



relatives are concerned or interested in the Resolutions mentioned at Item Nos. 1 & 2 of the Notice.

Item No. 3:

Under the erstwhile Section 293(1)(d) of the Companies Act, 1956, the Board of Directors of a Company could, with the consent of the shareholders obtained by an Ordinary Resolution, borrow monies, apart from temporary loans obtained from the Company's Bankers in the ordinary course of business, in excess of the aggregate of paid-up capital and free reserves of the Company, that is to say, reserves not set apart for any specific purpose.

Under the provisions of Section 180(1)© of the Act, which were made effective from September 12, 2013, the above powers can be exercised by the Board only with the consent of the shareholders obtained by a Special Resolution. Further, as per the Circular dated March 25, 2014 issued by the Ministry of Corporate Affairs, the Ordinary Resolution earlier passed under Section 293 (1) (d) of the Companies Act, 1956 will remain valid for a period of one year from the date of notification of Section 180 of the Act, i.e. up to September 11, 2014. As such, it is necessary to obtain fresh approval of the shareholders by means of a Special Resolution, to enable the Board of Directors of the Company to borrow moneys, apart from temporary loans obtained from the Company's Bankers in the ordinary course of business, in excess of the paid up capital and free reserves of the Company.

The shareholders of the Company, through resolution dated 16th April 2009 had accorded their consent to the Board of Directors to borrow from time to time any sum or sums of money which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate for the time being of the paid up capital of the Company and its free reserves that is to say reserves not set apart for any specific purpose, provided that the total amount of monies so borrowed shall not at any time exceed Rs. 150 crores (Rupees Hundred and Fifty Crores only), whichever is higher.

As on 31st December, 2013, the net-worth of the Company was approximately 7810 crores and currently is debt free. The Company shall ensure that the debt equity ratio of the Company, at all times, will be within prudent limits. It is necessary to obtain fresh approval of the shareholders by means of a Special Resolution.

The Board recommends the Resolution at Item No.3 of the Notice for approval of the shareholders by a Special Resolution.

None of the Directors and key managerial personnel of the Company or their respective relatives are concerned or interested in the Resolution mentioned at Item No.3 of the Notice.

Item No. 4:

Under the erstwhile Section 293(1)(a) of the Companies Act, 1956, the Board of Directors of a Company could, with the consent of the shareholders obtained by an Ordinary Resolution, create charge/ mortgage/ hypothecation on the Company's assets, both present and future, in favour of the lenders/ trustees for the holders of debentures/ bonds, to secure the repayment of monies borrowed by the Company (including temporary loans obtained from the Company's Bankers in the ordinary course of business).

Currently the Company is debt free and however as an enabling resolution, it is necessary to obtain fresh approval of the shareholders by means of a Special Resolution, to enable the Board of Directors of the Company to create charge/ mortgage/ hypothecation on the Company's assets, both present and future, in favour of the lenders/ trustees for the holders of debentures/ bonds, to secure the repayment of monies borrowed by the Company (including temporary loans obtained from the Company's Bankers in the ordinary course of business). Standard market terms of long term debt finance include conditions whereby lenders/ trustees in certain circumstances (such as non-payment or other events of default) can take over the management of the Company, to recover their dues. It is therefore, necessary to obtain members' approval by way of a Special Resolution under Section 180 (1) (a) of the Act for creation of charges/mortgages/hypothecations for an amount not exceeding 150 crores or the aggregate of the paid up capital and free reserves of the Company, whichever is higher.

The proposed borrowings of the Company may, if necessary, be secured by way of charge/ mortgage/ hypothecation on the Company's assets in favour of the lenders/ holders of securities / trustees for the holders of the said securities as mentioned in the Resolution at Item No. 4. As the documents to be executed between the lenders/security holders/ trustees for the holders of the said securities and the Company may contain provisions to take over substantial assets of the Company in certain events, it is necessary to pass a special resolution under Section 180(1)(a) of the Act, for creation of charges/mortgages/hypothecations for an amount not exceeding 150 crores or the aggregate of the paid up capital and free reserves of the Company, whichever is higher.

The Board recommends the Resolution at Item No. 4 of the Notice for approval of the shareholders by a Special Resolution.

None of the Directors and key managerial personnel of the Company or their respective relatives are concerned or interested in the Resolution mentioned at Item No. 4 of the Notice.

Item No. 5:

The Audit Committee had recommended the appointment of Mr. Chandrashekhar S. Adawadkar of C S Adawadkar & Co, Cost Accountants appointed by the Board of Directors as Cost Auditor for auditing the Company's cost accounting records at a remuneration of Rs. 7,00,000/- (Rupees Seven lakhs only).

As per the rules for Appointment of Auditors, shareholders are requested to ratify the remuneration.

None of the Directors and key managerial personnel of the Company or their respective relatives are concerned or interested in the Resolution mentioned at Item No. 5 of the Notice.

By order of the Board of Directors

**Sneha Padve
Company Secretary**

Mumbai

October 31, 2014

Registered Office:
56 & 57, Hadapsar Industrial Estate,
Pune 411013
CIN: L29299PN1984PLC017951
Website: www.honeywellautomationindia.com.

HONEYWELL AUTOMATION INDIA LIMITED

CIN: L29299PN1984PLC017951
Registered Office : 56 & 57, Hadapsar Industrial Estate, Pune 411 013.
Tel: 020-66039400 **Fax:** 020-66039800 **Email:** acsindia@honeywell.com
Website: www.honeywellautomationindia.com

NOTICE

Dear Member,

Notice is hereby given pursuant to Section 110 and other applicable provisions, if any, of the Companies Act, 2013, (the “**Act**”), read together with the Companies (Management and Administration) Rules, 2014, including any statutory modification or re-enactment thereof for the time being in force, that the resolutions appended are proposed to be passed as ordinary/special resolution(s) by way of postal ballot / e-voting. The explanatory statement pertaining to the aforesaid resolutions setting out the material facts concerning each item and the reasons thereof is annexed hereto along with a postal ballot form (the “Form”) for your consideration. The Board of Directors of the Company (the “**Board**”) has appointed Mr. P.N. Parikh of M/s Parikh & Associates, Practising Company Secretaries as the Scrutinizer for conducting the postal ballot process in a fair and transparent manner.

You are requested to carefully read the instructions printed on the Form, record your assent (for) or dissent (against) therein by filling necessary details and affixing your signature at the designated place in the Form and return the same in original duly completed in the enclosed self-addressed, postage pre-paid envelope (if posted in India) so as to reach the Scrutinizer not later than the close of working hours i.e. 5.30 p.m. on Thursday, 11th day of December 2014.

Members desiring to opt for e-voting as per facilities arranged by the Company are requested to read the notes to the notice and instructions overleaf the Form. References to Postal Ballot(s) in this notice include votes received electronically.

Upon completion of the scrutiny of the Forms, the Scrutinizer will submit his report to the Chairman/Director. The result of the postal ballot would be announced by a Director or the Company Secretary of the Company on Monday, 15th day of December 2014 at the registered office of the Company. The aforesaid result would be displayed at the registered office of the Company, intimated to the Stock Exchanges where the shares of the Company are listed, and displayed along with the Scrutinizer's report on the Company's website viz. www.honeywellautomationindia.com.

RESOLUTIONS:

1. To consider and if thought fit, to pass the following resolution as an Ordinary Resolution

Appointment of Mr. S.L. Rao as an Independent Director

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Rules framed thereunder read with Schedule IV to the Act, as amended from time to time, Mr. S.L. Rao (DIN: 00005675), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, with effect from December 15, 2014 upto December 14, 2019.”

2. To consider and if thought fit, to pass, the following resolution as an Ordinary Resolution

Appointment of Mr. N. Srinath as an Independent Director

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Rules framed thereunder read with Schedule IV to the Act, as amended from time to time, Mr. N. Srinath (DIN: 00058133), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, with effect from December 15, 2014 upto December 14, 2019.”

3. To consider and if thought fit, to pass, the following resolution as a Special Resolution

“RESOLVED that in supersession of the earlier resolution no. 5 passed in the 25th Annual General Meeting held on Wednesday, April 16, 2009, the consent of the Company be and is hereby accorded under the provisions of Section 180(1)© of the Companies Act, 2013, to the Board of Directors to borrow from time to time such sum or sums of money as they may deem necessary for the purpose of the business of the Company, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from cash credit arrangement, discounting of bills and other temporary loans obtained from company's bankers in the ordinary course of business) and remaining outstanding at any point of time will exceed the aggregate of the paid-up share capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose; Provided that the total amount up to which monies may be borrowed by the Board of Directors and which shall remain outstanding at any given point of time shall not exceed the sum of Rs. 150 crores (Rupees One hundred and fifty crores).”

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

“RESOLVED THAT in supersession of the earlier resolution passed, consent of the Company be and is hereby accorded in terms of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee thereof) for creating such charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company, on such movable and immovable properties of the Company wheresoever situate, both present and future, on such terms, at such time, in such form and in such manner as the Board may deem fit, together with power to take over the management of the business and concern of the Company in certain events in favour of all or any of the following, namely: Banks, Financial Institutions, Insurance Companies, Investment Institutions, other investing agencies, Bodies Corporate incorporated under any statute and trustees for the holders of debentures/ secured premium notes/ bonds/ other securities/ debt instruments, and other secured lenders (hereinafter referred to as “the Lenders”) to secure repayment of any loans (both rupee loans and foreign currency loans) and/or any other financial assistance and/or guarantee facilities already obtained or that may hereafter be obtained from any of the Lenders by the Company, and/or to secure redemption of debentures (whether partly/fully convertible or non-convertible)/ secured premium notes/ bonds/ other securities/ debt instruments and/or rupee/ foreign currency convertible bonds and/or bonds with share warrants attached, already issued or that may hereafter be issued by the Company, together with all interest, compound additional interest, commitment charge, liquidated damages, premium on prepayment or on redemption, trustees' remuneration, costs, charges, expenses and all other moneys including revaluation/ devaluation/ fluctuation in the rates of foreign currencies involved, payable by the Company to the Lenders concerned, in terms of their respective Loan Agreements/ Heads of Agreements/ Hypothecation