trends, technical and schedule risk, internal and subcontractor performance trends, business volume assumptions, asset utilization and anticipated labour agreements. Provisions for anticipated losses on long-term contracts are recorded in full when such losses become evident, to the extent required.

- ii) Revenue from contract with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration Company expects to be entitled in exchange for those goods or services. Service sales, principally representing software development are recognized over the contractual period or as services are rendered.
- iii) The terms of a contract or the historical business practice can give rise to variable consideration due to, but not limited to, cash-based incentives, rebates, performance awards, or credits. Variable consideration is estimated at the most likely amount receivable from customers. Estimated amounts are included in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognized for such transaction will not occur, or when the uncertainty associated with the variable consideration is resolved. Estimates of variable consideration and determination of whether to include estimated amounts in the transaction price are based largely on an assessment of our anticipated performance and all information (historical, current and forecasted) that is reasonably available.
- iv) A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration excluding any amounts presented as a receivable.
- v) A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

H. Foreign Currency Transactions

i) Functional currency

The functional currency of the Company is the Indian rupee. These financial statements are presented in Indian ₹ (rounded off to millions).

ii) Initial Recognition

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

iii) 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.

I. Employee Benefits

The Company participates in various employee benefit plans. Post-employment benefits are classified as either defined contribution plans or defined benefit plans:

i) 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.

ii) Provident Fund:

Provident Fund contributions were classified as defined benefit plan, as 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 period/ year and any shortfall in the fund size maintained by the Trust set up by the Company is additionally provided for.

NOTES TO THE FINANCIAL STATEMENTS

Basis our earlier application, the Company has received provisional sanction order from Regional Provident Fund Commissioner on January 31, 2024. Accordingly, all subsequent provident fund contributions are now classified as defined contribution plan and are made to the Employees' Provident Fund Organisation (EPFO) where the Company has no further obligations, apart from the contributions made on a monthly basis.

iii) 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 (as amended from time to time). The Gratuity Plan provides a lump sum payment to eligible 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 reporting period.

iv) 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.

v) Termination Benefits:

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

Actuarial gain or losses and remeasurements:

Actuarial gains or losses on defined benefit obligations are recognized in other comprehensive income. Further, the profit or loss does not include an expected return on plan assets. Instead net interest recognized in profit and loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognized as part of re-measurement of net defined liability or asset through other comprehensive income.

Remeasurements comprising actuarial gains or losses and return on plan assets (excluding amounts included in net interest on the net defined benefit liability)

are not reclassified to profit and loss in subsequent periods.

J. Share Based Payments

Certain employees of the Company receive remuneration in the form of equity settled instruments given by the ultimate holding company (Honeywell International Inc.), for rendering services over a defined vesting period. Equity instruments granted are measured by reference to the fair value of the instrument at the date of grant.

The expense is recognized in the statement of profit and loss with a corresponding increase to the share based payment reserve, as a component of equity. The equity instruments generally vest in a graded manner over the vesting period. The fair value determined at the grant date is expensed over the vesting period of the respective tranches of such grants. The stock compensation expense is determined based on the Company's estimate of equity instruments that will eventually vest.

K. Income Tax

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, except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity or other comprehensive income.

Current tax:-

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. 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:-

Deferred tax is recognized using the balance sheet approach. Deferred tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements.

Deferred tax asset are recognized to the extent that it is probable that taxable profit will be available against which such deferred tax assets can be realised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Deferred tax liabilities are recognized for all taxable temporary differences.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. 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.

L. Provisions and Contingencies

Provisions: Provisions are recognised when there is a present obligation (legal or constructive) 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 discounted to its present value as appropriate.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for onerous contracts are measured at the present value of lower of the expected net cost of fulfilling the contract and the expected cost of terminating the contract.

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.

Contingent assets are disclosed where an inflow of economic benefits is probable.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date. Where the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under such contract, the present obligation under the contract is recognised and measured as a provision."

M. Leases

At the inception of a contract, the Company assesses whether the contract is, or contains, a lease. The assessment is based on:

- (1) whether the contract involves the use of a distinct identified asset,
- (2) whether the Company obtains the right to substantially all the economic benefit from the use of the asset throughout the period, and
- (3) whether the Company has the right to direct the use of the asset.

The Company has hired office premises under non-cancellable operating lease arrangements at stipulated rentals.

Right-of-use assets represent right to use an underlying asset during the reasonably certain lease term, and lease liabilities represent obligation to make lease payments arising from the lease. The lease terms include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance lease payments.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

The Company primarily uses incremental borrowing rate, which is based on the information available at the lease commencement date, in determining the present value of the lease payments.

A right-of-use asset and corresponding lease liability are not recorded for leases with an initial term of 12 months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes lease payments as operating expense as incurred over the lease term.

The Company has also elected practical expedient available within the standard:

- not to separate non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single lease component.

NOTES TO THE FINANCIAL STATEMENTS

- using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

N. Financial Instruments

Financial assets and financial liabilities are recognised when a company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in Statement of Profit and Loss.

For financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly;

Level 3 inputs are unobservable inputs for the asset or liability.

Financial Assets

All purchases or sales of financial assets are recognised and derecognised on a trade date basis including delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

i. Classification of financial assets:

All financial assets are subsequently measured at amortised cost except derivative financial instruments.

ii. Impairment of financial assets:

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost trade receivables, other

contractual right to receive cash or other financial asset.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the company expects to receive, discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the company measures the loss allowance for that financial instrument at an amount equal to 12 month expected credit losses. 12 month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the company again measures the loss allowance based on 12 month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default accruing over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that results from transactions that are within the scope of Ind AS 115, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix based on judgement considering past experience.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to other financial assets.

iii. Derecognition of financial assets:

The Company derecognises a financial asset when the contractual rights to the cash flow from the asset expired or when it transfer the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred assets the Company recognises its retained interest in the asset and then associated liability for amounts it may have to pay.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial assets.

On derecognition of a financial asset other than in its entirety, the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of relative fair values of those part on the date of the transfer. The difference between carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit and loss if such gain or loss would have otherwise been recognised in profit and loss on disposal of that financial asset. A cumulative gain or loss that has been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair value of those parts.

- iv. Derivative financial instruments and hedge accounting: In the ordinary course of business, the Company uses certain derivative financial instruments to reduce business risks which arise from its exposure to foreign exchange fluctuations. The instruments are confined principally to foreign exchange forward contracts. The instruments are employed as hedges of transactions included in the financial statements or for highly probable forecast transactions/firm contractual commitments.

Derivatives are initially accounted for and measured at fair value from the date the derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period

The Company adopts hedge accounting for forward contracts. At the inception of each hedge, there is a formal, documented designation of the hedging relationship. This documentation includes, inter alia, items such as identification of the hedged item or transaction and the nature of the risk being hedged. At inception each hedge is expected to be highly effective in achieving an offset of changes in fair value or cash flows attributable to the hedged risk. The effectiveness of hedge instruments to reduce the risk associated with the exposure being hedged is assessed and measured at the inception and on an ongoing basis. The ineffective portion of designated hedges is recognised immediately in the statement of profit and loss.

When hedge accounting is applied:

- for fair value hedges of recognised assets and liabilities, changes in fair value of the hedged assets and liabilities attributable to the risk being hedged, are recognised in the statement of profit and loss and compensate for the effective portion of symmetrical changes in the fair value of the derivatives.
- for cash flow hedges, the effective portion of the change in the fair value of the derivative is recognised directly in equity and the ineffective portion is taken to the statement of profit and loss. If the cash flow hedge of a firm commitment or forecasted transaction results in the recognition of a nonfinancial asset or liability, then, at the time the asset or liability is recognised, the associated gains or losses on the derivative that had previously been recognised in equity are included in the initial measurement of the asset or liability. For hedges that do not result in the recognition of a non-financial asset or a liability, amounts deferred in equity are recognised in the statement of profit and loss in the same period in which the hedged item affects the statement of profit and loss.

NOTES TO THE FINANCIAL STATEMENTS

In cases where hedge accounting is not applied, changes in the fair value of derivatives are recognised in the statement of profit and loss as and when they arise.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss on the hedging instrument recognised in equity is retained in equity until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to the statement of profit and loss for the period.

Financial Liabilities and Equity Instruments

i. Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of financial liability and equity instrument.

ii. Equity instruments

An equity instrument is any contract that evidences residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue cost.

iii. Financial liabilities

All financial liabilities are subsequently measured at amortised cost using effective interest method of FVTPL.

a) Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or designated as at FVTPL.

Financial liability at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit and loss. The net gain or loss recognised in profit and loss incorporates any interest paid on the financial liability and is included in 'Other Income'.

b) Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held for trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amount of financial liabilities that are subsequently measured at amortised cost

are determined based on the effective interest method. Interest expenses that is not capitalised as part of cost of an asset is included in 'finance cost'.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

c) Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instrument and are recognised in other income. The fair value of financial liabilities denominated in foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liability that are measured at FVTPL, the foreign exchange component forms part of fair value gains or losses and is recognised in the Statement of Profit and Loss.

iv) Derecognition of financial liabilities

The Company derecognises financial liability when, and only when, the Company obligations are discharged, cancelled and have expired. An exchange between with a lender of debt instrument is substantially different term is accounted for as and extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of a term of existing financial liability is accounted for as and extinguishment of the original financial liability and recognition of new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit and loss.

Q. New Accounting Standards, Amendments to Existing Standards, Annual Improvements, Interpretations, etc. applicable to the Company effective subsequent to March 31, 2024

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024,

MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

Note 3 –Critical Judgements, estimations and assumptions in applying Accounting Policies:

The preparation of the financial statements in conformity with Ind AS requires the management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the year. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed appropriately. Accounting estimates could change from period to period. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates and judgements are reflected in the financial statements in the period in which changes are made.

The Company uses the following critical accounting judgements, estimates and assumptions in preparation of its financial statements:

1. The preparation of financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses for the reporting period. Specifically, the Company estimates the probability of collection of accounts receivable by analysing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.
2. The Company uses the percentage-of-completion method in accounting for its contract revenue. Use of the percentage-of-completion method requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.
3. In case of Property, Plant and Equipment and Intangible assets, the charge in respect of periodic depreciation/ amortisation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.
4. Ind AS 116 requires lessee to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the company has concluded that no material changes are required to lease period relating to the existing lease contracts. Refer note no 2 (M).
5. The cost of defined benefit plans, compensated absences and the present value of defined benefit obligations based on current actuarial valuations using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of discount rate, salary increment and mortality rates. Due to complexities involved in the valuation and its long term nature, defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

NOTES TO THE FINANCIAL STATEMENTS

Note 4 - Property, Plant and Equipment and capital work-in-progress

(₹ in millions)

Particulars / Class of Assets	As at 31st March 2024	As at 31st March 2023
Carrying amounts of :		
Freehold land	3	3
Buildings	502	551
Plant and machinery	222	224
Computers and networks	197	192
Furniture and fixtures	36	51
Office equipments	161	179
Vehicles	-	-
	1,121	1,200
Capital work-in-progress (Refer note 43)	19	24
	1,140	1,224

(₹ in millions)

Particulars / Class of Assets	Freehold land	Buildings	Plant and machinery	Computers and networks	Furniture and fixtures	Office equipments	Vehicles	Total
Cost or deemed cost								
Balance at March 31, 2022	3	865	673	550	130	200	-	2,421
Additions	-	-	44	166	5	73	-	288
Disposals/ assets written off	-	-	(81)	(7)	(1)	-	-	(89)
Balance at March 31, 2023	3	865	636	709	134	273	-	2,620
Additions	-	23	79	168	1	17	-	288
Disposals/ assets written off	-	(2)	(23)	(71)	(2)	(2)	-	(100)
Balance at March 31, 2024	3	886	692	806	133	288	-	2,808
Accumulated depreciation and impairment (if any)								
Balance at March 31, 2022	-	245	353	390	67	63	-	1,118
Eliminated on disposal/ assets written off	-	-	(19)	(6)	(1)	-	-	(26)
Depreciation expenses	-	69	78	133	17	31	-	328
Balance at March 31, 2023	-	314	412	517	83	94	-	1,420
Eliminated on disposal/ assets written off	-	(1)	(22)	(69)	(1)	(2)	-	(95)
Depreciation expenses	-	71	80	161	15	35	-	362
Balance at March 31, 2024	-	384	470	609	97	127	-	1,687
Carrying Amount								
Balance at March 31, 2023	3	551	224	192	51	179	-	1,200
Balance at March 31, 2024	3	502	222	197	36	161	-	1,121

Note 5 – Intangible assets

(₹ in millions)

Particulars / Class of Assets	As at 31st March 2024	As at 31st March 2023
Computer software	0	0
	0	0

Particulars / Class of Assets	Computer software
Cost or deemed cost	
Balance at March 31, 2022	8
Additions	-
Disposals/ write off	-
Balance at March 31, 2023	8
Additions	1
Disposals/ write off	(7)
Balance at March 31, 2024	2
Accumulated amortisation and impairment (if any)	
Balance at March 31, 2022	8
Eliminated on disposal/ assets written off	-
Amortisation expenses	0
Balance at March 31, 2023	8
Eliminated on disposal/ assets written off	(7)
Amortisation expenses	1
Balance at March 31, 2024	2
Carrying Amount	
Balance at March 31, 2023	0
Balance at March 31, 2024	0

During the year ended March 31, 2024 and March 31, 2023, there is no movement in property, plant and equipment and intangible asset on account of revaluation, business combination, impairment.

The aggregate depreciation has been included under depreciation and amortization expense in the statement of Profit and Loss.

NOTES TO THE FINANCIAL STATEMENTS

Note 6 – Trade receivables

(₹ in millions)

	As at 31st March 2024	As at 31st March 2023
Non-Current		
Undisputed trade receivables		
(a) Secured, considered good	-	-
(b) Unsecured, considered good	87	86
Less: Expected credit loss allowance for doubtful trade receivables	(1)	(1)
Total	86	85
Current		
Undisputed trade receivables		
(a) Secured, considered good	-	-
(b) Unsecured, considered good	9,704	9,821
Less: Expected credit loss allowance for doubtful trade receivables	(443)	(443)
	9,261	9,378
(c) Unsecured, considered credit impaired	-	-
Less: Expected credit loss allowance for doubtful trade receivables	-	-
	-	-
Total	9,261	9,378

Also, refer note 21.1(B) below and note 29 for related party balances and note 37-B for ageing.

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. This provision matrix is based on judgement considering past experience. The provision matrix at the end of reporting period is as follows:

Ageing

	Expected credit loss %	
	31st March 2024	31st March 2023
0-90 days past due (Including contractual long term unbilled)	0.42%	0.47%
More than 90 days past due	15.58%	15.77%

Age of trade receivables

(₹ in millions)

	As at 31st March 2024	As at 31st March 2023
0-90 days past due	7,111	7,230
More than 90 days past due	2,680	2,677
Total	9,791	9,907

Movement in the expected credit loss allowance

(₹ in millions)

	As at 31st March 2024	As at 31st March 2023
Balance at beginning of the year	444	363
Add: Expected credit loss during the year	250	341
Less: Amounts recovered / reversed in the current year	(250)	(260)
Balance at the end of the year	444	444

The concentration of credit risk is limited due to the fact that the customer base is large.

The Company determines the allowance for expected credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company has specifically evaluated the potential impact with respect to customers which could have an immediate impact and the rest which could have an impact with expected delays. Basis this assessment, the allowance for doubtful trade receivables as at March 31, 2024 is considered adequate.

The Company is not having any trade receivables representing more than 5% of total trade receivables.

Note 7 – Cash and cash equivalents

(₹ in millions)

	As at 31st March 2024	As at 31st March 2023
Bank balances		
In current accounts	3,884	3,849
Cheques on hand	-	-
Demand deposits (Original maturity less than 3 months)	24,340	960
Total	28,224	4,809

There are no repatriation restrictions with regards to cash and cash equivalents as at the end of the reporting period and prior periods.

The deposits maintained by the Company with banks and financial institutions comprise time deposits, which can be withdrawn by the Company at any point without prior notice or penalty on the principal.

Note 8 – Bank balances other than Cash and cash equivalents

(₹ in millions)

	As at 31st March 2024	As at 31st March 2023
Other bank balances		
Long term deposits with original maturity more than 3 months but less than 12 months	-	18,980
Unpaid dividend account	6	6
Total	6	18,986

NOTES TO THE FINANCIAL STATEMENTS

Note 9 – Other financial assets

(₹ in millions)

	As at 31st March 2024	As at 31st March 2023
Non-Current		
Deposits against bank guarantee	155	13
Unsecured security deposits [net of expected credit loss allowance ₹16 million, (31st March 2023 ₹19 million)]	99	116
Earnest money deposits [net of expected credit loss allowance ₹18 million, (31st March 2023 ₹22 million)]	-	-
Foreign currency forward contracts designated in hedge accounting relationships	-	6
Unbilled services (refer note 21.1(B))	8	11
Total	262	146
Current		
Deposits against bank guarantee	34	136
Interest accrued on deposits with banks	187	287
Foreign currency forward contracts designated in hedge accounting relationships	20	2
Unsecured security deposits	26	14
Earnest money deposits	8	1
Contract assets		-
Amounts due from customers under construction contracts (refer note 21.1(B) and note below [net of expected credit loss allowance of ₹329 million; (31st March 2023 ₹296 million)])	4,873	4,569
Unbilled services (refer note 21.1(B)) [net of expected credit loss allowance of ₹57 million; (31st March 2023 ₹37 million)]	432	359
Other financial assets [net of expected credit loss allowance of Nil; (31st March 2023 ₹17 million)]	(0)	65
Total	5,580	5,433

Movement in the expected credit allowance on amounts due from customers under construction contracts

(₹ in millions)

	As at 31st March 2024	As at 31st March 2023
Balance at beginning of the year	296	163
Add: Expected credit loss during the year	217	269
Less: Amounts billed / reversed during the year	(184)	(136)
Balance at the end of the year	329	296

The expected credit loss is calculated considering the likelihood of change in billing patterns, liquidation and recoverability plans. Basis this assessment, the allowance for amounts due from customers under construction contracts as at March 31, 2024 is considered adequate.

Note 10 – Income tax assets and Income tax liabilities

(₹ in millions)

	As at 31st March 2024	As at 31st March 2023
Income tax assets [Net of Provision for tax ₹7,720 million; (31st March 2023 ₹8,955 million)]	243	444
Total	243	444
Income tax liabilities [Net of Advance Tax for tax ₹8,719 million; (31st March 2023 ₹6,066 million)]	756	464
Total	756	464

The income tax expense for the year can be reconciled to the accounting profit as follows:

(₹ in millions)

	As at 31st March 2024	As at 31st March 2023
Profit before tax	6,749	5,913
Tax expenses	1,735	1,533
Effective tax rate	25.71%	25.92%
Net impact of deduction/exemption and disallowance	-0.54%	-0.74%
Applicable Tax rate as per Income Tax Act	25.17%	25.17%

Note 11 – Deferred tax asset (Net)

(₹ in millions)

	As at 31st March 2024	As at 31st March 2023
Deferred tax liability (A)	5	-
Deferred tax assets (B)	708	721
Deferred tax assets (Net) (B-A)	703	721

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

2023-24

	Opening Balance	Recognised in the Statement of Profit and Loss	Recognised in other comprehensive income	Closing balance
Deferred tax assets / (liabilities) in relation to				
Gain / (loss) on hedging instruments	6	(3)	(8)	(5)
Total	6	(3)	(8)	(5)
Expected Credit Loss on trade and other receivables	216	(7)	-	209
Depreciation and amortisation	21	20	-	41
Provision for estimated cost to complete	106	(39)	-	67
Provision for compensated absences	57	4	-	61
Provision for other expenses	145	36	-	181
Provision for gratuity and other retirement benefits	39	4	19	62
Provision for Bonus	66	(14)	-	52
Lease liabilities	14	(9)	-	5
Others	51	(21)	-	30
Total	715	(26)	19	708

NOTES TO THE FINANCIAL STATEMENTS

2022-23

	Opening Balance	Recognised in the Statement of Profit and Loss	Recognised in other comprehensive income	Closing balance
Deferred tax assets / (liabilities) in relation to				
Expected Credit Loss on trade and other receivables	153	63	-	216
Depreciation and amortisation	5	16	-	21
Gain / (loss) on hedging instruments	(8)	6	8	6
Provision for estimated cost to complete	92	14	-	106
Provision for compensated absences	54	3	-	57
Provision for other expenses *	150	(5)	-	145
Provision for gratuity and other retirement benefits *	33	(21)	27	39
Provision for Bonus *	33	33	-	66
Lease liabilities	13	1	-	14
Others	55	(4)	-	51
Total	579	107	35	721

* Pertains to earlier years Provision for other expenses - ₹3 million, Provision for gratuity and other retirement benefits - ₹2 million and Provision for Bonus - ₹40 million.

Note 12 - Other assets

(₹ in millions)

	As at 31st March 2024	As at 31st March 2023
Non-current		
Balances with Government authorities (including payments made under protest)	458	570
Prepaid expenses	89	37
Total	547	607
Current		
Balances with Government authorities (including GST, Customs)	577	475
Advances recoverable in cash or kind	52	168
Advances to employees	78	46
Prepaid expenses	24	28
Total	731	717

Note 13 - Inventories

(₹ in millions)

	As at 31st March 2024	As at 31st March 2023
Inventories (lower of cost and net realisable value)		
Raw materials [includes in transit: ₹126 million (31st March 2023 : ₹154 million)]	698	733
Work-in progress	102	402
Finished goods	59	20
Stock-in-trade (in respect of goods acquired for trading)	732	491
Total	1,591	1,646

The mode of valuation of Inventories is stated in note 2(F)

Refer note 29 for related party balances.

The amount of inventories recognised as an expense is ₹23,527 million (2023: ₹18,772 million)

During the year ₹35 million (net) was recognised as reversal of write down of inventory. In previous year, write down of inventory was ₹16 million (net).

Note 14 – Equity share capital

(₹ in millions)

	As at 31st March 2024	As at 31st March 2023
Authorised:		
10,000,000 (March 31, 2023: 10,000,000) equity shares of ₹10 each	100	100
	100	100
Issued:		
8,841,697 (March 31, 2023: 8,841,697) equity shares of ₹10 each	88	88
	88	88
Subscribed and paid up:		
8,841,523 (March 31, 2023: 8,841,523) equity shares of ₹10 each (fully paid up)	88	88
Total	88	88

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

Equity shares: The Company has one class of equity shares having a par value of ₹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 31st March 2024		As at 31st March 2023	
	Number of shares	Amount (₹ in millions)	Number of shares	Amount (₹ in millions)
Equity shares				
Balance as at the beginning and end of the year	88,41,523	88	88,41,523	88

(c) Shares held by the holding company

Particulars	As at 31st March 2024		As at 31st March 2023	
	Number of shares	Amount (₹ in millions)	Number of shares	Amount (₹ in millions)
Equity shares:				
HAIL Mauritius Limited (Holding company)	66,31,142	66	66,31,142	66

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

Particulars	As at 31st March 2024		As at 31st March 2023	
	Number of shares	Percentage	Number of shares	Percentage
HAIL Mauritius Limited (Holding company)	66,31,142	75%	66,31,142	75%

- e) 6,631,142 (March 31, 2023 : 6,631,142) Equity shares constituting 75% (March 31, 2023 : 75%) of the paid-up capital of the Company are held by Honeywell International Inc., the ultimate holding company, through its 100% subsidiary, HAIL Mauritius Limited.
- f) 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, 2024.

NOTES TO THE FINANCIAL STATEMENTS

Note 15 - Other equity

(₹ in millions)

	As at 31st March 2024	As at 31st March 2023
Securities Premium (A) (*)	158	158
Share based payment reserve (B)	166	130
General Reserve (C)	1,855	1,855
Other comprehensive Income (D)		
Remeasurements of the defined benefit plans (net)	(244)	(293)
Effective portion of cash flow hedge (net)	11	(11)
		-
Retained Earnings (E)	34,028	29,958
Total (A+B+C+D+E)	35,974	31,797

(*) The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve

Note 16 - Provisions

(₹ in millions)

	As at 31st March 2024	As at 31st March 2023
Non Current		
Gratuity and other retirement benefits (refer note 36)	174	161
Provision for Warranty (refer note 35)	22	12
Total	196	173
Current		
Compensated absences	240	225
Gratuity and other retirement benefits (refer note 36)	117	526
Provision for Warranty and other potential claims (refer note 35)	37	47
Provision for litigations/ disputes (refer note 35)	232	191
Provision for estimated cost to complete on contracts (refer note 35)	268	423
Total	894	1,412

Note 17 - Lease liabilities

(₹ in millions)

	As at 31st March 2024	As at 31st March 2023
Non Current		
Lease liabilities (refer note 2 (M) and note 30)	485	175
Total	485	175
Current		
Current maturities of lease liabilities (refer note 2 (M) and note 30)	111	188
Total	111	188

Note 18 – Trade payables

(₹ in millions)

	As at 31st March 2024	As at 31st March 2023
Current		
Total outstanding dues of micro enterprises and small enterprises; and	819	669
Total outstanding dues of creditors other than micro enterprises and small enterprises	6,794	6,578
Total	7,613	7,247

Trade payables principally comprise amounts outstanding for trade purchases. The average credit period taken for trade purchases is 120 days. For most of the suppliers, no interest is charged on trade payable. The Company has financial risk management policies in place to ensure that all payables are paid within pre-agreed credit terms.

* Refer note 37-B for ageing schedule from due date of payment and note 44 for struck off companies. Refer note 29 for related party transactions.

Note 19 – Other financial liabilities

(₹ in millions)

	As at 31st March 2024	As at 31st March 2023
Non Current		
Provision for expenses	12	-
Total	12	-
Current		
Unclaimed dividend	6	6
Foreign currency forward contracts designated in hedge accounting relationships	-	32
Creditors for capital goods	43	80
Provision for expenses	1,115	1,372
Total	1,164	1,490

Note 20 – Other current liabilities

(₹ in millions)

	As at 31st March 2024	As at 31st March 2023
Contract liabilities		
Deferred revenue (refer note 21.1(B))	176	121
Amount due to customers under construction contract (refer note 21.1(B))	878	795
Advances from customers	253	227
Statutory dues (including Provident Fund, Tax deducted at Source and GST on reverse charge mechanism)	351	328
Total	1,658	1,471

NOTES TO THE FINANCIAL STATEMENTS

Note 21 – Revenue from operations

(₹ in millions)

	Year ended 31st March 2024	Year ended 31st March 2023
Revenue from contracts with customers (refer note 21.1)		
Manufactured products and jobs	21,610	16,497
Traded products	7,623	5,604
Sale of services	11,315	12,218
Other operating revenue		
Scrap sale	3	4
Refund of taxes and duties	31	153
Total	40,582	34,476

Note 21.1 – Revenue from contracts with customers

(₹ in millions)

	Year ended 31st March 2024	Year ended 31st March 2023
A. Disaggregation of revenue		
(a) Timing of revenue recognition		
Point in time	10,606	10,131
Over time	29,942	24,188
(b) Geographical location		
India	24,178	20,054
Other	16,370	14,265
(c) Type of contract		
Fixed price	31,007	25,012
Time and material	9,541	9,307

B. Contract balances

Progress on satisfying performance obligations under contracts with customers and the related billings and cash collections are recorded in accounts receivable and the unbilled receivables in Other Financial Assets. The customer advances are recorded as Other Current Liabilities. Unbilled receivables (Contract Assets) arise when the timing of cash collected from customers differs from the timing of revenue recognition, such as when contract provisions require specific milestones to be met before a customer can be billed. Those assets are recognized when the revenue associated with the contract is recognized prior to billing and derecognized when billed in accordance with the terms of the contract. Contract liabilities are recorded when a milestone is met triggering the contractual right to bill but revenue recognised over time is not recognized.

When contracts are modified to account for changes in contract specifications and requirements, the Company considers whether the modification either creates new or changes the existing enforceable rights and obligations. Contract modifications that are for goods or services that are not distinct from the existing contract, due to the significant integration with the original good or service provided, are accounted for as if they were part of that existing contract. The effect of a contract modification on the transaction price and the measure of progress for the performance obligation to which it relates, is recognized as an adjustment to revenue (either as an increase in or a reduction of revenue) on a cumulative catch-up basis. When the modifications include additional performance obligations that are distinct, they are accounted for as a new contract and performance obligation, which are recognized prospectively.

(₹ in millions)

	Year ended 31st March 2024	Year ended 31st March 2023
(a) Opening balances		
Contract receivables (net of expected credit loss allowance)	9,463	6,782
Contract assets (net of expected credit loss allowance)	4,939	6,971
Contract liabilities	916	789
Closing balances		
Contract receivables (net of expected credit loss allowance)	9,347	9,463
Contract assets (net of expected credit loss allowance)	5,313	4,939
Contract liabilities	1,054	916
(b) Revenue recognised from opening balance of contract liability	796	711
(c) Revenue recognised in the reporting year from performance obligations satisfied (or partially satisfied) in previous years	-	-

The net change was primarily driven by the increase in recognition of revenue as performance obligations were satisfied exceeding milestone billings.

C. Performance obligation

A performance obligation is a promise in a contract to transfer a distinct good or service to the customer. A contract's transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. When contracts with customers require highly complex integration or manufacturing services that are not separately identifiable from other promises in the contracts and, therefore, not distinct, then the entire contract is accounted for as a single performance obligation. Performance obligations are satisfied as of a point in time or over time. Performance obligations are supported by contracts with customers, providing a framework for the nature of the distinct goods, services or bundle of goods and services. The timing of satisfying the performance obligation is typically indicated by the terms of the contract. Typical payment terms of fixed-price over time contracts include progress payments based on specified events or milestones, or based on project progress. For some contracts the Company may be entitled to receive an advance payment. The Company provides standard warranty on its products and records obligation on the same based on past trend.

D. Transaction price

(₹ in millions)

	Year ended 31st March 2024	Year ended 31st March 2023
Amount of transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied)	11,580	9,826
Reconciliation of revenue		
Contracted Price	40,637	34,359
Liquidated Damages	(89)	(40)
Revenue as per Statement of Profit & Loss	40,548	34,319

The Company has applied the practical expedient for certain revenue streams to exclude the value of remaining performance obligations for contracts with an original expected term of one year or less. Performance obligations recognized as at the year end will be satisfied over the course of future periods. The disclosure of the timing for satisfying the performance obligation is based on the requirements of contracts with customers. Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts and periodic revalidations.

NOTES TO THE FINANCIAL STATEMENTS

Note 22 - Other Income

(₹ in millions)

	Year ended 31st March 2024	Year ended 31st March 2023
Interest income earned on financial assets that are not designated as a fair value through the Statement of Profit and Loss		
i) Bank Deposits	1,291	870
ii) Other financial assets carried at amortised cost	8	8
Foreign exchange gain/ (loss) (net) *	2	(22)
Interest on income tax and VAT refund	8	301
Liabilities no longer required written back	34	18
Profit on sale of Property, Plant and Equipment (net)	-	1
Miscellaneous income	85	107
Total	1,428	1,283

* Foreign exchange gain/ (loss) is clubbed under Other Income

Note 23 - Cost of materials consumed

(₹ in millions)

	Year ended 31st March 2024	Year ended 31st March 2023
Raw materials consumed		
Opening inventory	733	242
Add: Purchases (net)	17,506	15,195
Less: Inventory at the end of the year	698	733
Cost of raw materials consumed	17,541	14,704

Note 24 - Changes in inventories of finished goods, work-in-progress and stock in trade

(₹ in millions)

	Year ended 31st March 2024	Year ended 31st March 2023
(Increase)/ decrease in stock		
Stock at the beginning of the year		
Finished goods	20	20
Work in progress	402	237
Stock-in-trade (in respect of goods acquired for trading)	491	486
Total (A)	913	743
Stock at the end of the year		
Finished goods	59	20
Work in progress	102	402
Stock-in-trade (in respect of goods acquired for trading)	732	491
Total (B)	893	913
(Increase)/ decrease in stock (A-B)	20	(170)

Note 25 - Employee benefits expense

(₹ in millions)

	Year ended 31st March 2024	Year ended 31st March 2023
Salaries, wages and bonus	6,355	5,760
Share based payment (Refer note 33)	36	37
Contribution to Provident and Other Funds (refer note 36) *	126	370
Staff welfare expenses	83	92
Total	6,600	6,259

* Reversal of ₹279 million related to actuarially determined liability upon conversion from defined benefit plan to defined contribution plan during the period ended March 31, 2024 (March 31, 2023, ₹Nil million). Refer Note 2 (I)

Note 26 - Finance cost

(₹ in millions)

	Year ended 31st March 2024	Year ended 31st March 2023
Interest cost on lease liabilities (Refer note 30)	21	31
Interest payable to MSME (Refer note 32)	5	7
Other interest cost	10	2
Total	36	40

Note 27 - Other expenses

(₹ in millions)

	Year ended 31st March 2024	Year ended 31st March 2023
Power and fuel	118	120
Rent [(refer note 2 (M) and 30)]	81	53
Rates and taxes	152	109
Repairs and maintenance		-
Plant and machinery	21	19
Others	157	93
	178	112
Auditors remuneration		
As Statutory auditors (including limited reviews)	5	4
Tax Audit services	1	1
Others	1	0
Out of pocket expenses	-	-
	7	5
Travelling and conveyance	2,498	1,943
Warranty expenses (refer note 35)	33	15
Communication expenses	33	33
Insurance	24	14
Loss on sale / write off of Property, Plant and Equipment (net)	0	-
Sales commission	6	0
Professional fees	280	289
Bad debts written off (net of expected credit loss allowance) (refer note 27.1)	177	425
Corporate overhead allocations (refer note 29)	1,182	1,436
Expenditure towards Corporate Social Responsibility (refer note 38 and 29)	110	116
Bank Charges	54	25
Miscellaneous expenses	43	1
Total	4,976	4,696

NOTES TO THE FINANCIAL STATEMENTS

Note 27.1 – Bad debts written off (net of expected credit loss allowance)

(₹ in millions)

	Year ended 31st March 2024	Year ended 31st March 2023
Bad debts written off	181	177
Expected credit loss allowance	(4)	248
Bad debts written off (net of expected credit loss allowance)	177	425

Note 28 – Segment information

Information reported to the Chief operating decision maker (CODM) for the purposes of resource allocation and assessment of segment performance focuses only on one business segment i.e. Automation & Control Systems. There are no other reportable segments.

Geographical Information:

The Company operates in two principal geographical areas, viz. India and Others. Revenue by location of operations and information about its non- current assets is given below:

Particulars	Revenue from customer for the year ended		Non current assets* as at	
	31st March 2024	31st March 2023	31st March 2024	31st March 2023
India	24,212	20,211	1,717	1,533
Other	16,370	14,265	-	-
Total	40,582	34,476	1,717	1,533

* Property, Plant and Equipment, Right-Of-Use Assets, Capital work in progress and Intangible assets used in the Company's business have not been identified to "India" or "Other", as they are used interchangeably.

The Company generates more than 10% of the revenue only from Honeywell group.

Note 29 – Related Party Disclosure

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

i)	Parties where control exists	
	HAIL Mauritius Limited, Holding company	
	Honeywell International Inc., Ultimate holding company	
	Other related parties with whom transactions have taken place during the year:	
ii)	Fellow Subsidiaries	
	Ademco Asia Pacific Limited	Honeywell (Tianjin) Limited
	Ademco Smart Homes Technology (Tianjin) Co., Ltd.	Honeywell A.B.
	AO Honeywell	Honeywell Aerospace B.V.
	Automation and Control Solutions Limited	Honeywell Aftermarket Europe S.A.S. [France]
	Automation and Control Solutions, S. de R.L. de C.V.	Honeywell AG
	Bryan Donkin RMG Canada Ltd.	Honeywell Algeria S.a.r.l.
	Bryan Donkin RMG Gas Controls Ltd.	Honeywell Angola Lda
	Cataleasco, Inc.	Honeywell AS [Norway]
	Compressor Controls LLC	Honeywell ASCa Inc.
	Eclipse Combustion Equipment (Suzhou) Co. Ltd	Honeywell Asia Pacific Inc.
	Eclipse Combustion Private Limited	Honeywell Austria GMBH
	Eclipse, Inc.	Honeywell Automation and Control Solutions Caribbean Limited
	Elster GmbH	Honeywell Automation and Control Solutions South Africa (Pty) Ltd
	Elster Holdings US, Inc.	Honeywell Automation and Controls Solutions Phillippines
	Elster Instromet India Private Limited	Honeywell Automation Control Solutions (China) Co Ltd
	Elster Metering Limited	Honeywell Automation Controls System LLP

	Other related parties with whom transactions have taken place during the year:	
ii)	Fellow Subsidiaries	
	Elster Metering Private Limited	Honeywell Automation Controls System LLP (Kazakhstan)
	Elster s.r.o.	Honeywell Automatizacija i Kontrola d.o.o. (Honeywell Automation & Control d.o.o.)
	Elster Solutions GmbH	Honeywell Automotive Parts Services (Shanghai) Co., Ltd.
	Elster Water Metering Limited	Honeywell B.V.
	Elster - Instromet A/S	Honeywell Bahrain W.L.L
	Elster - Instromet Services Saudi Arabia Ltd.	Honeywell Building Solutions GmbH
	Elster American Meter Company, LLC	Honeywell Chile S.A.
	Elster-Instromet Sdn. Bhd.	Honeywell Co., Ltd.
	Elster-Instromet B.V.	Honeywell Colombia S.A.S
	Energy ICT N.V.	Honeywell Control Systems Limited
	Enraf B.V.	Honeywell Controls & Automation India Private Ltd.
	Enraf Tanksystem AG	Honeywell Controls International Ltd.
	Enraf Tanksystem SA	Honeywell do Brasil Ltd
	EnviteC-Wismar GmbH	Honeywell E.P.E.
	Foreign Enterprise Honeywell Ukraine	Honeywell Egypt LLC
	Hand Held Products, Inc.	Honeywell Electrical Devices & Systems India Limited
	Honeywell Austalia C. V..	Honeywell Electronic Materials, Inc.
	Honeywell & Co. Oman LLC	Honeywell Engineering SDN.BHD.
	Honeywell (China) Advanced Solutions Co., Ltd.	Honeywell Enraf Americas, Inc.
	Honeywell (China) Co., Ltd.	Honeywell Environmental and Combustion Controls (Tianjin) Co., Ltd.
	Honeywell EOOD	Honeywell Automation and Technologies (BD) Limited
	Honeywell Europe BV	Honeywell Automation Controls System" limited liability partnership
	Honeywell Europe NV	Honeywell Automation Technology (China) Co.,Ltd
	Honeywell GmbH	Honeywell automatizacija i kontrola d.o.o. za savjetovanje i razvoj
	Honeywell Hometown Solution India Foundation	Honeywell Healthcare Solutions GmbH
	Honeywell Int Puerto Rico	Honeywell Holdings Pty Ltd
	Honeywell International (India) Private Limited	Honeywell Hometown Solutions India Foundation
	Honeywell International Middle East Ltd.	Honeywell HPS s. r. o.
	Honeywell International Sarl	Honeywell International Philippines Inc.
	Honeywell International Sdn. Bhd.	Honeywell International Sarl
	Honeywell Iraq Company for Technology Solutions and Services Ltd	Honeywell International Sdn. Bhd.
	Honeywell Japan Ltd.	Honeywell Iraq LLC
	Honeywell Kuwait International for Technical and Computer Services SPC	Honeywell Kuwait International For Computer Technology And Technical Services SPC
	Honeywell Kuwait K.S.C.	Honeywell Limited [Australia]
	Honeywell Life Safety AS	Honeywell Limited [New Zealand]
	Honeywell Limited (Canada)	Honeywell NV
	Honeywell Limited / Honeywell Limitee	Honeywell Productivity Solutions (Ireland) Limited
	Honeywell Limited [Hong Kong]	Honeywell Products & Solutions Sarl
	Honeywell Limited [New Zealand]	Honeywell S.L.
	Honeywell Ltd. (Australia)	Honeywell Safety Products USA, Inc.
	Honeywell Marine SAS	Honeywell SAS
	Honeywell Measurex (Ireland) Limited	Honeywell Southern Africa (Proprietary) Limited
	Honeywell Middle East B.V.	Honeywell Szabályozástechnikai Kft.
	Honeywell Middle East Co Ltd AD	Honeywell Technology Solutions Qatar
	Honeywell Middle East FZE	Honeywell Teknoloji A.Ş. İstanbul Endüstri ve Ticaret Serbest Bölge Şubesi - Branch Office
	Honeywell Middle East Limited	Honeywell Trading (Shanghai) Co., Ltd.
	Honeywell NV [Belgium]	Honeywell Uruguay S.R.L.
	Honeywell Oy	Honeywell Ventures 2 Limited - Azerbaijan Branch

NOTES TO THE FINANCIAL STATEMENTS

	Other related parties with whom transactions have taken place during the year:	
ii)	Fellow Subsidiaries	
	Honeywell Peru S.A.	Honeywell, S.L. [Spain]
	Honeywell Portugal Automacao e Controlo S.A.	Honeywell, S.A. de C.V.
	Honeywell Process Solutions France	Honeywell, spol. s.r.o.
	Honeywell Pte. Ltd.	Integrated Technical Innovation Company for General Services & Trade LLC.
	Honeywell Romania s.r.l.	Intelligrated Systems LLC
	Honeywell S.A. [France]	Intermec Technologies (S) Pte Ltd
	Honeywell S.A.I.C.	Life Safety Distribution AG
	Honeywell S.r.l.	Life Safety Germany GmbH
	Honeywell Sensing and Control	Life Safety Distribution GmbH
	Honeywell Sensing and Control (China) Co., Ltd.	Matrikon Europe Limited
	Honeywell Southern Africa (Proprietary) Limited	Maxon Corporation
	Honeywell Sp. z o.o.	Maxon International B.V.B.A.
	Honeywell Specialty Chemicals MTO	Maxon Combustion Systems Limited
	Honeywell spol. s.r.o. [Slovakia]	MK Electric (Malaysia) Sdn. Bhd.
	Honeywell Systems (Thailand) Limited	Movilizer GmbH
	Honeywell Taiwan Limited	Novar ED&S Limited
	Honeywell Technologies S.a.r.l.	Novar France S.A.S.
	Honeywell Technology Solutions Lab Private Limited	Novar GmbH
	Honeywell Technology Solutions Qatar LLC	Novar Systems Limited
	Honeywell Teknoloji Anonim Sirketi	Performix Solutions Private Ltd
	Honeywell Turki-Arabia Limited	Performix, Inc.
	Honeywell Universal Manufacturing India Private Limited	Pittway Sarl
	Honeywell Uruguay FTZ S.R.L.	Pittway Systems Technology Group Europe Limited
	Honeywell (Vietnam) Company Limited	PT Honeywell Indonesia
	Honeywell A/S [Denmark]	PT Honeywell Indonesia Trading
	Honeywell Advanced Limited	RMG Regel + Messtechnik GmbH
	Honeywell Aktiebolag	S.C.A.M.E. Sistemi S.r.l.
	Honeywell Algerie Sarl	Saia-Burgess Controls AG
	Honeywell Analytics Inc.	Salisbury Electrical Safety L.L.C.
	Honeywell Austria Gesellschaft m.b.H.	SBC Deutschland GmbH
	Honeywell Automation and Control Products Limited	SINE GROUP PTY LTD
	Sinopec-Honeywell (Tianjin) Ltd.	UOP India Private Limited
	Trend Control Systems Limited	UOP L.L.C.
	Tridium Asia Pacific Pte. Ltd.	UOP Limited
	Tridium, Inc.	Xtralis (UK) Limited
iii)	Parties with common key management personnel	
	Trinity Mobility Pvt Ltd	
iv)	Key Management Personnel	
	Mr. Ashish Gaikwad, Managing Director	
	Mr. Pulkit Goyal, CFO	
	Ms. Indu Daryani, Company Secretary	
v)	Independent Directors	
	Mr. Ganesh Natarajan	
	Ms. Neera Saggi	

The Company's material related party transactions during the years ended March 31, 2024 and March 31, 2023 and outstanding balances as at March 31, 2024 and March 31, 2023 with whom the Company generally enters into transactions which are at arm's length and in the ordinary course of business.

(₹ in millions)

Transactions With Related Parties	Volume of transactions for year ended		Amount outstanding as at			
	31st March 2024	31st March 2023	31st March 2024		31st March 2023	
			Receivable	Payable / Provision	Receivable	Payable / Provision
Sale of goods, services, assets and reimbursement of expenses						
<u>Ultimate Holding Company</u>						
Honeywell International Inc.	2,802	2,207	355	-	403	-
Total	2,802	2,207	355	-	403	-
<u>Fellow Subsidiaries</u>						
Honeywell Technology Solutions Qatar	3,017	1,231	477	-	231	-
Honeywell Middle East B.V.	1,255	1,183	223	-	451	-
Honeywell Pte. Ltd.	1,087	713	135	-	99	-
Honeywell Turki-Arabia Limited	665	666	88	-	211	-
Honeywell GmbH	617	829	36	-	107	-
Honeywell Limited [Australia]	496	486	74	-	63	-
Honeywell & Co. Oman LLC	416	567	43	-	126	-
Honeywell Kuwait K.S.C.	410	577	85	-	247	-
Honeywell Control Systems Limited	321	492	32	-	52	-
Honeywell Co., Ltd.	318	406	69	-	121	-
Other Fellow Subsidiaries	4,329	4,426	861	-	1,285	-
Total	12,931	11,576	2,123	-	2,993	-
Purchase of goods, services and assets (including GIT)						
<u>Ultimate Holding Company</u>						
Honeywell International Inc.	1,341	1,629	-	554	-	445
Total	1,341	1,629	-	554	-	445
<u>Fellow Subsidiaries</u>						
Honeywell Measurex (Ireland) Limited	4,068	2,850	-	227	-	248
Honeywell International (India) Private Limited	1,412	1,068	-	175	-	198
Honeywell International Sàrl	986	799	-	131	-	153
Honeywell Products & Solutions Sàrl	681	624	-	95	-	106
Honeywell (Tianjin) Limited	587	338	-	100	-	42
Honeywell Environmental and Combustion Controls (Tianjin) Co., Ltd.	404	260	-	65	-	49
Honeywell Sensing and Control (China) Co., Ltd.	166	174	-	20	-	32
Honeywell (China) Co., Ltd.	81	98	-	15	-	22
Honeywell Technology Solutions Lab Private Limited	105	87	-	17	-	17
Other Fellow Subsidiaries	692	590	-	457	-	192
Total	9,182	6,888	-	1,302	-	1,059

NOTES TO THE FINANCIAL STATEMENTS

Transactions With Related Parties	Volume of transactions for year ended		Amount outstanding as at			
	31st March 2024	31st March 2023	31st March 2024		31st March 2023	
			Receivable	Payable / Provision	Receivable	Payable / Provision
<u>Others</u>						
Parties with common key management personnel	26	23	-	5	-	5
Total	26	23	-	5	-	5
Expenditure towards Corporate Social Responsibility						
<u>Fellow Subsidiaries</u>						
Honeywell Hometown Solution India Foundation	110	116	-	-	-	-
Total	110	116	-	-	-	-
Dividends paid						
<u>Holding Company</u>						
HAIL Mauritius Limited	630	597	-	-	-	-
Total	630	597	-	-	-	-

Remuneration to Independent Directors

Particulars	Year ended	
	31st March 2024	31st March 2023
Sitting Fees	1	1
Commission	5	5
Total	6	6

Remuneration to Key Management Personnel

(₹ in millions)

Particulars	Year ended	
	31st March 2024	31st March 2023
Short term benefits	63	60
Post-employment benefits*	4	3
Other long-term benefits	6	2
Share-based payments	17	17

* The Provision for post-employment benefit are determined by way of Actuarial Valuation for a Company as a whole.

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 group accounted for approximately 39% and 40% of our total net sales for the year ended March 31, 2024 and year ended March 31, 2023 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.

Note 30 - Leases

The Company has entered into leases for office premises. These lease arrangements range for a period between 36 months and 120 months.

(₹ in millions)

Particulars	Year ended	
	31st March 2024	31st March 2023
	Building	Building
Balance as at the beginning of the year	309	500
Additions	442	-
Adjustment	-	-
Depreciation	(174)	(191)
Balance as at the end of the year	577	309

Following are the changes in carrying value of lease liabilities during the year ended:

(₹ in millions)

Particulars	Year ended	
	31st March 2024	31st March 2023
Balance as at the beginning of the year	363	557
Additions	427	-
Adjustment	-	-
Interest cost accrued during the year	21	31
Payments	(215)	(225)
Balance as at the end of the year	596	363

(₹ in millions)

Particulars	Year ended	
	31st March 2024	31st March 2023
Expense relating to short-term leases and leases of low-value assets	81	53

Maturity analysis of lease liabilities

As a lessee under operating leases

(₹ in millions)

2024-25	147
2025-26	92
2026-27	97
2027-28	80
2028-29	368
Total lease payments	784
Less: Interest	188
Total	596

The leases that the Company has entered with lessors towards office premises are long term in nature.

NOTES TO THE FINANCIAL STATEMENTS

Note 31 - 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:

Particulars	Year ended	
	31st March 2024	31st March 2023
Profit after tax (₹ in millions)	5,014	4,380
Weighted average number of equity shares	88,41,523	88,41,523
Basic/ Diluted earnings per share (₹)	567.13	495.40
Face value per share (₹)	10	10

Note 32 - Disclosure in accordance with Section 22 of Micro, Small and Medium Enterprises Development Act, 2006

(₹ in millions)

Sr No	Particulars	31st March 2024	31st March 2023
i)	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the accounting period		
	- Principal amount outstanding	819	669
	- Interest thereon	5	7
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	297	391
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	5	7
	- Total Interest remaining unpaid out of the above as at the balance sheet date	5	7
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 current year	23	18
	Outstanding interest at the end of previous year	18	11

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 (as amended from time to time).

Note 33 – Share Based Payments

Employee share option plan of the company

Honeywell International Inc. (HII), the ultimate holding company, may grant stock options and restricted stock awards to certain employees under its stock incentive plan.

Stock Options—The exercise price, term and other conditions applicable to each option granted under the stock plans are generally determined by the Management Development and Compensation Committee of the Board of Honeywell International Inc. The exercise price of stock options is set on the grant date and may not be less than the fair market value per share of the stock on that date. The fair value is recognized as an expense over the employee's requisite service period (generally the vesting period of the award). Options generally vest over a four-year period and expire after ten years.

Restricted Stock Units—Restricted stock unit (RSU) awards entitle the holder to receive one share of common stock for each unit when the units vest. RSUs are issued to certain employees as compensation at fair market value at the date of grant. RSUs typically become fully vested over periods ranging from three to seven years and are payable in Honeywell common stock upon vesting.

Fair value of share options granted in the year

The fair value of each stock option award is estimated on the date of grant using the Black-Scholes option-pricing model. Expected volatility is based on implied volatilities from traded options on common stock of HII and historical volatility of common stock of HII. Monte Carlo simulation model is used to derive an expected term which represents an estimate of the time options are expected to remain outstanding. Such model uses historical data to estimate option exercise activity and post-vest termination behaviour. The risk-free rate for periods within the contractual life of the option is based on the U.S. treasury yield curve in effect at the time of grant.

The inputs used in the measurement of the fair values at grant date of the Stock options were as follows.

Grant Date	Mar-24	Feb-23
Exercise price (USD)	197.51	194.31
*Exercise price in equivalent INR	16,455	16,188
Expected volatility	21.41%	22.42%
Option life	4.87	4.86
Dividend yield	2.60%	2.51%
Risk-free interest rate	4.08%	4.00%
Fair value per share	\$37.35	\$38.73
Fair value per share in equivalent INR*	3,112	3,227

* Converted at ₹83.31 / USD

The following share-based payment arrangements were in existence during the current and previous year :

A) Restricted stock option

Options series	Equivalent fair value INR*				Number	
	Grant date	Fair value at grant date	31st March 2024	31st March 2023	31st March 2024	31st March 2023
2016DIV RSU	27-Jul-17	131.69	-	10,821	-	520
2016 RSU	25-Jul-19	162.85	-	13,381	-	154
2016 RSU	30-Jul-20	138.63	11,549	11,391	172	344
2016DIV RSU	30-Jul-20	151.05	12,584	12,412	1,195	1,170
2016 RSU	2-Sep-20	157.99	-	12,982	-	336
2016DIV RSU	12-Feb-21	202.72	-	16,658	-	248
2016 RSU	29-Jul-21	219.49	18,286	18,035	267	472
2016 RSU	11-Feb-22	176.91	14,738	14,537	81	160
2016DIV RSU	11-Feb-22	189.72	15,806	15,589	312	306

* Converted at ₹83.31 / USD (March 31, 2023 - ₹82.17 / USD)

NOTES TO THE FINANCIAL STATEMENTS

Options series	Grant date	Fair value at grant date	Equivalent fair value INR*		Number	
			31st March 2024	31st March 2023	31st March 2024	31st March 2023
2016DIV RSU	28-Jul-22	189.18	15,761	15,545	1,078	1,055
2016 RSU	8-Aug-22	181.78	15,144	14,937	276	384
2016 RSU	23-Feb-23	194.31	16,188	15,966	155	232
2016DIV RSU	23-Feb-23	194.31	16,188	15,966	314	307
2016 RSU	1-Jun-23	181.28	15,102	-	167	-
2016 RSU	1-Aug-23	182.8	15,229	-	340	-
2016DIV RSU	1-Mar-24	197.51	16,455	-	313	-
2016 RSU	1-Mar-24	186.55	15,541	-	643	-
Total					5,313	5,688

* Converted at ₹83.31 / USD (March 31, 2023 - ₹82.17 / USD)

B) Stock options

Options series	Grant date	Expiry date	Exercise price	Fair value at grant date	Equivalent fair value INR*	Number
2016	28-Feb-17	27-Feb-27	119.69	\$16.65	1,387	1,847
2016	27-Feb-18	26-Feb-28	148.79	\$23.65	1,970	2,192
2016	26-Feb-19	25-Feb-29	154.22	\$21.53	1,794	2,153
2016	14-Feb-20	14-Feb-30	180.92	\$21.41	1,784	2,336
2016	12-Feb-21	12-Feb-31	202.72	\$32.10	2,674	1,498
2016	11-Feb-22	11-Feb-32	189.72	\$30.84	2,569	1,834
2016	23-Feb-23	23-Feb-33	194.31	\$38.73	3,227	1,533
2016	1-Mar-24	28-Feb-34	197.51	\$37.35	3,112	1,628
Total						15,021

* Converted at ₹83.31 / USD (March 31, 2023 - ₹82.17 / USD)

Movements in Restricted Stock Units during the year	Restricted Stock Units	
	2023-24	2022-23
	No of Units	No of Units
Balance at beginning of year	5,688	3,381
Adjustments during the year*	-	-
Granted during the year	1,399	3,999
Forfeited during the year	79	27
Vested and issued during the year	1,695	1,665
Expired during the year	-	-
Balance at end of year	5,313	5,688

Movements in share options during the year	Employee stock option plan			
	2023-24		2022-23	
	No of Options	Weighted average exercise price	No of Options	Weighted average exercise price
Balance at beginning of year	13,393	171.29	12,210	168.10
Adjustments during the year*	-		-	
Granted during the year	1,628		1,533	
Forfeited during the year	-		-	
Exercised during the year	-		350	
Expired during the year	-		-	
Balance at end of year	15,021		13,393	

* Represents adjustments made by Honeywell International Inc., the ultimate holding company, pursuant to realignment of employees' entitlement.

Restricted Stock Units vested and issued during the year

	Number Settled	Issue/ Vesting date
2016 RSU	55	29-Jul-23
2016 RSU	110	29-Jul-23
2016 RSU	172	30-Jul-23
2016 RSU	154	25-Jul-23
2016DIV RSU	522	27-Jul-23
2016 RSU	273	2-Sep-23
2016 RSU	79	11-Feb-24
2016DIV RSU	253	12-Feb-24
2016 RSU	77	23-Feb-24
Total	1,695	

Note 34 – Contingent Liabilities and Commitments

A) Contingent liabilities

(₹ in millions)

Particulars	31st March 2024	31st March 2023
a) Income tax liability that may arise in respect of matters in appeal	560	436
b) Excise duty claims against the Company	0	0
c) Sales tax liability that may arise in respect of matters in appeal	290	617
d) Customs duty claims against the Company	18	13
e) Third party Claims against the Company not acknowledged as debts	75	15

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.

As at March 31, 2024, Contingent liability majorly represent demands arising on completion of assessment proceedings under the Income-tax Act, 1961 and other indirect tax act including GST, excise, custom and sales tax.

These claims are on account of various issues of disallowances, GSTR 2A/2B and GSTR 3B mismatches, or addition in liability by tax liabilities related to various issues including C- forms, WCT TDS etc.

These matters are pending before various appellate authorities and the Management including its tax advisors expect that its position will likely be upheld on ultimate resolution and will not have a material adverse effect on the Company's financial position and results of operations.

Third party claims against company not acknowledged as debts includes ongoing cases pending in commercial court/ Arbitral Tribunal in relation to claims/ counter claims raised by few vendors/ customers and HAIL for certain commercial teams disagreements.

B) Estimated amount of contracts remaining to be executed on capital accounts and not provided for (net of advances) – ₹94 million [31st March 2023 ₹45 million].

NOTES TO THE FINANCIAL STATEMENTS

Note 35 - Disclosure as required by IND AS -37

(₹ in millions)

	Year ended 31st March	Opening balance	Additions	Utilizations	Reversals	Total
Provision for litigations/ disputes (A)	2024	191	89	(48)	-	232
	2023	158	57	(24)	-	191
Provision for warranty (B)	2024	59	37	(33)	(4)	59
	2023	82	17	(37)	(3)	59
Provision for estimated cost to complete on contracts (C)	2024	423	292	(396)	(51)	268
	2023	366	416	(295)	(64)	423

A Litigations/ disputes mainly include:

- Provision for disputed statutory matters comprises matters under litigation with Sales Tax and Local authorities.
- 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.

- The timing and the amount of cash flows that will arise from these matters will be determined when the matters are settled with respective Appellate Authorities.

B 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 as per provisions of the contracts.

C 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 total contract cost will exceed total contract revenue. The provision shall be utilized as and when the contract gets executed.

Note 36 - Employee Benefit plans

A) Defined contribution plans

The company has recognized the following amounts in the Statement of Profit and Loss for the year.

(₹ in millions)

Sr No	Particulars	31st March 2024	31st March 2023
1	Contribution to employees' superannuation fund	5	4
2	Contribution to employees' provident fund (w.e.f. February 1, 2024) (Refer Note B below)	64	-
	Total	69	4

B) Defined benefit plans (gratuity and other retirement benefits)

The Company also provides for gratuity, 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.

Provident Fund contributions were made to a Trust administered by the Company for its qualifying employees. This defined benefit plan is administered by separate trust that is legally separated from the entity. The board of the trust is required by law and by its trust deed to act in the interest of the fund and of all the relevant stakeholders in the scheme; i.e. active employees, inactive employees, retirees, employers. The board of the fund is responsible for the investment policy with regard to the assets of the fund.

Basis our earlier application, the Regional Provident Fund Commissioner issued a provisional sanction order on January 31, 2024 to start complying as an unexempted trust w.e.f. February 1, 2024. Consequently, all contributions are now made to EPFO (Refer Note 25).

The Principal assumptions used for the purposes of the actuarial valuations were as follows:

Sr No	Particulars	31st March 2024	31st March 2023
1	Discount rate	6.95%	7.20%
2	Expected Future Return on PF assets	Not Applicable	7.40%
3	Rate considered for actuarial valuation of PF interest shortfall	Not Applicable	8.10%
4	Salary escalation rate	8.50%	8.50%
5	Mortality rate	Gratuity : IALM (2012-14) Ultimate Pension : LIC (1994-96) Ultimate Rates	Provident Fund and Gratuity : IALM (2012-14) Ultimate Pension : LIC (1994-96) Ultimate Rates
6	Withdrawal rate	Age Based: Upto 35 years - 19% 36 to 50 years - 11% Above 50 years - 8%	Age Based: Upto 30 years - 11.5% 31 to 44 years - 5.9% 45 to 50 years - 5.5% Above 50 years - 4.5%
7	Retirement age	60 years	60 years

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

Total expense recognised in the statement of Profit and Loss :

(₹ in millions)

Sr No	Particulars	For the year ended	
		31st March 2024	31st March 2023
1	Current service cost	104	96
2	Past service cost	-	-
3	Net Interest cost	17	10
	Component of defined benefit costs recognised in profit and loss	121	106
4	Remeasurement of defined benefit liability	-	-
5	Return on plan assets (excluding amounts included in net interest expenses)	-	-
6	Actuarial (gain)/ losses arising from changes in demographic assumptions	(48)	-
7	Actuarial (gain)/ losses arising from changes in financial assumptions	18	(5)
8	Actuarial (gain)/ losses arising from changes in experience adjustments	77	40
9	Return on plan assets (greater)/ less than discount rate	(3)	2
10	Adjustments for restriction on defined benefit asset	-	-
	Component of defined benefit costs recognised in other comprehensive income	44	37
	Total	165	143

The current service cost and the net interest expenses for the year are included in 'Employee benefits expense' in the statement of profit and loss.

The remeasurement of the net defined benefit liability is included in other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

Movements in the present value of the defined benefit obligation are as follows.

(₹ in millions)

Sr No	Particulars	For the year ended	
		31st March 2024	31st March 2023
1	Present value of obligation as at beginning of the year	991	888
2	Current service cost	104	96
3	Interest cost	69	61
4	Remeasurement (gains)/losses:		
	Actuarial (gain)/ losses arising from changes in demographic assumptions	(48)	-
	Actuarial (gain)/ losses arising from changes in financial assumptions	18	(5)
	Actuarial (gain)/ losses arising from changes in experience adjustments	77	40
5	Curtailment cost/(credit)	-	-
6	Settlement cost/(credit)	-	-
7	Benefits paid	(86)	(84)
8	Acquisition/ Divestiture	(46)	(5)
9	Present value of obligation as at end of the year	1,079	991

Movements in the fair value of the plan assets are as follows.

(₹ in millions)

Sr No	Particulars	For the year ended	
		31st March 2024	31st March 2023
1	Fair value of plan assets as at beginning of the year	722	729
2	Remeasurement gain/(loss)	3	(2)
3	Expected return on plan assets	51	52
4	Employers' contribution	170	30
5	Benefits payment from plan asset	(83)	(82)
6	Acquisition/ Divestiture (related to transfer of employees)	(46)	(5)
7	Fair value of plan assets as at end of the year	817	722

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.

(₹ in millions)

Sr No	Particulars	31st March 2024	31st March 2023
1	Present value of funded obligation	1,079	991
2	Fair value of plan assets	817	722
3	Net liability recognized in the Balance Sheet	262	269

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.

(₹ in millions)

Sr No	Particulars	31st March 2024*	31st March 2023
1	Present value of funded obligation	-	3,719
2	Fair value of plan assets	-	3,305
3	Net liability	-	414

* Refer Note B Above

A significant part of the plan assets are classified as Level 2 where the fair value is determined basis the observable inputs either directly or indirectly. The financial assets carried at fair value by the trust are mainly investments in Government securities, public and private sector bonds and mutual funds.

Sensitivity Analysis

Sensitivity analysis indicates the influence of a reasonable change in certain significant assumptions on the outcome of the Present value of obligation (PVO) and aids in understanding the uncertainty of reported amounts.

- 1 - Sensitivity analysis for each significant actuarial assumptions viz. Discount rate and Salary escalation rate as of the end of the reporting period, showing how the defined benefit obligation would have been affected by changes is called out in the table below.
- 2 - The assumptions used in preparing the sensitivity analysis is
Discount rate at +100bps and – 100 bps
Salary escalation rate at +100 bps and -100 bps
- 3 - The method used to calculate the liability in these scenarios is by keeping all the other parameters and the data same as in the base liability calculation except for the parameters to be stressed.
- 4 - There is no change in the method from the previous period and the points/percentage by which the assumptions are stressed are same as that in the previous year.

Impact of change in discount rate when base assumption is decreased/increased by 100 basis point (₹ in millions)

Discount rate	March 31, 2024 Present value of Obligation	March 31, 2023 Present value of Obligation
a) Discount rate -100 basis point	1,155	1,094
b) Discount rate +100 basis point	1,012	903

Impact of change in salary increase rate when base assumption is decreased/increased by 100 basis point (₹ in millions)

Salary escalation rate	31st March 2024	31st March 2023
a) Salary escalation rate -100 basis point	1,007	899
b) Salary escalation rate +100 basis point	1,158	1,096

In presenting the above sensitivity analysis, the present value of the defined benefit obligations has been calculated using Projected Unit Credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the Balance sheet.

Percentage of each category of plan assets to total fair value of plan assets

		(₹ in millions)	
Sr No	Particulars	31st March 2024	31st March 2023
1	Insurer managed funds	100%	100%

Gratuity fund contributions are made to LIC.

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.

NOTES TO THE FINANCIAL STATEMENTS

The actual return on plan assets is as follows

(₹ in millions)

Sr No	Particulars	For the year ended	
		31st March 2024	31st March 2023
a	Actual return on plan assets	55	50

A note on other risks

Investment risk- The funds are invested with an external insurer (LIC of India). The insurer manages the Gratuity Fund and provides quarterly interest returns. Considering LIC is a state insurer with a sovereign guarantee and no history of defaults the investment risk is not significant.

Interest Risk – The Gratuity fund managed by an external insurer (LIC of India) is in the form of cash accumulation scheme with interest rates declared annually – A significant fall in interest (discount) rates may not be offset by an increase in value of Gratuity Fund, hence may pose an interest rate risk.

Longevity Risk – Since Gratuity is paid at retirement in form of lump sum and also during service at the time of termination to vested members, longevity risk is not applicable since maximum duration for benefit is till retirement age.

Salary Risk- The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Expected future cash flow of defined benefit obligation:

(₹ in millions)

Year	Amount
Year - 1	119
Year - 2	125
Year - 3	115
Year - 4	113
Year - 5	109
Year - 6 to 10	483
Total	1,064

Note 37 - Financial instruments

Categories of financial instrument

Particulars	31st March 2024			31st March 2023		
	Within twelve months	After twelve months	Total	Within twelve months	After twelve months	Total
Financial assets						
Measured at amortised cost						
(i) Trade Receivables	8,426	921	9,347	8,518	945	9,463
(ii) Cash and cash equivalents	28,224	-	28,224	4,809	-	4,809
(iii) Bank balances other than (ii) above	6	-	6	18,986	-	18,986
(iv) Other financial assets						
(a) Deposits against bank guarantee	34	155	189	136	13	149
(b) Interest accrued on deposits with banks	187	-	187	287	-	287
(c) Security deposits	26	99	125	14	116	130
(d) Earnest money deposits	8	-	8	1	-	1
(e) Amounts due from customers under construction contracts	4,718	155	4,873	4,486	83	4,569
(f) Unbilled services	432	8	440	359	11	370
(g) Other financial assets	(0)	-	(0)	65	-	65

Particulars	31st March 2024			31st March 2023		
	Within twelve months	After twelve months	Total	Within twelve months	After twelve months	Total
Measured at Fair Value through Other Comprehensive Income						
(a) Foreign currency forward contracts designated in hedge accounting relationships (Basis of Valuation : Level - 2 described in note 2.N)	20	-	20	2	6	8
Financial Liabilities						
Measured at amortised cost						
(i) Trade payables ^						
(A) Total outstanding dues of micro enterprises and small enterprises; and	819	-	819	669	-	669
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	6,794	-	6,794	6,578	-	6,578
(ii) Other financials Liabilities						
(a) Creditors for capital goods	43	-	43	80	-	80
(b) Unclaimed dividend	6	-	6	6	-	6
(c) Provision for expenses *	1,115	12	1,127	1,372	-	1,372
(iii) Lease Liabilities	111	485	596	188	175	363
Measured at Fair Value through Other Comprehensive Income						
(a) Foreign currency forward contracts designated in hedge accounting relationships (Basis of Valuation : Level - 2 described in note 2.N)	-	-	-	32	-	32

* Includes accruals towards government dues.

^ Trade Payables are classified as current being payable on demand other than those classified as non-current.

Financial risk management objectives

Company is exposed to foreign exchange risk on account of import risk and hedging activities; 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.

Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Unhedged by derivative instruments/ or otherwise

(₹ in millions)

Particulars	31st March 2024	31st March 2023
a) Liability - Trade Creditors		
In GBP	1	1
(Equivalent approximate in ₹)	84	81
In USD	19	18
(Equivalent approximate in ₹)	1,542	1,454
In EURO	3	3
(Equivalent approximate in ₹)	295	302
In CAD *	0	0
(Equivalent approximate in ₹)	1	2
In AUD *	0	0
(Equivalent approximate in ₹)	1	2
In CNY	21	20

NOTES TO THE FINANCIAL STATEMENTS

Particulars	31st March 2024	31st March 2023
(Equivalent approximate in ₹)	239	237
In BDT	12	-
(Equivalent approximate in ₹)	9	-
In CHF *	0	0
(Equivalent approximate in ₹)	0	0
In DZD *	-	1
(Equivalent approximate in ₹)	-	0
In RON *	0	0
(Equivalent approximate in ₹)	0	0
In ZAR *	(0)	(0)
(Equivalent approximate in ₹)	(0)	(0)
b) Asset - Trade Receivables		
In GBP *	0	0
(Equivalent approximate in ₹)	6	20
In EURO *	0	1
(Equivalent approximate in ₹)	26	68
In USD	-	6
(Equivalent approximate in ₹)	-	495
In CNY *	0	0
(Equivalent approximate in ₹)	1	1
c) Asset - Bank Balances		
In USD	24	31
(Equivalent approximate in ₹)	2,037	2,522
In KRW	15	26
(Equivalent approximate in ₹)	1	2
In ZAR *	0	0
(Equivalent approximate in ₹)	1	1

*Amount below the rounding off norm adopted by the company

Foreign currency exchange rate risk:

The fluctuation in foreign currency exchange rates may have potential impact on the income statement and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the Company. Considering the countries and economic environment in which the Company operates, its operation are subject to risks arising from fluctuations in exchange rates in those countries. The risk primarily relate to U.S. Dollars against the functional currency of Honeywell Automation India Limited.

The Company, as per its Hedging policy, uses forward contracts to hedge foreign exchange exposure. The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. It hedges a part of these risks by using forward contracts in accordance with its risk management policies.

The Company uses forward exchange contracts to hedge its exposure in foreign currency. The information on derivative instruments is as follows :

Particulars	As At	Currency	Bought/ Sold	Amount in foreign Currency (millions)	Amount in ₹millions
Foreign Exchange Forward contracts (*)	March 31,2024	USD/INR	Sold	39	3,279
(ii) Cash and cash equivalents	March 31,2023	USD/INR	Sold	38	3,155

* Converted at ₹83.31 / USD (March 31, 2023 - ₹82.17 / USD)

The Table below analyses the derivative financial instruments into relevant maturity groupings based on the remaining period as of the balance sheet

Particulars	(Amount in USD millions)		(Amount in INR millions)	
	31st March 2024	31st March 2023	31st March 2024	31st March 2023
Not Later than one month	5	4	427	317
Later than one month but not later than three months	10	4	844	308
Later than three month but not later than one year	24	21	2,008	1,733
Later than one year but not later than two years	-	10	-	841

Foreign currency sensitivity analysis

The Company is exposed mainly to the fluctuation in the value of USD and EURO. The following table details the company sensitivity to a 5% increase and decrease in functional currency against the relevant foreign currency. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjust there translation at the period end for a 5 % change in foreign currency rate.

(₹ in millions)

Particulars	31st March 2024	31st March 2023
USD Impact		
5% Appreciation in USD	25	78
Impact on profit or loss for the year {Gain/(Loss)}	25	78
Impact on total equity as at the end of the year		
5% Depreciation in USD	(25)	(78)
Impact on profit or loss for the year {Gain/(Loss)}	(25)	(78)
Impact on total equity as at the end of the year		
EURO Impact		
5% Appreciation in EURO	(13)	(12)
Impact on profit or loss for the year {Gain/(Loss)}	(13)	(12)
Impact on total equity as at the end of the year		
5% Depreciation in EURO		
Impact on profit or loss for the year {Gain/(Loss)}	13	12
Impact on total equity as at the end of the year	13	12

Credit risk management

Credit risk refers to the risks that a counterparty may default on its contractual obligations resulting in financial loss to the Company. The Company deals only with credit worthy counterparties and takes appropriate measures to mitigate the risk of financial loss from defaults. Trade receivable consists of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

Liquidity risk management

The Company manages liquidity risk by maintaining adequate reserves, banking facility and by continuously monitoring forecasts and actual cash flows and by matching the maturity profiles of financial assets and liabilities. The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company has no outstanding borrowings. The Company believes that the working capital is sufficient to meet its current requirements.

NOTES TO THE FINANCIAL STATEMENTS

Note 37 –A- Disclosure pursuant to Ind AS 1 “Presentation of financial statements”

(a) Current assets expected to be recovered within twelve months and after twelve months from the reporting date:

(₹ in millions)

Particulars	Note reference	As at March 31, 2024			As at March 31, 2023		
		Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Inventories	13	1,591	-	1,591	1,646	-	1,646
Trade Receivables	6	8,426	835	9,261	8,517	861	9,378
Other financial assets	9	5,425	155	5,580	5,350	83	5,433
Other Current assets	12	731	-	731	717	-	717

(b) Current liabilities expected to be settled within twelve months and after twelve months from the reporting date:

(₹ in millions)

Particulars	Note reference	As at March 31, 2024			As at March 31, 2023		
		Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Trade Payables -dues of micro enterprises and small enterprises	18	819	-	819	669	-	669
Trade payables -dues of creditors other than micro enterprises and small enterprises	18	6,794	-	6,794	6,578	-	6,578
Lease liabilities	17	111	-	111	188	-	188
Other financial liabilities	19	1,164	-	1,164	1,490	-	1,490
Other current liabilities	20	1,526	132	1,658	1,371	100	1,471
Provisions	16	869	25	894	1,360	52	1,412

Note 37 –B- Additional Disclosures pursuant to Schedule III to Companies Act, 2013

i) Trade receivable ageing

(₹ in millions)

Particulars		Outstanding for following periods from due date of payment					Not due	Unbilled	Total
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years			
i) Undisputed Trade receivables – considered good	2024	3,344	479	24	48	225	4,399	828	9,347
	2023	4,198	484	191	101	107	3,529	853	9,463
ii) Undisputed Trade Receivables – which have significant increase in credit risk	2024	-	-	-	-	-	-	-	-
	2023	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	2024	-	-	-	-	-	-	-	-
	2023	-	-	-	-	-	-	-	-
iv) Disputed Trade Receivables– considered good	2024	-	-	-	-	-	-	-	-
	2023	-	-	-	-	-	-	-	-
v) Disputed Trade Receivables – which have significant increase in credit risk	2024	-	-	-	-	-	-	-	-
	2023	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	2024	-	-	-	-	-	-	-	-
	2023	-	-	-	-	-	-	-	-

ii) Trade payable ageing

(₹ in millions)

Particulars		Outstanding for following periods from due date of payment					Not due	Unearned	Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years			
MSME - disputed dues	2024	-	-	-	-	-	-	-	-
	2023	-	-	-	-	-	-	-	-
MSME - undisputed dues	2024	29	4	10	8	1	767	-	819
	2023	12	6	11	1	1	638	-	669
Others - disputed dues	2024	-	-	-	-	-	-	-	-
	2023	-	-	-	-	-	-	-	-
Others - undisputed dues	2024	885	90	30	134	302	5,353	-	6,794
	2023	1,216	8	204	288	44	4,818	-	6,578

iii) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

iv) No funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Note 38

As set out in section 135 of the Companies Act, 2013 the Company is required to contribute/ spend ₹110 million (previous year ended March 31, 2023: ₹116 million) towards Corporate Social Responsibility activities, as calculated basis 2% of its average net profits of the last three financial years.

(₹ in millions)

Particulars	31st March 2024	31st March 2023
(i) Gross Amount required to be spent by the company during the year	110	116
(ii) Amount spent during the year,		
a. construction/ acquisition of any asset	-	-
b. on purposes, other than (a) above	110	112
(iii) The amount of shortfall at the end of the year out of the amount required to be spent by the Company during the year,	-	4
(iv) Total of previous years shortfall amount, *	4	-

Company has contributed to Honeywell Hometown Solution India Foundation (HHSIF), trust controlled by Honeywell group for CSR activities. The trust has spent funds on activities such as "Education, Skill and Research" and "Sustainable and Holistic Community Development Program" etc. Refer note 29 for related party disclosure.

* HHSIF had unspent amount of ₹4 million as on 31st March 2023, which had been transferred back by HHSIF to the Company and the Company had deposited in "Unspent CSR Account" as on 28th April 2023. During the year depending on the project requirements, the Company had disbursed amount from Unspent CSR Account to HHSIF. Further, HHSIF has spent this unspent amount of ₹4 million in Financial Year 2023-24 towards ongoing projects.

NOTES TO THE FINANCIAL STATEMENTS

Note 39

The financial statements were approved for issue by the board of directors on May 15, 2024 (previous year ended March 31, 2023 on May 17, 2023). The Board of Directors have recommended dividend of ₹100 per equity share for the financial year ended March 31, 2024 (previous year ended March 31, 2023: ₹95 per equity share) for approval of shareholders. The face value of the equity share is ₹10 each. This payment is subject to the approval of shareholders in the Annual General Meeting of the Company. This final dividend if approved by shareholders would result in a net cash outflow of approximately ₹884 million (previous year ended March 31, 2023: ₹840 million approved by shareholder in Annual General Meeting held on August 11, 2023).

Note 40 – Ratio analysis

Ratio	Numerator	Denominator	Current period	Previous period	% variance	Reason for Variance required only if variance more than 25%
Current Ratio	Current assets	Current liabilities	3.72	3.34	11%	Not Applicable
Debt-Equity Ratio	Total Debt	Shareholder's Equity	Refer Note below			
Debt Service Coverage Ratio	Earnings available for debt service	Debt Service	Refer Note below			
Return on Equity Ratio	Profit after tax	Average Shareholder's Equity	15%	15%	2%	Not Applicable
Inventory turnover ratio	Cost of goods sold	Average Inventory	14.28	13.93	3%	Not Applicable
Trade Receivables turnover ratio	Net Sales	Average Accounts Receivable	4.31	4.23	2%	Not Applicable
Trade payables turnover ratio	Net Purchases	Average Trade Payables	3.11	2.53	23%	Not Applicable
Net capital turnover ratio	Net Sales	Average Working Capital	1.31	1.20	10%	Not Applicable
Net profit ratio	Net Profit	Net Sales	12%	13%	-3%	Not Applicable
Return on Capital employed	Earnings before interest and tax	Capital Employed	19%	19%	1%	Not Applicable
Return on investment	Return on investment	Average investments	Refer Note below			

* The Company does not have Borrowings and Investment hence not applicable.

Note 41

The Company maintains the books of account electronically and its back-up on daily-basis on a server located outside of India. These data are accessible in India at all times. The Company notifies the Registrar of Companies (ROC) about the person in control of the data in its Annual filing.

Note 42

No direct database changes in accounting software are allowed and all data changes are governed at application layer to avoid system performance problems and to follow the principle of data minimization. There are alternate governing processes in place to mitigate any risk of unauthorized access to database.

Note 43 Capital work in progress

(₹ in millions)

Particulars		Amount in CWIP for a period of				Not due
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	2024	18	1	-	-	19
	2023	21	3	-	-	24
Projects temporarily suspended	2024	-	-	-	-	-
	2023	-	-	-	-	-

The Company does not have any overdue capital work in progress.

Note 44 - Company does not have any transaction with Struck off companies except

(₹ in millions)

Name of the company	Relationship of Struck off company	Transaction during the year	Balance outstanding as at year end
2023-24			
Flexitech Services P Ltd	Customer	Nil	- *
Extreme Buildspace Autotech Pvt Ltd	Vendor	Nil	- *
2022-23			
Flexitech Services P Ltd	Customer	Nil	- *
Extreme Buildspace Autotech Pvt Ltd	Vendor	Nil	- *

*Less than ₹1 Million

For and on behalf of the Board

Ganesh Natarajan
Chairman
DIN: 00176393

Pulkit Goyal
Chief Financial Officer
M No: 124311

Place : Pune
Date : May 15, 2024

Ashish Gaikwad
Managing Director
DIN: 07585079

Indu Daryani
Company Secretary
FCS No: 9059

GLOSSARY

Abbreviations/Terms Used	For
Act	The Companies Act, 2013
AGM/the Meeting	40 th Annual General Meeting of Honeywell Automation India Limited
BCIR	Business Conduct Incident Report
Board	The Board of Directors of Honeywell Automation India Limited
BRSR	Business Responsibility and Sustainability Report
BSE	The BSE Limited
CPCB	Central Pollution Control Board
CRA	Cell Risk Assessment
CSR	Corporate Social Responsibility
DNV	Det Norske Veritas
DP	Depository Participant
ECS	Electronic Clearing Service
EEE	Electrical and Electronic Waste
EIA	Environmental Impact Assessment
EPR	Extended Producer Responsibility
ESG	Environmental, Social and Governance
ESI	Employees' State Insurance
FRR	Feeder Role Reviews
GDP	Gross Domestic Product
GHG	Greenhouse gas
GST	Goods and Services Tax
Honeywell	Honeywell Group/Enterprise
Honeywell International	Honeywell International Inc.
HPD	Honeywell Performance Development
HSE	Health, Safety and Environment
HSEMS	Health, Safety and Environment Management System
ICC	Internal Complaints Committee
IDP	Individual Development Plan
IEA	International Energy Agency
IIP	Index of Industrial Production
ILC	India Leadership Connect
Ind-AS	Indian Accounting Standard
KMP	Key Managerial Personnel
LCA	Life Cycle Perspective/Assessments
LDP	Leadership Development Program
MCA	The Ministry of Corporate Affairs
MMM	Mid Mass Market
MRR	Management Resource Review
NECS	National Electronic Clearing Service
NGRBC	National Guidelines on Responsible Business Conduct
NRC	Nomination and Remuneration Committee
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
O&G	Oil and gas
PAN	Permanent Account Number
PF	Provident Fund
PLI	Production Linked Incentives
PPAC	Petroleum Planning & Analysis Cell

Abbreviations/Terms Used	For
PPE	Personal Protective Equipment
PROs	Producer Responsibility Organizations
RMC	Risk Management Committee
RTA	Registrar and Transfer Agent - Link Intime India Private Limited (Erstwhile, TSR Darashaw Consultants Private Limited)
SBG	Strategic Business Group
SEBI	The Securities and Exchange Board of India
SEBI Listing Regulations	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SLDP	Senior Leadership Development Program
SOS	Safety Observations System
SRC	Stakeholders' Relationship Committee
SS-2	Secretarial Standard 2 issued by the Institute of Company Secretaries of India
STP	Sewage Treatment Plants
TDS	Tax Deducted at Source
The Company/HAIL	Honeywell Automation India Limited
ZLD	Zero liquid Discharge

NOTES

For more information

www.honeywell.com/in/en/hail

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