

HONEYWELL AUTOMATION INDIA LIMITED

CIN: L29299PN1984PLC017951

Registered Office: 56 & 57, Hadapsar Industrial Estate, Pune 411 013
Tel: 020-66039400; Fax: 2020-66039800; Email: HAIL.InvestorServices@Honeywell.com
Website: www.honeywellautomationindia.com

POSTAL BALLOT NOTICE

Dear Member(s),

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 resolutions by way of postal ballot / electronic voting (“e-voting”). The explanatory statement pertaining to the aforesaid resolutions setting out the material facts 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. Jayavant B. Bhawe, of J.B. Bhawe & Co., Company Secretaries as the Scrutinizer (the “Scrutinizer”) for conducting the postal ballot /e-voting process in a fair and transparent manner.

Members are requested to carefully read the instructions printed 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 Wednesday, 7th day of December 2016.

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 or any other authorized Director of the Company. The result of the postal ballot shall be declared on or before Friday, 9th day of December 2016 and 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.

The last date for receipt of duly completed Postal Ballot Forms or e-voting shall be the date on which the resolution would deemed to have been passed, if approved by the requisite majority.

RESOLUTIONS:

Item no. 1- Appointment of Mr. Ashish Gaikwad as Director

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

“RESOLVED THAT Mr. Ashish Gaikwad (DIN: 07585079) who was appointed by the Board of Directors as an Additional Director of the Company with effect from October 1, 2016, pursuant to Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act, proposing his candidature for the office of a Director, be and is hereby appointed as Director of the Company.”

Item no. 2- Appointment of Mr. Ashish Gaikwad as Managing Director

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

“RESOLVED THAT pursuant to and in accordance with the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013, including any statutory modification or re-enactment thereof for the time being in force. (“the Act”), read with Schedule V thereto, and subject to the requisite approval of the Central Government, consent of the Company be and is hereby accorded to the appointment of Mr. Ashish Gaikwad (DIN: 07585079) as the Managing Director of the Company for a period of 5 (five) years effective October 1, 2016 on the terms and conditions of appointment and remuneration as contained in the draft agreement, material terms of which are set out in the explanatory statement attached to this notice and the Board of Directors be and is hereby authorised to alter and vary such terms of appointment and remuneration as may be agreed upon with Mr. Ashish Gaikwad, subject however to the overall ceiling on remuneration specified in the said Schedule V and other applicable provisions of the said Act for the time being in force.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, any of the Directors and/or any of the key managerial personnel of the Company for the time being, be and are hereby jointly or severally authorized to do all such acts, deeds, matters and things and take such steps which are necessary, expedient or desirable in this regard.”

By order of the Board of Directors

Pune, October 25, 2016

Sangeet Hunjan
Company Secretary

NOTES:

- a) Statement pursuant to Section 102 of the Companies Act, 2013, setting out the material facts and reasons for the proposed resolutions is annexed hereto.
- b) As required under Regulation 36 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations") and Standard 1.2.5 of SS-2, Secretarial Standard on General Meetings, the relevant details of Director seeking appointment are given in the annexure to this Postal Ballot Notice.
- c) The Postal Ballot 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, 28th October, 2016. The Postal Ballot Notice is being sent to Members in electronic form to the email addresses registered with their Depository Participants (in case of electronic shareholding) / the Company (in case of physical shareholding). For Members whose email IDs are not registered, physical copies of the Postal Ballot Notice are being sent by permitted mode alongwith a postage-prepaid self-addressed Business Reply Envelope.
- d) Members who have received Postal Ballot Notice by e-mail and who wish to vote through physical Form can send an email to HAIL.InvestorServices@Honeywell.com. The Company/Registrar and Transfer Agent shall forward the same along with self addressed Business Reply Envelope to the Members. Or alternatively download the Form from the link www.evoting.nsdl.com or from the 'Announcements' section on the Company's website www.honeywellautomationindia.com.
- e) Members whose names appear on the Register of Members /List of Beneficial Owners as on Friday, 28th October, 2016 will be considered for the purpose of voting. The voting rights of the Members shall be in proportion to their shares in the total paid-up equity share capital of the Company as on Friday, 28th October, 2016. A Member cannot exercise his vote by proxy on postal ballot.
- f) 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 Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has provided a facility to the Members to exercise their votes electronically through electronic means. The e-voting service facility will be provided by National Securities Depository Limited (NSDL). The instructions for e-voting are annexed to the Postal Ballot Notice.
- g) Members can opt for only one mode of voting i.e. either by physical Postal Ballot or through e-voting. 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.
- h) Resolutions assented to by the requisite majority of the Members by means of Postal Ballot including voting by electronic means are deemed to have been passed as if they have been passed at a General Meeting of the Members. The last date for receipt of duly completed Postal Ballot Forms or e-voting shall be the date on which the resolution would deemed to have been passed, if approved by the requisite majority.
- l) All the material documents referred to in the explanatory statement will be available for inspection at the registered office of the Company during office hours on all working days from the date of dispatch until the last date for receipts of votes by postal ballot/ e-voting.

STATEMENT SETTING OUT MATERIAL FACTS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:**Item Nos. 1&2:**

The Board of Directors, upon the recommendation of the Nomination & Remuneration Committee, appointed Mr. Ashish Gaikwad (DIN 07585079) as an Additional Director of the Company with effect from October 1, 2016, pursuant to Section 161 of the Companies Act, 2013.

The Company has received a notice in writing from a member, along with requisite deposit under Section 160 of the Companies Act, 2013, proposing candidature of Mr. Ashish Gaikwad for the office of Director.

The Company has received from Mr. Ashish Gaikwad the necessary consent and declarations and he is not disqualified from being appointed as director in terms of Section 164 of the Companies Act, 2013.

At the meeting of the Board of Directors held on August 10, 2016, Mr. Ashish Gaikwad was also appointed, as the Managing Director of the Company for a period of 5 (five) years from October 1, 2016, subject to the approval of the shareholders and of the Central Government.

The material terms of appointment and remuneration as contained in the draft agreement are given below:

- I. Mr. Ashish Gaikwad 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 (which includes basic, HRA, other allowances and commission etc.) within the range of Rs. 1,10,00,000/- (Rupees One Crores Ten Lakhs only) to Rs. 2,60,00,000/- (Rupees Two Crores, Sixty lakhs only) as may be determined and increased by the Nomination and Remuneration Committee and approved by the Board of Directors from time to time, within the aforesaid limits. The annual increment will be merit based and take into account the Company's performance.
 - b. Commission: Such remuneration by way of commission (ICP), in addition to the Annual Gross Compensation payable, calculated with reference to the net profits of the Company in a particular financial year, as may be determined the Nomination and Remuneration Committee and approved by the Board of Directors of the Company subject to the overall ceilings stipulated in Section 197 of the Act. The Managing Director will also be eligible for long term incentives such as stock options, restricted units issued by Honeywell International Inc., from time to time as per Honeywell policy and as approved by the Nomination and Remuneration Committee.
 - c. 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.

d. 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 agreement may be altered and varied from time to time by the Board, as it may, in its discretion, deem fit within the maximum amount payable to Managing Director, subject to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 for the time being in force, read with Schedule V thereto as amended from time to time.

Mr. Ashish Gaikwad joined Honeywell in 1992 and has progressed through roles of increasing responsibility, most recently serving as General Manager for the Advanced Solutions business for the Asia Pacific region within Honeywell Process Solutions. Mr. Ashish Gaikwad has a successful track record from a career spanning more than 26 years with a mix of operations, sales, strategic marketing, and general management. He has a Bachelor's Degree in Electrical and Electronics Engineering from Birla Institute of Technology and Science (BITS), Pilani.

Even though Mr. Ashish Gaikwad is an Indian Citizen, he has not been a resident of India as stipulated under Part 1 (e) of Schedule V to the Act and hence the Company is in the process of making an application to the Central Government for its approval to his appointment as Managing Director as required under law.

The Board recommends the passing of the resolution set out at Item Nos. 1 & 2 of the Postal Ballot Notice.

Copy of the draft agreement referred to in the Resolution and other documents relating to the above item of business will be available for inspection without any fee by the Members at the registered office of the Company during normal business hours on any working day, from the date of dispatch until the last date for receipts of votes by postal ballot/ e-voting.

Mr. Ashish Gaikwad holds directorship in Honeywell Hometown Solutions India Foundation, in India. He holds 200 shares in the Company.

Except Mr. Ashish Gaikwad, none of the other Directors or Key Managerial personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the resolution.

By order of the Board of Directors

Sangeet Hunjan
Company Secretary

Pune, October 25, 2016

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Website : www.honeywellautomationindia.com

ADDITIONAL INFORMATION ON DIRECTOR RECOMMENDED FOR APPOINTMENT

Pursuant to Regulation 36 of SEBI (Listing Obligations And Disclosure Requirements) Regulations 2015) and Standard 1.2.5 of SS-2, Secretarial Standard on General Meetings

Name of the Director	Ms. Ashish Gaikwad
DIN	07585079
Date of Birth	March 6, 1969
Date of Appointment on the Board	October 1, 2016
Qualification	Bachelor's Degree in Electrical and Electronics Engineering from Birla Institute of Technology and Science (BITS), Pilani.
Experience & Brief profile and nature of their expertise in specific functional areas	Mr. Ashish Gaikwad has a successful track record from a career spanning more than 26 years with a mix of operations, sales, strategic marketing, and general management.
Directorships held in other companies.	Honeywell Hometown Solutions India Foundation, a Section 8, Not for Profit company
Memberships / Chairmanships of committees across all other public companies	Nil
Relationship with other Directors/Manager/Key Managerial Personnel	Nil
Shareholding in the Company	200 shares
No. of Board Meetings attended during the year	Nil (No meeting held during the year after appointment)

As per Regulation 26 of the Listing Regulations, details of Chairmanship / Membership of Audit Committee and Stakeholders' Relationship Committee are provided. Directorships in foreign companies, membership in governing councils, chambers and other bodies, Partnership in firms etc., are not provided.

INSTRUCTIONS FOR ELECTRONIC VOTING BY MEMBERS

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 Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide a facility to the Members to exercise their votes electronically through electronic means. The e-voting service facility will be provided by National Securities Depository Limited (NSDL). The instructions for e-voting are as follows:

1. The e-voting period commences on Tuesday, November 8, 2016 (9:00 am) and ends on Wednesday, December 7, 2016. (5:30 pm). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the relevant date of October 28, 2016, may cast their vote by e-voting. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
2. Members whose email IDs are registered with the Company/Depository Participants(s) will receive an email from NSDL informing them of their user ID and password. Once the Member receives the email, he/she will need to go through the following steps to complete the e-voting process-
 - a. Open email and open PDF file viz; "HWL e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password.
 - b. Launch internet browser by typing the following URL: <https://www.evoting.nsd.com>. Click on Shareholder – Login
 - c. Enter user ID and password as initial password/PIN noted in step (a) above. Click Login.
 - d. Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - e. Home page of e-voting opens. Click on e-voting: Active Voting Cycles.
 - f. Select "EVEN" of Honeywell Automation India Limited.
 - g. Now you are ready for e-voting as "Cast Vote" page opens.
 - h. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - i. Upon confirmation, the message "Vote cast successfully" will be displayed.
 - j. Once you have voted on the resolution, you will not be allowed to modify your vote.
 - k. For the votes to be considered valid, the corporate and institutional shareholders (companies, trusts, societies, etc.) are required to send a scanned copy (PDF/JPG format) of the relevant Board Resolution/ Appropriate Authorization etc. together with attested specimen signature of the duly authorized signatory(ies), to the Scrutinizer through e-mail at jbbhave@gmail.com with a copy marked to evoting@nsdl.co.in.
3. Members whose email IDs are not registered with the Company/Depository Participants(s) will receive a physical copy of the Postal Ballot Form. The following instructions are to be noted -
 - a. Initial password is provided at the bottom of the Postal Ballot Form
 - b. Please follow all steps from Sr. No. 2 (a) to 2 (k) above, to cast your vote.
4. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and e-voting user manual for Members available at the download section of www.evoting.nsd.com or call on toll free no.: 1800-222-990.
5. If you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote. If you have forgotten your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsd.com.
6. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the relevant date of October 28, 2016.