

Agreements/ Trustees Agreements/ Letters of Sanction/ Memorandum of terms and conditions/ Debenture Certificates entered into/to be entered into/ issued/to be issued by the Company, provided that the total borrowings of the Company (exclusive of interest) whether by way of loans and/or any other financial assistance and/or guarantee facilities and/or issue of debentures/ secured premium notes/ other securities/ debt instruments to be secured as aforesaid (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) shall not any time exceed the limit of Rs. 150 Crores (Rupees One hundred and fifty Crores).

"RESOLVED FURTHER THAT the Board be and is hereby authorized to finalise and execute with any of the Lenders jointly or severally, the documents, instruments and writings for creating aforesaid mortgage/charge and to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient for implementing the aforesaid Resolution and to resolve any question, difficulty or doubt which may arise in relation thereto or otherwise considered by the Board to be in the best interest of the Company."

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

"RESOLVED THAT total Remuneration of Rs. 7,00,000/- (Rupees Seven lakhs only) payable to 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 relating to manufacturing of products covered under Excise Chapter Heading 84 And 85 of Central Excise Tariff Act, 1985, for Financial Year ending December 31, 2014 as per the Order No. 52/26/Cab-2010 dated 24th January, 2012, issued by the Central Government, be and is hereby ratified."

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.

NOTES:

- a) An explanatory statement pursuant to Section 102 of the Act, setting out the material facts and reasons for the proposed resolutions above, are appended herein below along with Form for your consideration.
- b) The Notice is being sent to all the Members, whose names appear in the Register of Members/list of Beneficial Owners as received from National Securities Depository Limited ("**NSDL**")/Central Depository Services (India) Limited ("**CDSL**") as on Friday, 31st October, 2014 .
- c) In compliance with the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with the Companies (Management and Administration) Rules, 2014 and the Listing Agreement entered into with the Stock Exchanges, the Company is pleased to offer e-voting facility as an option to all the Members of the Company. The Company has entered into an agreement with NSDL for facilitating e-voting to enable the Members to cast their votes electronically instead of dispatching Postal Ballot Form. E-voting is optional. Members can opt for only one mode of voting i.e. either by Postal Ballot or through e-voting. In case you are opting for voting by Postal Ballot, then please do not cast your vote by e-voting and vice versa. In case Members cast their votes both by Postal Ballot and e-voting, the votes cast through e-voting shall prevail and the votes cast through postal ballot form shall be considered invalid.
- d) As per Section 110 of the Act, read with Rule 22 of the Companies (Management and Administration) Rules, 2014, Notice of Postal Ballot may be served on the Members through electronic means. Members who have registered their e-mail IDs with depositories or with the Company are being sent this Notice of Postal Ballot by e-mail and the members who have not registered their e-mail IDs will receive Notice of Postal Ballot along with physical Form through post/courier. Members who have received Postal Ballot Notice by e-mail and who wish to vote through physical Form may indicate their option to receive the physical Form from the Company by clicking on the box provided in the e-mail or alternatively download the Form from the link www.evoting.nsdl.com or from the 'Investors' section on the Company's website www.honeywellautomationindia.com.
- e) **The instructions for members for voting electronically are as under:-**
- (A) In case of Members receiving the Postal Ballot Form by E-mail:
- (i) Open e-mail and open PDF file viz; "HWL e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password.
- (ii) Launch internet browser by typing the following URL: https://www.evoting.nsdl.com/
- (iii) Click on "Shareholder – Login".
- (iv) Insert user ID and password as initial password noted in step 3 (A) (i) above. Click "Login"
- (v) "Password change" menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vi) Home page of "e-Voting" opens. Click on "e-Voting: Active E-voting Cycles".
- (vii) Select "EVEN" (Electronic Voting Event Number) of Honeywell Automation India Limited.
- (viii) Now you are ready for e-Voting as "Cast Vote" page opens.
- (ix) Cast your vote by selecting appropriate option and click on "Submit" and also click on "Confirm" when prompted.
- (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xii) For the votes to be considered valid, the corporate and institutional shareholders (companies, trusts, societies, etc.) are required to send a scanned copy (PDF/JPG format) of the relevant Board Resolution/ Appropriate Authorization etc. together with attested specimen signature of the duly authorized signatory(ies), to the Scrutinizer through e-mail at pnparkhhw@tsrdarashaw.com with a copy marked to evoting@nsdl.co.in.

- (B) In case of Members receiving Postal Ballot Form by Post:

- (i) User ID and initial password is provided at the bottom of the Postal Ballot Form.
- (ii) Please follow all steps from Sr. No. A (ii) to A (xii) above, to cast your vote.

- (C) If you are already registered with NSDL for e-voting then you can use your existing user ID and password for Login to cast your vote.

- (D) In case of any queries, you may refer to the 'Frequently Asked Questions' (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of NSDL's E-Voting website: www.evoting.nsdl.com. You can also send your queries/ grievances relating to e-voting to the e-mail ID : evoting@nsdl.co.in

- (E) The period for e-voting starts on Wednesday, 12th November, 2014 from 09:00 a.m. and ends on Thursday, 11th December, 2014 at 05:30 p.m.

E-voting shall be disabled by NSDL at 5:30 p.m. on Thursday, 11th December, 2014.

STATEMENT SETTING OUT MATERIAL FACTS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:

Item Nos. 1&2:

The Company had, pursuant to the provisions of Clause 49 of the Listing Agreement entered with the Stock Exchanges, appointed Mr. S.L. Rao and Mr. N. Srinath as Independent Directors in compliance with the requirements of the said clause.

As per the provisions of Section 149(4) which has come into force with effect from 1st April, 2014, every listed company is required to have at least one-third of the total number of Directors as Independent Directors. Further, Section 149(10) of the Act provides that an Independent Director shall hold office for a term up to five consecutive years on the Board of a company and is not liable to

retire by rotation pursuant to Section 149(13) read with Section 152 of the Act.

The Securities and Exchange Board of India (SEBI) has amended Clause 49 of the Listing Agreement which would be effective from October 1, 2014 inter alia stipulates the conditions for the appointment of Independent Directors by a listed company. The Nomination & Remuneration Committee has recommended the appointments of these Directors as Independent Directors from December 15, 2014 upto December 14, 2019. The above Independent Directors have given a declaration to the Board that they meet the criteria of independence as provided under Section 149 (6) of the Act. In the opinion of the Board, the above Independent Directors fulfill the conditions specified in the Act and the Rules made thereunder for appointment as Independent Directors and they are independent of the management.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of the above Directors as Independent Directors is now being placed before the Members in General Meeting for their approval.

The terms and conditions of appointment of Independent Directors shall be open for inspection by the Members at the Registered Office of the Company on all working days, except Saturdays, during business hours upto the last date of receiving Postal Ballot Form from the members.

The brief profile of the Independent Directors to be appointed is given below:

MR. S.L. RAO:

Mr. S.L. Rao has spent over 40 years in various management positions and has authored 15 books and written several papers on topics of economics and liberalization, investment in India, reforms etc. and is on the board of several renowned companies. He has also been holding Director level positions in various companies in his career. He is a member of various advisory boards and trusts and has been awarded the Ravi J Mathai National Fellowship for 2000-2001 (for contribution to management and management education) by the Association of Indian Management Schools.

His educational qualifications are: B.Com (Hons) and M.A. in Economics. He is on the Board of the following other public companies:

Kanoria Chemicals & Industries Limited

RAIN Industries Limited

RAIN CII Carbon Vizag Limited

He was appointed as an Independent Director of the Company w.e.f. January 24, 2002.

MR. N. SRINATH:

Since joining the Tata Administrative Services in 1986, Mr. Srinath has held positions in Project Management, Sales & Marketing, and Management in different Tata companies in the ICT sector over the last 27 years. Since February 1, 2011 he has been appointed as the Managing Director of Tata Teleservices Limited one of India's leading integrated telecom service providers.

He is on the Board of the following other public companies:

Tata Teleservices Limited

Tata Business Support Services Limited

VIOM Networks Limited

VIOM Infra Networks (Maharashtra) Limited

Tata Communications Limited

Tata Teleservices (Maharashtra) Limited

Mr. Srinath has received several recognitions in the telecom industry. He was named the 'Telecom CEO of the Year' in Asia by the leading publishing group Telecom Asia in the 2006 edition of their awards. The Institute of Economic Studies (IES), a research oriented organization, conferred its Udyog Rattan Award on Mr. Srinath in November 2006. In 2008 and 2009, Mr. Srinath was named as the world's eighth most influential telecom personality by the Global Telecoms Business magazine as well as the 'Telecom Person of the Year' by the India-based Voice and Data magazine in 2008.

Mr. N. Srinath has a degree in Mechanical Engineering from IIT (Chennai) and a Management Degree from IIM (Kolkata), specialising in Marketing and Systems.

He was appointed as an Independent Director of the Company w.e.f. August 11, 2014.

The Board commends the Ordinary Resolutions set out at Item nos. 1 & 2 of the Notice for approval by the Members.

The above Independent Directors are interested in the Resolutions mentioned at Item Nos. 1 & 2 of the Notice with regard to their respective appointments. Other than the above Independent Directors, no other Director, Key Management Personnel or their respective