

Honeywell

HONEYWELL ELECTRICAL DEVICES AND SYSTEMS INDIA LIMITED

2022-2023
Annual Report

Board of Directors

Mr. Inder Jeet Singh	Independent Director
Mr. Virender Shankar	Independent Director
Mr. Nagendranath Shankarappa	Additional Director (Appointed w.e.f. June 20, 2023)
Mr. Satish Kumar Agarwal	Director
Mr. Vimal Chawla	Director (Resigned w.e.f. June 20, 2023)

Bankers

Citibank N. A.

Registered Office

5th, 6th & 7th Floors,
North Tower, KRM Plaza,
No. 2, Harrington Road,
Chetpet, Chennai,
Tamil Nadu – 600031

Auditors

Deloitte Haskins & Sells LLP
Chartered Accountants,
Pune

Works

Khasra No. 323 (MI)
Camp Road, Central Hopetown,
Selaqui Industrial Area
Selaqui, Dehradun 248 197

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Notice is hereby given that the 38th (Thirty Eighth) Annual General Meeting (AGM) of the Members of Honeywell Electrical Devices and Systems India Limited will be held on Wednesday, November 22, 2023 at the registered office of the Company situated at 5th, 6th& 7th Floors, North Tower, KRM Plaza, No. 2, Harrington Road, Chetpet, Chennai, Tamil Nadu – 600031 at 12:00 PM (IST) to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2023, along with the Reports of the Directors and Auditors thereon.
2. To appoint a director in place of Mr. Satish Kumar Agarwal who retires by rotation and being eligible, has offered himself for re-appointment.

SPECIAL BUSINESS:

3. **Ratification of remuneration of Cost Auditors:**

To consider and if thought fit to pass with or without modification(s) the following resolution as an **ORDINARY RESOLUTION:**

“RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, the remuneration payable to M/s. C. S. Adawadkar & Co, Cost Accountant, having FRN: 100401, appointed by the Board of Directors as Cost Auditor of the Company to audit the Cost records of the company for the financial year 2023-24, amounting to Rs. 1,75,000/- (Rupees One Lakh Seventy-Five Thousand Only) plus the payment of GST as applicable and reimbursement of out of pocket expenses to be incurred, if any, in connection with the aforesaid audit, be and is hereby ratified and confirmed.

RESOLVED FURTHER THAT all the Directors of the Company be and are hereby severally authorized to do all such acts, deeds & things and to execute documents, writings as he may in its absolute discretion deem necessary or incidental and pay such fees, etc. and incur such expenses in relation thereto as it may deem appropriate for giving effect to this resolution including but not limited to filing of necessary forms and documents with statutory authorities and with any other regulatory authorities, as may be required.”

4. **Appointment of Mr. Nagendranath Shankarappa as a Director of the company**

To consider and if thought fit to pass with or without modification(s) the following resolution as an **ORDINARY RESOLUTION:**

“RESOLVED THAT pursuant to the provisions of Section 152, 160, 161 of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Nagendranath Shankarappa (DIN: 10186938), who was co-opted as an Additional Director of the Company on June 20, 2023 and who holds office up to the date of this Annual General Meeting, be and is hereby appointed as Director of the Company.

RESOLVED FURTHER THAT all the Directors of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as in their absolute discretion they may consider necessary, expedient or desirable and to settle any question or doubt that may arise in relation thereto and the Board shall have absolute power to decide other benefits if any and in order to give effect to the forgoing resolution, or as may be otherwise considered by it to be in the best interest of the Company.”

Notes:

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote in the meeting and the proxy need not be a member of the company.
2. The instrument appointing the proxy must be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.
3. Members / proxies should bring duly filled Attendance Slips sent herewith to attend the meeting.
4. The Statutory Registers maintained under the Companies Act, 2013, will be available for inspection by the members at the Annual General Meeting.
5. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 is annexed hereto.
6. The 38th AGM is being convened at the registered office of the Company which can be attended by the members physically. Further, pursuant to General Circulars issued by the Ministry of Corporate Affairs (to the extent applicable to the Company), the members are given an additional opportunity to attend the 38th AGM through Video Conferencing/ Other Audio-Visual Means (VC/OAVM) mode through the link provided below:
https://teams.microsoft.com/l/meetupjoin/19%3ameeting_ODQ5Y2FkNzgtNTQ1Ny00ZjdmLWI0YjAtMzE5ZDU2ZmI2YmM1%40thread.v2/0?context=%7b%22Tid%22%3a%2296ece526-9c7d-48b0-8daf-8b93c90a5d18%22%2c%22Oid%22%3a%220e8496c7-7ed1-42f8-ab6c-ed111c4d556f%22%7d
7. A route map to the venue of the AGM has been provided at the end of the Annual Report.
8. The Company has initiated the process for dematerialisation of shares and has also intimated its shareholders of the same. The Shareholders are requested to approach their respective Depository Participants (DPs) and submit the necessary application and share certificates for dematerialisation. In case of any queries, the shareholders may write to IndiaCorporateSecretarial@Honeywell.com and investor.heds@gmail.com.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**Item No. 3**

The Board of Directors of the Company has approved the appointment and remuneration of M/s. C. S. Adawadkar & Co, Cost Accountant to conduct the audit of the cost records of the Company for the financial year 2023-24.

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be ratified by the members of the Company. Accordingly, the members are requested to ratify the remuneration payable to the Cost Auditors for audit of cost records of the Company for the financial year 2023-24 as set out in the resolution for the aforesaid services to be rendered by them.

None of the Directors and Key Managerial Personnel (KMP) of the company and their relatives are in any way interested or concerned in the resolution. The Board recommends the resolution set forth in Item No. 3 for approval of the members.

Item No. 4

The Board co-opted Mr. Nagendranath Shankarappa as an Additional Director of the Company on June 20, 2023 pursuant to Section 161 of the Companies Act, 2013.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, Mr. Nagendranath Shankarappa holds office up to the date of the ensuing Annual General Meeting. It is proposed to appoint Mr. Nagendranath Shankarappa as Director of the Company. Further, the Nomination and Remuneration Committee and the Board of Directors have recommended appointment of Mr. Nagendranath Shankarappa as Director of the Company.

The Company has received the below from Mr. Nagendranath Shankarappa

- (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014; and
- (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013.

None of the other Directors and Key Managerial Personnel of the Company and their relatives are interested in this resolution except Mr. Nagendranath Shankarappa.

The Board recommends the resolution set forth in Item No. 4 for the approval of the members.

**FOR AND ON BEHALF OF BOARD OF
HONEYWELL ELECTRICAL DEVICES AND SYSTEMS INDIA LIMITED**

Nagendranath Shankarappa
Director
DIN: 10186938

Date: October 18, 2023

Details of Directors to be appointed/ re-appointed at the AGM to be held on Wednesday, November 22, 2023 in terms of Secretarial Standard on General Meetings (SS-2).

Item No. 2 & 4

Name	Mr. Satish Kumar Agarwal (DIN: - 06927467)
Date of Birth and Age	October 04, 1976, Age: 47 years
Date of First Appointment on Board, if any	February 04, 2021
Qualification	Chartered Accountant, Cost Accountant, B. Com (Hons)
Experience	He has more than 25 years of experience working with Fortune 500 companies like Honeywell, PepsiCo & Tata Steel.
Directorship held in other companies	Nil

Name	Mr. Satish Kumar Agarwal (DIN: - 06927467)
Membership/ Chairmanship of Committees across all Companies	He is a Member of Nomination and Remuneration Committee and Corporate Social Responsibility Committee. He does not hold membership/ chairmanship of committees in any other company.
Number of Shares held in the Company as on date of this Notice	Nil
Terms and Conditions of Appointment or Re-appointment including Remuneration	The members confirmed his appointment as a director in the AGM held on December 15, 2021 Pursuant to the provisions of Section 161 of the Companies Act, 2013. It is proposed to appoint Mr. Agarwal as Director of the Company, since he is liable to retire by rotation and eligible for re-appointment as director.
Relationship with other Directors, Key Managerial Personnel of the Company	Mr. Satish Kumar Agarwal is not related to any of the directors or KMP of the Company.
Number of Meetings of the Board Attended during the year	The number of meetings attended by Mr. Agarwal is as disclosed elsewhere in the Directors' Report.

Name	Mr. Nagendranath Shankarappa (DIN: 10186938)
Date of Birth and Age	March 10, 1969, Age: 54 Years
Date of First Appointment on Board, if any	June 20, 2023
Qualification	Bachelor of Engineering
Experience	He has working experience of more than 31 years in companies including Schneider Electric, General Motors, Toyota, Whirlpool.
Directorship held in other companies	Nil
Membership/ Chairmanship of Committees across all Companies	He is a Member of Audit Committee and Corporate Social Responsibility Committee. He does not hold membership/ chairmanship of committees in any other company.
Number of Shares held in the Company as on date of this Notice	Nil

Name	Mr. Nagendranath Shankarappa (DIN: 10186938)
Terms and Conditions of Appointment or Re-appointment including Remuneration	The Board appointed Mr. Shankarappa as an Additional Director of the Company on June 20, 2023. Pursuant to the provisions of Section 161 of the Companies Act, 2013, Mr. Shankarappa holds office up to the date of the ensuing Annual General Meeting. It is proposed to appoint Mr. Shankarappa as Director of the Company.
Relationship with other Directors, Key Managerial Personnel of the Company	Mr. Shankarappa is not related to any of the directors or KMP of the Company.
Number of Meetings of the Board Attended during the year	The number of meetings attended by Mr. Shankarappa is as disclosed elsewhere in the Directors' Report.

**FOR AND ON BEHALF OF BOARD OF
HONEYWELL ELECTRICAL DEVICES AND SYSTEMS INDIA LIMITED**

Nagendranath Shankarappa
Director
DIN: 10186938

Date: October 18, 2023

Dear Members,

Your Directors are pleased to present the Directors' Report of the Company along with the Balance Sheet and Profit and Loss Account for the year ended March 31, 2023.

FINANCIAL RESULTS

Your company achieved a turnover of Rs. 15,294 Lakhs and the profit after tax of Rs. 1,596 Lakhs. The key aspects of the financial performance of the Company for the financial year 2022-23 are tabulated below:

(Rs. in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022	Year on Year Change
Sales & Other Income	15,294	14,337	957
Operating profit	2,456	3,343	-887
Less: Interest	54	35	19
Less: Depreciation	437	438	-1
Profit before tax for the year	1,965	2,870	-904
Less: Income tax and deferred tax expenses	369	1,326	-957
Profit after tax for the year	1,596	1,544	53
Profit brought forward from the previous year	9,343	7,799	1,544
Profit available for appropriations	10,939	9,343	1,596
Dividend	-	-	-
Balance carried forward	10,939	9,343	1,595

RESERVES

The Company has not transferred any amounts to reserves during the year. The Company has carried the amount of Profit for the year of Rs. 1,596 Lakhs to the Surplus Account.

DIVIDEND

In view of the profit gained in the current year directors, do not recommend any dividend on equity share capital of the company.

CORPORATE DEVELOPMENT

In 2022-23, market conditions for the construction industry has improved as compared to the last financial year 2021-22. The residential segment witnessed sharp growth with inventories reducing across India for all major real estate developers. The latent demand rekindled during the festive season and the increase in home loan disbursements was a catalysts in the revival for the sector. The commercial office market also saw a revival with

most of the companies resuming back to office programs. With general elections in the near future government's thrust on completing infra projects has also helped to witness growth in business.

FY22-23 was indeed a unique year, the company has exhibited strong resilience, through strong traction as compared to the previous year. The financial year was characterized by new products for the company. Two significant products were launched - Impact WD & Impact CP DB in 2022 followed by much awaited launch of Blenze Pro in Q1'23 which has enabled a complete refresh of the affordable & mid-segment Wiring Device portfolio via Impact range and premium segment via Blenze Pro range. We have witnessed a significant uptake for the new products in the market and the product refresh and upgrade of Mounting boxes and FDS have also contributed well to the business. We will continue to grow in the EVO & Horizon range and have a strong focus on retail. We have started the export of products from Hopetown and dispatched the first consignment of Dimmer to the United Kingdom in 2023. For the first time in many years, the NPI vitality for your company is at 51% indicating the company's strong commitment to building a comprehensive portfolio. The premium segment remains a challenge due to the ongoing economic scenario and the company is working on a revival model for the product lines catering to this market segment..

THE YEAR AHEAD

We continue to scale up the new products launched recently by executing the identified Go-to-market strategy. The company's focus remains on growth through strategic actions including, but not limited to, consolidation of market share in key regions, growth in verticals like Healthcare and Pharma, and strengthening of the Circuit Protection portfolio. During the upcoming year, your company aims to provide a digital solution for its distributors and channel partners, driving continuous innovation and efficiency in business conduct.

PEOPLE DEVELOPMENT AND INDUSTRIAL RELATION

Hopetown facility continues to be associated with CII (Confederation of Indian Industry) & UIWA (Uttarakhand Industrial Welfare Association) and through the association attends regular calls & meetings to get the latest updates about industries. Recently, the site received the north region Quality Circle Regional Award organized by CII of India in September 2022, Two teams from Hopetown Won the Gold Award in QCFI-HCCQC competition in October 2022, Team won the HGR Excellence Award in Q3,2022, and one of the team has won the Star Champion Award at the National level Kaizen event in December, 2022 & Site was Awarded with Best Practices in Waste Management at the regional level event organized by CII in December, 2022. The site received ISO 50001-2018 certification in November'2022. During the year 4 teams (28 employees) participated in quality circle program & projects at the site, driving Accelerator & Six Sigma culture.

The site has continually focused on the health and safety of the workers. The primary focus has been to ensure a secure and safe manufacturing environment for the workers by following operational procedures aimed at preventing and controlling the spread of Health diseases at the site. The Site has conducted the Emerging health issue session for diversity, which was conducted by an external doctor in September, 2022.

Hopetown site was awarded with Accelerator World Class Certification in September 2023 and Awarded with the HBT site of the Quarter in Q1,2023. Employee development initiatives and top talent retention programs are reviewed in MRR, HR Vartalaap (employee connect forum), Chai pe Charcha, and Open house with the site leader & site leader's meeting with associates on a regular basis. We have a two-way communication process between Management and Employees, through regular town hall meetings and leadership interactions at the site. Company's long-term strategies reviewed and developed STRAP.

DEPOSITS

In terms of the provisions of Sections 73 of the Companies Act, 2013 read with the relevant Rules of the Act, the Company has not accepted any deposits during the year under review and as such, no amount of principal or interest was outstanding as of March 31, 2023.

SHARE CAPITAL

The Authorized Share Capital of the Company is Rs. 2,00,00,000/- (Rupees Two Crores Only) divided into 20,00,000 (Twenty Lakhs Only) Equity Shares of Rs. 10/- (Rupees Ten Only) each. The paid-up Share Capital of the company is 9,51,640 Equity Shares of Rs. 10/- each amounting to Rs. 95,16,400/- (Rupees Ninety-Five Lakhs Sixteen Thousand and Four Hundred Only).

MANAGEMENT STRUCTURE

As per the provisions of the Companies Act, 2013, Mr. Satish Kumar Agarwal (DIN: 06927467), retires by rotation at the forthcoming AGM and being eligible, has offered himself for reappointment. The Board recommends his reappointment.

The composition of the Board of Directors as of March 31, 2023 was as follows:

Sl. No.	Name of the Director	Designation
1.	Mr. Vimal Chawla*	Director (Non-Executive)
2.	Mr. Virender Shankar	Independent Director (Non-Executive)
3.	Mr. Inder Jeet Singh	Independent Director (Non-Executive)
4.	Mr. Satish Kumar Agarwal	Director (Non-Executive)

* Mr. Vimal Chawla resigned from the post of directorship with effect from June 20, 2023.

Mr. Nagendranath Shankarappa was appointed as an Additional Director of the company w.e.f June 20, 2023.

None of the Directors of the Company are disqualified under section 164(1) & 164(2) of the Companies Act, 2013.

STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTOR UNDER SUB-SECTION (6) OF SECTION 149

The Company has received necessary declarations from the Independent Directors under Section 149 (7) of the Companies Act, 2013, that they meet the criteria of Independence laid down in Section 149 (6) of the Companies Act, 2013.

BOARD COMMITTEES

The Company has the following Committees:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Corporate Social Responsibility Committee

The composition of each of the above Committees, their respective roles and responsibilities is as detailed below:

1. AUDIT COMMITTEE

During the year, there was no change in the Composition of the Audit Committee. Currently, as a result of the resignation of Mr. Vimal Chawla and the appointment of Mr. Nagendranath Shankarappa, the Committee is comprised of Mr. Inder Jeet Singh, Mr. Virender Shankar and Mr. Nagendranath Shankarappa.

The Audit Committee's primary objective is to monitor and provide effective supervision of the Management's financial reporting process, to ensure accurate and timely disclosures with the highest levels of transparency, integrity, and quality of financial reporting, and to deal with all matters as per section 177 of the Companies Act, 2013.

2. NOMINATION AND REMUNERATION COMMITTEE

During the year, there was no change in the Composition of the Nomination and Remuneration Committee. Currently, the Committee comprises Mr. Inder Jeet Singh, Mr. Virender Shankar, and Mr. Satish Kumar Agarwal.

The Committee is responsible for formulating criteria for determining the remuneration of individual members of the Board of Directors of the Company and dealing with all matters as per section 178 of the Companies Act, 2013.

3. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

During the year, there was no change in the Composition of the Corporate Social Responsibility Committee. Currently, as a result of the resignation of Mr. Vimal Chawla and the appointment of Mr. Nagendranath Shankarappa, the Committee comprises Mr. Inder Jeet Singh, Mr. Virender Shankar, Mr. Satish Kumar Agarwal, and Mr. Nagendranath Shankarappa.

Your Company has a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Corporate Social Responsibility Committee and the Board. Since the company had profits more than the thresholds for CSR Applicability in the current financial year, and hence the Company is required to make any CSR expenditure for the current year, and hence report on CSR is annexed.

MEETINGS OF BOARD AND ITS COMMITTEES

The details of meetings of the Board and its Committees and Directors attending the same are given below:

A. BOARD OF DIRECTORS:

The Board met four (4) times during the year; attendance is as follows:

Name of Director	Inder Jeet Singh	Vimal Chawla	Virender Shankar	Satish Kumar Agarwal
Date of Meeting				
June 17, 2022	Yes	Yes	Yes	Yes
August 24, 2022	Yes	Yes	Yes	Yes
December 13, 2022	Yes	No	Yes	Yes
March 2, 2023	Yes	Yes	Yes	Yes

B. AUDIT COMMITTEE

The Audit Committee met 4 (Four) times during the year, attendance is as follows:

Name of Director	Inder Jeet Singh	Virender Shankar	Vimal Chawla
Date of Meeting			
June 17, 2022	Yes	Yes	Yes
August 24, 2022	Yes	Yes	Yes
December 13, 2022	Yes	Yes	No
March 2, 2023	Yes	Yes	Yes

C. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee had met once during the year. Attendance of the members for the same is given below:

Name of Director	Inder Jeet Singh	Virender Shankar	Satish Kumar Agarwal
Date of Meeting			
August 24, 2022	Yes	Yes	Yes

D. CSR COMMITTEE

The CSR Committee had met twice during the year. Attendance of the members for the same is given below:

Name of Director	Inder Jeet Singh	Virender Shankar	Satish Kumar Agarwal	Vimal Chawla
Date of Meeting				
August 24, 2022	Yes	Yes	Yes	Yes
December 13, 2022	Yes	Yes	Yes	No

VIGIL MECHANISM / WHISTLE BLOWER POLICY

In terms of the provisions of sub-section (10) of section 177 of the Companies Act, 2013, the Company's Audit Committee oversees the Vigil Mechanism. The Company is aligned with the Honeywell Group framework for its Code of Conduct, including the whistle-blower policy for directors and employees to report genuine concerns or grievances. The Company also has a helpline/mailer where complaints/concerns can be filed.

COMPANYS' POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

In terms of provisions of clause(e) of sub – section (3) of section 134 of the Companies Act, 2013, the Company has formulated the criteria for determining qualification, positive attributes, and independence of a Director and a policy relating to the remuneration for the Directors, Key Managerial Personnel and other employees. The criteria and the policy are as under:

Policy relating to Directors

- a. The person to be chosen as a Director shall be of high integrity with relevant expertise and experience to have a diverse Board having expertise in the fields of Information Technology, sales /marketing, finance, taxation, law, governance, and general management.

- b. In case of appointment of Independent Directors, the Board shall satisfy itself with regard to the independent nature of the Directors vis-à-vis the Company to enable the Board to discharge its function and duties effectively.
- c. The Board / Committee shall consider the following attributes / criteria, whilst recommending the candidature for appointment as Director:
 - (i) Qualification, expertise, and experience of the Directors in their respective fields;
 - (ii) Personal, Professional or business standing; and
 - (iii) Diversity of the Board.
- d. In case of re-appointment of Non-Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

Remuneration Policy

The Company's remuneration policy is driven by the success and performance of the individual employees and the Company. The Company pays remuneration by way of salary, benefits, perquisites, and allowances (fixed component) and performance incentives, commission (variable component) to its Whole-Time Director and other Executive Directors.

IMPLEMENTATION OF RISK MANAGEMENT POLICY

In terms of the provisions of clause (n) of sub – section (3) of section 134 of the Companies Act, 2013, the Company has a robust policy to identify and evaluate business risks and opportunities. The Company has in place a mechanism to identify, assess, monitor, and mitigate various risks to key business objectives. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. This framework seeks to create transparency, minimize adverse impact on the business objectives, and enhance the Company's competitive advantage. These are discussed at various department level meetings of the Company. The Company has identified various risks and also has mitigation plans for each risk identified.

INTERNAL CONTROL SYSTEMS AND ADEQUACY OF INTERNAL FINANCIAL CONTROLS

In terms of the provisions of clause (n) of sub – section (3) of section 134 of the Companies Act, 2013, the Company has a proper and adequate system of internal controls. This ensures that all transactions are authorized, recorded, and reported correctly, and assets are safeguarded and protected against loss from unauthorized use or disposition. In addition, there are operational controls and fraud risk controls, covering the entire spectrum of internal financial controls. The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. These are routinely tested by Internal Auditors. Significant audit observations and follow-up actions thereon are reported to the Management / Board.

SEPARATE MEETING OF INDEPENDENT DIRECTORS

There was a separate meeting of the Independent Directors (without the presence of non-independent directors and members of the management). The discussions covered both strategic and operational aspects of the Board's functioning, as well as the quality, content, and timeliness of the flow of information between the Management and the Board.

SUBSIDIARY COMPANIES

The Company has no subsidiary company as of the end of the financial year March 31, 2023.

EXTRACT OF THE ANNUAL RETURN

Pursuant to Section 92(3) of the Companies Act, 2013, since the Company does not have its own website, thus it is not required to upload its Annual Return on the website and a copy of the Annual Return shall be filed with the Registrar of Companies.

RELATED PARTY TRANSACTIONS

There have been no materially significant related party transactions between the Company and the Directors, the management, the subsidiaries, or the relatives except for those disclosed in the financial statements. Particulars as prescribed under contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013 read with Rule 8 of Companies (Accounts) Rules, 2014 in Form AOC -2 is attached to the report as **Annexure 1**.

DIRECTORS' RESPONSIBILITY STATEMENT

In compliance with clause (c) of sub – section (3) of section 134 and sub- section (5) of section 134 of the Companies Act, 2013, your Directors confirm and the state as follows:

1. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
2. the directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for the Financial Year ended March 31, 2023.
3. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
4. the directors had prepared the annual accounts on a going concern basis; and
5. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

PARTICULARS OF LOANS, GUARANTEES, AND INVESTMENTS MADE BY THE COMPANY

During the year, the Company has not made any loans or investments to any persons within the meaning of Section 186 of the Companies Act, 2013, and has also not given any guarantees within the meaning of that section.

PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars as prescribed under clause (m) of sub – section (3) of section 134 of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, are set out in **Annexure 2**.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

There are no significant or material orders passed by the Regulators or Courts or Tribunal that would impact the going concern status of the Company and its future operations. However, members' attention is drawn to the statement on contingent liabilities and commitments in the notes forming part of the Financial Statements.

COST RECORDS

As per the Companies (Cost Records and Audit) Rules, 2014, the Cost Records to be maintained by the Company for certain products. The Company has maintained all the required records for F.Y. 2022-23.

AUDITORS AND AUDITORS' REPORT**STATUTORY AUDITORS**

M/s Deloitte Haskins & Sells LLP, Chartered Accountants, were appointed to act as Statutory Auditor for a period of 5 years from the conclusion of 35th Annual General meeting (for the financial year 2019-2020) till conclusion of 40th Annual General Meeting (to be held for the financial year 2024-25) of the Company. M/s Deloitte Haskins & Sells LLP consented to Act as statutory auditor and has confirmed that their appointment will be within the limits prescribed under the Companies Act, 2013.

AUDITORS' REPORT

The Auditors' Report does not contain any qualification. Notes to Accounts and Auditors remarks in their report are self-explanatory and do not call for any further comments.

COST AUDITORS

In terms of the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, Cost Audit is applicable to your Company for the financial year 2022-23.

Your Company submitted its Cost Audit Report for the FY 2021-22, duly audited by M/s Chandrashekar S Adawadkar, Cost Accountants, with the Ministry of Corporate Affairs within the stipulated time. The Board has reappointed him as the Cost Auditor for the year 2022-23. A resolution seeking approval from members for their remuneration for their appointment for the F.Y. 2023-24 forms part of the Notice of AGM.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

As the Company is an unlisted company, it is not required to disclose the details of employee remuneration in this report.

DISCLOSURE AS REQUIRED UNDER SECTION 22 OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has zero tolerance for sexual harassment at the workplace and has adopted a Policy on prevention, prohibition and redressal of sexual harassment at the workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder for prevention and redressal of complaints of sexual harassment at workplace. An Internal Complaints Committee has been set up to redress complaints received.

There was no complaint received from any employee during the financial year 2022-23. Hence, no complaint is outstanding as of March 31, 2023 for redressal.

PROCEEDING UNDER INSOLVENCY AND BANKRUPTCY CODE, 2016:

No application or any proceeding has been filed against the Company under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) ("IBC Code") during the financial year 2022-23.

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:

The Company has not made any one-time settlement, therefore, the same is not applicable.

ACKNOWLEDGEMENT

Your Directors acknowledge the support and cooperation received from business partners and investors. The Directors are proud and thankful to each and every employee, each of whom has contributed to the growth of the Company. The support received from the Government of India was valuable and is thankfully acknowledged. We thank all our stakeholders for the confidence reposed in us and for the support they have given in building the success of the Company.

**For and on behalf of the Board of Directors of
Honeywell Electrical Devices and Systems India Limited**

Nagendranath Shankarappa
Director
DIN: 10186938

Satish Kumar Agarwal
Director
DIN: 06927467

Date: September 8, 2023
Place: Gurgaon

Date: September 8, 2023
Place: Kolkata

ANNEXURE INDEX

Annexure	Content
1.	AOC- 2- Related Party Transactions disclosure
2.	Details of Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo
3.	Annual Report on CSR Activities

ANNEXURE - 1**Form No. AOC-2**

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

Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms' length transactions under the third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis - None
2. Details of material contracts or arrangements or transactions at arm's length basis - All the transactions are on an ongoing basis and in the ordinary course of business and at arms' length and are disclosed in the Financial Statements.

**For and on behalf of the Board of Directors of
Honeywell Electrical Devices and Systems India Limited**

**Nagendranath Shankarappa
Director
DIN: 10186938**

**Satish Kumar Agarwal
Director
DIN: 06927467**

**Date: September 8, 2023
Place: Gurugram**

**Date: September 8, 2023
Place: Kolkata**

ANNEXURE - 2**Details of conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo****(a) Conservation of Energy**

Your Company continues to make every effort to conserve the energy required for all its operations. Some of the key initiatives undertaken during the period ended March 31, 2023 areas under:

Hope Town:

Year 2022-23 Energy Saving Programme

Total Energy Saving in FY 22-23 is 61.954 (By Servo motor conversion for 6 molding machines, Installation of Dehumidifiers, by using Inverter ACs, By Submersible Motor Interlocking with level switch).

(b) Technology Absorption

Your Company is an affiliate company of Honeywell International Inc., and on merits, it continues to have access to some of the latest products and technology of the parent Company.

(c) Foreign Exchange Earnings and Outgo

During the year, the total foreign exchange used was Rs. 769.06 Lakhs, and the total foreign exchange earned was Rs. 49.87 Lakhs.

**For and on behalf of the Board of Directors of
Honeywell Electrical Devices and Systems India Limited**

Nagendranath Shankarappa
Director
DIN: 10186938

Satish Kumar Agarwal
Director
DIN: 06927467

Date: September 8, 2023
Place: Gurugram

Date: September 8, 2023
Place: Kolkata

[Annexure -III]

ANNUAL REPORT ON CSR ACTIVITIES

(For Financial Year ended on March 31, 2023)

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 programs and initiatives that serve local communities. Honeywell Group, India has established a not-for-profit organization – Honeywell Hometown Solutions India Foundation (HHSIF) – to undertake all CSR activities in a unified manner for all its India entities. Together with leading public and non-profit institutions, the Company has developed powerful programs to address needs in the communities it serves. The cities, towns, and villages where any of the Honeywell Group Companies has its operations and where our employees live and raise their families are not just addresses to us – they're our hometowns. By applying the same rigor and business tools we use in the workplace, HHSIF builds programs that deliver results we can quantify: one community, one home, one teacher, and one student at a time.

We combine CSR strategy and community outreach with both financial support and volunteerism to address core community needs in areas where we have unique expertise.

Our vision is based on three critical areas-

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

In addition to above thematic areas, Honeywell ensures that the programs defined under each of the thematic area will include the spirit of 'Diversity and Inclusion' and protects environment and natural resources and promotes environmental sustainability.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Inder Jeet Singh	Independent Director	2	2
2	Virender Shankar	Independent Director	2	2
3	Vimal Chawla	Director	2	1
4	Satish Kumar Agarwal	Director	2	2

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

The Company does not have its own website. However, Honeywell Group, India has established a not-for-profit organization – Honeywell Hometown Solutions India Foundation (HHSIF) acting as implementing agency

manages the webpage for all Honeywell Group India Entities detailing Company's Composition of the CSR Committee, CSR Policy and the project approved.

<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. Not applicable.

5.
 - (a) Average net profit of the company as per sub-section (5) of section 135 - INR 1,69,07,983
 - (b) Two percent of average net profit of the company as per sub-section (5) of section 135 - INR 3,38,160
 - (c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years-NA
 - (d) Amount required to be set-off for the financial year, if any. -NA
 - (e) Total CSR obligation for the financial year [(b)+(c)-(d)] - INR 3,38,160

6.
 - (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project). - INR 3,38,160
 - (b) Amount spent in Administrative Overheads. -Nil
 - (c) Amount spent on Impact Assessment, if applicable.
 - (d) Total amount spent for the Financial Year [(a)+(b)+(c)]. - INR 3,38,160
 - (e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year. (In Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section (6) of section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to section (5) of section 135.		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
3,38,160/-	-	-	-	-	-

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

Sl. No.	Particular	Amount (in Rs.)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	INR 3,38,160
(ii)	Total amount spent for the Financial Year	INR 3,38,160
(iii)	Excess amount spent for the financial year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	

-

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

1	2	3	4	5	6			7	8
Sl. No.	Pre-ceeding Financial Year.	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in Rs.)	Amount in Unspent CSR Account under subsection (6) of section 135 (in Rs.)	Amount Spent in the Financial Year (in Rs)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any.			Amount remaining to be spent in succeeding financial years. (In Rs.)	Deficiency, if any
					Name of the Fund	Amount (in Rs).	Date of transfer.		
1.	FY - 1	NA							
2.	FY - 2	NA							
3.	FY - 3	NA							

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: - No

Yes No

If Yes, enter the number of Capital assets created/ acquired

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address
	Not Applicable						

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). – NA

**For and on behalf of the Board of Directors of
Honeywell Electrical Devices and Systems India Limited**

Nagendranath Shankarappa
Director
DIN: 10186938

Satish Kumar Agarwal
Director
DIN: 06927467

Date: September 8, 2023
Place: Gurugram

Date: September 8, 2023
Place: Kolkata

To The Members of Honeywell Electrical Devices and Systems India Limited**Report on the Audit of the Financial Statements****Opinion**

We have audited the accompanying financial statements of Honeywell Electrical Devices and Systems India Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant 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 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, 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 ("SA"s) 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.

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 Board Report and annexures thereto. 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.

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

Ind AS and other accounting principles generally accepted in India. This responsibility also includes 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 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 statement 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 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 intends 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.

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 control 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 control 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.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit:
 - 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 books, except for keeping backup on daily basis of such books of account maintained in electronic mode, in a server physically located in India (refer note 43 to the financial statements).
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement 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 March 31, 2023 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) The observation 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 32 to the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - 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, 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;
 - (b) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entity ("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 company has not declared or paid any dividend during the year and has not proposed final dividend for the year.
 - vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

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)

Place: Mumbai
Date: September 8, 2023

Kedar Raje
Partner
Membership No. 102637
UDIN: 23102637BGXUUQ4980

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 Electrical Devices and Systems India Limited (“the Company”) as of March 31, 2023 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 the internal control with reference to financial statements 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.

Auditors’ 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 controls 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 controls 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 controls 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 the Company has, 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 March 31, 2023, based on the criteria for internal financial controls 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)

Place: Mumbai
Date: September 8, 2023

Kedar Rajee
Partner
Membership No. 102637
UDIN: 23102637BGXUUQ4980

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 does not have intangible assets hence reporting under clause 3(i) of the Order is not applicable.
- (b) The Company has a program of verification of Property, Plant and Equipment 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 our 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) 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) during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 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) According to information and explanation given to us, the Company has not granted any loans, made investments or provided guarantees or securities that are covered under the provisions of sections 185 or 186 of the Act, and hence reporting under clause 3 (iv) of the Order is not applicable.

- (v) The Company has not accepted any deposits from the public and hence reporting under clause 3 (v) of the Order is not applicable to the Company.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Act, 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 Act 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, though there has been a delay in respect of remittance of employees' state insurance and professional tax.

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 March 31, 2023 for a period of more than six months from the date they became payable.

- (b) Details of dues referred to sub clause (a) above, which have not been deposited as on March 31, 2023 on account of disputes are given below:

Nature of Due	Forum where Pending	Period to which it pertains	Amount Unpaid (Rs. Lakhs)	Amount paid under protest (Rs. Lakhs)
Respective Sales Tax Laws - Value Added Tax (VAT)				
VAT	Deputy Commissioner, Uttarakhand	FY 2009-10 and 2013-14 to 2017-18	246.63	12.87
VAT	Additional Commissioner, Delhi	FY 2007-08 to 2008-09	34.40	-
VAT	Appellate Authority, Haryana	FY 2013-14 to 2017-18	64.01	-
VAT	Additional Commissioner, Tamil Nadu	FY 2010-11	32.75	11.90

- (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 to the Company.
- (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 to the company.

- (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 to the Company.
- (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 to the Company.
- (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 to the Company.
(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 to the Company.
- (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 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 to the Company.
- (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) In our opinion and based on our examination, the Company is not required to have an internal audit system as per provisions of the Act.
- (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 Act 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 to the Company.

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)

Place: Mumbai
Date: September 8, 2023

Kedar Raje
Partner
Membership No. 102637
UDIN: 23102637BGXUUQ4980

Financial Statement

(Rupees in lakhs)

Particulars	Notes	As at 31st March 2023	As at 31st March 2022
Assets			
Non-current assets			
(a) Property, Plant and Equipment	4	963	698
(b) Right-Of-Use Assets	28	277	353
(c) Capital work in progress	4	36	-
(d) Financial assets			
(i) Other financial assets	8	92	83
(e) Income tax assets	9	280	592
(f) Deferred tax assets (net)	10	473	396
(g) Other non-current assets	11	484	476
Total non-current assets		2,605	2,598
Current assets			
(a) Inventories	5	1,975	1,981
(b) Financial assets			
(i) Trade receivables	6	3,782	3,396
(ii) Cash and cash equivalents	7	8,570	6,275
(iii) Other financial assets	8	-	306
(c) Other current assets	11	323	352
Total current assets		14,650	12,310
Non-current Assets held for sale	12	-	-
Total Assets		17,255	14,908
Equity and Liabilities			
Equity			
(a) Equity share capital	12	95	95
(b) Other equity	13	10,764	9,160
Total Equity		10,859	9,255
Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Lease liabilities	16	231	301
(b) Provisions	14	122	107
Total non-current liabilities		353	408
Current liabilities			
(a) Financial liabilities			
(i) Trade payables	15		
(A) total outstanding dues of micro enterprises and small enterprises; and		328	183
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		2,712	2,936
(ii) Lease liabilities	16	71	63
(iii) Other financial liabilities	17	1,138	802
(b) Provisions	14	874	731
(c) Income tax liabilities	9	154	134
(d) Other current liabilities	18	766	396
Total current liabilities		6,043	5,245
Total Equity and Liabilities		17,255	14,908

See accompanying notes to the financial statements
In terms of our report of even date
For **Deloitte Haskins & Sells LLP**
Firm Registration Number - FRN 117366W/W100018
Chartered Accountants

For and on behalf of the Board

Kedar Rajee
Partner
Membership No: 102637

Nagendranath Shankarappa
Director
DIN: 10186938

Satish Agarwal
Director
DIN: 06927467

Place : Mumbai
Date : September 8, 2023

Place : Gurgaon
Date : September 8, 2023

Place : Gurgaon
Date : September 8, 2023

Statement of Profit and Loss for the year ended 31st March 2023

Honeywell Electrical Devices and Systems India Limited Annual Report 2022-23

(Rupees in lakhs)

Particulars	Notes	Year ended 31st March 2023	Year ended 31st March 2022
I. Revenue from operations	19	15,119	12,140
II. Other Income	20	175	2,197
III. Total Income (I + II)		15,294	14,337
IV. Expenses:			
Cost of materials consumed	21	3,285	3,074
Purchases of Stock in Trade		4,999	3,748
Changes in inventories of finished goods, work-in-progress and stock-in-trade	22	(273)	(359)
Employee benefits expense	23	2,676	2,325
Finance costs	24	54	35
Depreciation and amortization expense	4,28	437	438
Other expenses	25	2,151	2,206
Total expenses		13,329	11,467
V. Profit / (Loss) before tax (III - IV)		1,965	2,870
VI. Income tax expense:			
- Current tax		444	330
- Deferred tax		(75)	68
- Relating to earlier years		-	928
Total tax expense		369	1,326
VII. Profit / (Loss) for the year (V - VI)		1,596	1,544
VIII. Other comprehensive income			
A (i) Items that will not be reclassified to Profit or Loss			
(a) Remeasurements of the defined benefit plans		(6)	11
A (ii) Income tax / Deferred tax relating to items that will not be reclassified to profit or loss		2	(3)
Total other comprehensive Profit / (Loss) (A (i-ii) + B (i-ii)) (VIII)		(4)	8
IX. Total comprehensive Income / (Loss) for the year (VII - VIII)		1,592	1,552
Earning / (Loss) per equity shares (In Rs.)	29		
Basic and Diluted		167.76	162.24
Nominal value per share: Rs.10			

See accompanying notes to the financial statements
In terms of our report of even date
For **Deloitte Haskins & Sells LLP**
Firm Registration Number - FRN 117366W/W100018
Chartered Accountants

Kedar Raje
Partner
Membership No: 102637

Place : Mumbai
Date : September 8, 2023

For and on behalf of the Board

Nagendranath Shankarappa
Director
DIN: 10186938

Satish Agarwal
Director
DIN: 06927467

Place : Gurgaon
Date : September 8, 2023

Place : Gurgaon
Date : September 8, 2023

(Rupees in lakhs)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
A. Cash flow from operating activities		
Profit/ (Loss) for the year	1,596	1,544
Adjustments for:		
Income tax expense recognised in statement of profit and Loss	369	1,326
Depreciation and amortisation expense	437	438
Unrealised foreign exchange (gain)/loss	16	(23)
Provision for doubtful debts	48	(3)
(Gain)/Loss on disposal of property, plant and equipment	(1)	(2,042)
Interest income recognised in statement of profit and loss	(146)	(88)
Liabilities/ Provision no longer required written back	(3)	(58)
Employee stock options provisions	12	-
Finance cost	54	35
Movements in working capital:		
(Increase)/decrease in trade and other receivables	(433)	(782)
(Increase)/decrease in inventories	7	(532)
(Increase)/decrease in other assets	32	477
(Increase)/decrease in other financial assets	297	(7)
Increase/(decrease) in trade payables	(106)	546
Increase/(decrease) in provisions	497	(32)
Increase/(decrease) in other current liabilities	370	47
Cash generated from operations	3,046	846
Income taxes paid (net of refund, if any)	(133)	(453)
Net cash generated from operations	2,913	393
B. Cash flow from investing activities		
Payments for Property, Plant and equipment including changes in Non current assets held for sale	(672)	(68)
Proceeds from disposal of Non current assets held for sale	2	2,175
Interest received	146	88
Net cash generated from investing activities	(524)	2,195

(Rupees in lakhs)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
C. Cash flow from financing activities		
Repayment of Lease liability	(94)	(81)
Net cash used in financing activities	(94)	(81)
Net change in cash and cash equivalents	2,295	2,507
Cash and cash equivalents as at the beginning of the Year	6,275	3,768
Effects of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies	-	-
Cash and cash equivalents as at the end of the Year	8,570	6,275
Movement in cash and cash equivalents	2,295	2,507

Cash and cash equivalents consist of	Year ended 31st March 2023	Year ended 31st March 2022	Year ended 31st March 2021
Bank Balances			
Current Accounts	89	6	9
Demand deposits (Original maturity less than 3 months)	8,481	6,269	3,759
	8,570	6,275	3,768

In terms of our report of even date
For **Deloitte Haskins & Sells LLP**
Firm Registration Number - FRN 117366W/W100018
Chartered Accountants

Kedar Raje
Partner
Membership No: 102637

Place : Mumbai
Date : September 8, 2023

For and on behalf of the Board

Nagendranath Shankarappa
Director
DIN: 10186938

Satish Agarwal
Director
DIN: 06927467

Place : Gurgaon
Date : September 8, 2023

Place : Gurgaon
Date : September 8, 2023

CIN: U31901TN1984PLC011107

A. Equity share capital

(Rupees in lakhs)

	Amount
Balance as at 31st March 2021	95
Changes in Equity share capital during the year	
As at 31st March 2022	95
Changes in Equity share capital during the year	-
As at 31st March 2023	95

B. Other equity

(Rupees in lakhs)

	Reserves and surplus				Total
	Capital Redemption Reserve	Retained earnings	Share based payment reserve	Other comprehensive Income - Remeasurements of the defined benefit plans	
Balance as at 31st March 2021	5	7,799	-	(196)	7,608
Profit/ (loss) for the year	-	1,544	-	-	1,544
Other comprehensive income/(loss) for the year, net of income tax	-	-	-	8	8
Total comprehensive income /(loss) for the year	-	1,544	-	8	1,552
Balance as at 31st March 2022	5	9,343	-	(188)	9,160
Profit/ (loss) for the year	-	1,596	-	-	1,596
Other comprehensive income/(loss) for the year, net of income tax	-	-	-	(4)	(4)
Total comprehensive income /(loss) for the year	-	1,596	-	(4)	1,592
Recognition of share-based payments	-	-	12	-	12
Balance as at 31st March 2023	5	10,939	12	(192)	10,764

In terms of our report of even date
For **Deloitte Haskins & Sells LLP**
Firm Registration Number - FRN 117366W/W100018
Chartered Accountants

Kedar Raje
Partner
Membership No: 102637

Place : Mumbai
Date : September 8, 2023

For and on behalf of the Board

Nagendranath Shankarappa
Director
DIN: 10186938

Satish Agarwal
Director
DIN: 06927467

Place : Gurgaon
Date : September 8, 2023

Place : Gurgaon
Date : September 8, 2023

CIN: U31901TN1984PLC011107

Notes to the financial statements**Note 1 - General Information:**

Honeywell Electrical Devices and Systems India Limited ('the Company') is engaged primarily into manufacturing and trading of electrical devices and control systems viz. Switches, Sockets, Cable Management Systems, Lighting Management Systems and Other Wiring Devices. The Company is a public limited company (unlisted) incorporated and domiciled in India and has its registered office at 5th, 6th and 7th floors, North Tower, KRM Plaza, No.2, Harrington Road, Chetpet, Chennai, Tamil Nadu - 600031. The Company is a subsidiary of Novar ED&S Limited, U.K.

The financial statements are approved for issue by the Company's Board of Directors on September 8, 2023.

Note 2 - Significant Accounting Policies:**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). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued there after.

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

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 17, 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.

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.

Amounts in the financial statements are presented in Indian Rupees in lakhs and rounded off as permitted by Schedule III to the Companies Act, 2013. Per share data are presented in Indian Rupees to two decimal places.

C. Property, Plant and Equipment and Depreciation

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 which are carried at cost are recognised in the Statement of Profit and Loss.

Freehold land is not depreciated. Leasehold rights over land and building are amortised over the period of lease.

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
Class of Assets	Useful Lives
Buildings	7 years to 30 years
Plant and Machinery*	4 years to 10 years
Tooling	4 years
Office Equipment (including computer)	3 years to 6 years
Furniture and Fixture	10 years
Vehicles*	4 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. Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.

The amortisation rates used are:

a) Computer Software - amortized over a period of 4 years.

E. Impairment Of Tangible And Intangible Assets Other Than Goodwill

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

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

- i) 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.
- ii) 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.

H. Foreign Currency Transactions

- i) Functional currency

The functional currency of the Company is the Indian rupee. These financial statements are presented in Indian rupees (rounded off to Lakhs).

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:

Defined contribution plans :

i) Superannuation fund:

This is a defined contribution plan. The Company makes contribution as per the scheme to superannuation fund administered by Life Insurance Corporation of India. The Company has no further obligation of future superannuation benefits other than its annual contributions and recognises such contributions as expense as and when due.

ii) Provident Fund:

Contribution towards provident fund for employees is made to the regulatory authorities, 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. The Company recognises such contribution as expense in the Statement of Profit and Loss.

Defined Benefit Plans :

i) Gratuity:

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each financial reporting period.

ii) Compensated Absences:

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

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year are treated as other long term employee benefits. The Company's liability is

actuarially determined by an independent actuary (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise.

iii) 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 or 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 statement of profit and loss in subsequent periods.

J. Share based payments

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.

i) 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.

ii) 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 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.

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

The Company has adopted Ind AS 116 with effect from April 1, 2019 and applied the standard to all lease contracts existing on that date using the modified retrospective method, recognizing the cumulative effect of initially applying this standard as an adjustment to 'right-of-use asset' as on April 1, 2019.

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-cancelable 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.
- 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 or 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 or loss are recognised immediately in Statement of Profit and Loss.

O. 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

1. Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition) :

- i) the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- ii) the contractual terms of the instrument give rise on specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition) :

- i) the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- ii) the contractual terms of the instrument give rise on specified date to cash flows that are solely payments of principal and interest on the principal and interest on the principal amount outstanding.

Interest income is recognised in profit or loss for FVTOCI debt instruments. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to Statement of Profit and Loss.

All other financial assets are subsequently measured at fair value.

2. Effective interest method

The effective interest method is a method of calculating the amortised cost of debt instrument of allocating interest over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income recognised on an effective interest basis for debt instruments other than those financial assets classified as FVTPL. Interest income is recognised in profit and loss and is included in the "Other income".

3. Financial assets at fair value through profit or loss (FVTPL):

Investments in equity instruments are classified as FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investment in equity instruments which are not held for trading.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria are measured at FVTPL. In addition, debt instruments that meet amortised cost criteria or FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduced a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporate any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial asset at FVTPL is recognised when the Company's right

to receive the dividends is established, it is probable that economic benefits associated with dividend will flow to the entity, the dividend does not represent recovery of part of cost of the investment and the amount of dividend can be measured reliably.

4. Impairment of financial assets

The company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instrument at FVTOCI, trade receivables, other contractual right to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

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 financials asset that result from transactions that are within the scope of Ind AS 115, the Company always 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 which takes into account historical credit loss experience and adjusted for forward - looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI expect that the loss allowance is recognised in other comprehensive

income and is not reduced from the carrying amount in the balance sheet.

5. 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.

6. Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss.

Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in other comprehensive income.

For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured amortised cost. Thus, the exchange difference on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

P. Financial Liabilities and Equity Instruments

1. 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.

2. 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.

3. Financial liabilities

All financial liabilities are subsequently measured at amortised cost using effective interest method of FVTPL.

3.1 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 or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in 'Other Income'.

3.2 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 the 'finance cost' line item.

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.

3.3 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 profit or loss.

3.4 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 or loss.

Q. Non-current assets held for sale:

Non-current assets or disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Such assets or disposal groups are classified only when both the conditions are satisfied:

1. The sale is highly probable, and
2. The asset or disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such assets.

Upon classification, non-current assets or disposal group held for sale are measured at the lower of carrying amount and fair value less costs to sell. Non-current assets which are subject to depreciation are not depreciated or amortized once those classified as held for sale.

R. New Accounting Standards, Amendments to Existing Standards, Annual Improvements and Interpretations applicable to the Company effective subsequent to March 31, 2023

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes

This amendment has narrowed the scope of the initial recognition exemptions so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The Company is evaluating the impact, if any, in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of ‘accounting estimates’ and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The Company has evaluated the amendment and there is no impact on its financial statements.

Note 3. Critical judgements in applying accounting policies

“In the application of the Company’s accounting policies, which are described in note 2, the directors of the Company are required to make judgements estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

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 analyzing 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 stock compensation expense is determined based on the Company's estimate of equity instruments that will eventually vest.
3. In case of Property, plant and equipment, The charge in respect of periodic depreciation 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. Product warranty - The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures.
5. Provision for inactive, obsolete and surplus inventory of spares and consumables is made as per the policy of the Company. It considers various factors including comparing non-movement of the inventory items for a certain period against its actual consumption, excess inventory calculated with reference to expected consumption based on the forecasted use and specific identification of the obsolete items through the continuous monitoring of listed items.
6. 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, cost 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).

Notes to the financial statements

Note 4 - Property, Plant and Equipment and capital work-in-progress

(Rupees in lakhs)

	31st March 2023	31st March 2022
Carrying amounts of :		
Buildings	35	40
Plant and machinery	170	159
Toolings	628	383
Furniture and fixtures	22	30
Office equipments (including computers)	108	86
Total	963	698
Capital work-in-progress (Refer note 38)	36	-
Total	999	698

(Rupees in lakhs)

	Buildings	Plant and machinery	Tooling	Furniture and fixtures	Office equipments (including computers)	Vehicles	Total
Cost or deemed cost							
Balance at March 31, 2021	45	832	1,680	145	276	-	2,978
Add: Additions	5	3	48	-	52	-	108
Less: Disposals / Written off	-	13	1	-	11	-	25
Balance at March 31, 2022	50	822	1,727	145	317	-	3,061
Add: Additions		81	480	0	66	-	627
Less: Disposals / Written off	-	1	-	-	22	-	23
Balance at March 31, 2023	50	902	2,207	145	361	-	3,665
Accumulated depreciation and impairment (if any)							
Balance at March 31, 2021	5	591	1,132	105	191	-	2,024
Less: Eliminated on disposal of assets	-	12	1	-	10	-	23
Add: Depreciation expenses	5	84	213	10	50	-	362
Balance at March 31, 2022	10	663	1,344	115	231	-	2,363
Less: Eliminated on disposal of assets	-	1	-	-	21	-	22
Add: Depreciation expenses	5	70	235	8	43	-	361
Balance at March 31, 2023	15	732	1,579	123	253	-	2,702
Carrying Amount							
Balance at March 31, 2022	40	159	383	30	86	-	698
Balance at March 31, 2023	35	170	628	22	108	-	963

Notes to the financial statements

Note 5 - Inventories

(Rupees in lakhs)

	As at 31st March 2023	As at 31st March 2022
Inventories (lower of cost and net realisable value)		
Raw Materials [Includes in transit: Rs 17 lakhs (31st Mar 2022: Rs 77 lakhs)]	410	681
Packing Materials	4	12
Work-in progress	142	98
Finished goods	567	400
Stock in trade (in respect of goods acquired for trading) [Includes in transit: Rs 63 lakhs (31st Mar 2022: Rs 85 lakhs)]	852	790
Total	1,975	1,981

Note-

- a) The amount of inventories recognised as an expense Rs. 8,011 Lakhs (31st Mar 2022:Rs.6,463 Lakhs) including Rs. 74 lakhs (31st Mar 2022 : Rs. (17 lakhs)) in respect of write-down/ adjustments to inventory.
- b) Mode of valuation of inventories is stated in note 2(f).

Note 6 - Trade receivables

(Rupees in lakhs)

	As at 31st March 2023	As at 31st March 2022
Current		
Undisputed trade receivables		
(a) Secured, considered good	-	-
(b) Unsecured, considered good	3,908	3,474
Less: Loss allowance for bad and doubtful debts	(126)	(78)
	3,782	3,396
Undisputed trade receivables		
(c) Credit impaired	-	-
Less: Loss allowance for bad and doubtful debts	-	-
	3,782	3,396
Total	3,782	3,396

Refer Note 19B below, Note 27 for Related Party Balances and note 35B for ageing.

Notes to the financial statements

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 2023	31st March 2022
0-90 days past due	0.04%	0.00%
More than 90 days past due	62.16%	76.64%

Age of trade receivables	(Rupees in lakhs)	
	As at 31st March 2023	As at 31st March 2022
0-90 days past due	3,706	3,373
More than 90 days past due	202	101
Total	3,908	3,474

Movement in the expected credit loss allowance	(Rupees in lakhs)	
	As at 31st March 2023	As at 31st March 2022
Balance at beginning of the year	(78)	(80)
Add: Expected credit loss during the year	(60)	(7)
Less: Amount recovered / reversed/ written off in the current year	12	9
Balance at the end of the year	(126)	(78)

The concentration of credit risk is limited due to the fact that the external 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. In calculating expected credit loss, the Company has also considered the likelihood of increased credit risk and consequential default. 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, 2023 is considered adequate.

The Composition of trade receivables representing more than 5% of trade receivables are as under:

As at	(Rupees in lakhs)	
	Number of customers	Outstanding balance
31st March 2023	1	229
31st March 2022	1	394

Notes to the financial statements

Note 7 - Cash and cash equivalents

(Rupees in lakhs)

	As at 31st March 2023	As at 31st March 2022
Bank balances		
In current accounts	89	6
Demand deposits (Original maturity less than 3 months)	8,481	6,269
Total	8,570	6,275

There are no repatriation restrictions with regards to cash and cash equivalents as at the end of the reporting period and prior periods.

Note 8 -Other financial assets

(Rupees in lakhs)

	As at 31st March 2023	As at 31st March 2022
Non-Current		
Security deposits	92	83
Total	92	83
Current		
Other Receivables (Refer Note 27)	-	306
Total	-	306

Note 9 - Income tax assets and Income tax liabilities

(Rupees in lakhs)

	As at 31st March 2023	As at 31st March 2022
Current tax assets		
Income tax assets (net of provision of Rs. 331 lakhs (March 31, 2022: Rs. 471 lakhs))	280	592
	280	592
Income tax liabilities (net of advance tax of Rs. 309 lakhs (March 31, 2022: Rs. 4 Lakhs))	154	134
	154	134

Notes to the financial statements

The income tax expense for the year can be reconciled to the accounting profit as follows:

	As at 31st March 2023	As at 31st March 2022
Profit/(Loss) before tax	1,965	2,870
Tax expenses	369	1,326
Effective tax rate	18.77%	46.20%
Net impact of deduction/exemption and disallowance	6.40%	11.30%
Additional tax provision for earlier years arising out of proceedings with the authorities during the current year	0.00%	32.34%
Tax rate as per Income tax act	25.17%	25.17%

Note 10 - Deferred tax asset (net)

(Rupees in lakhs)

	As at 31st March 2023	As at 31st March 2022
Deferred tax assets	473	396
Deferred tax assets (net)	473	396

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

2022-23

	Opening Balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
Deferred tax assets/ (liabilities) in relation to				
Depreciation and amortisation	118	27	-	145
Expected Credit Loss on trade and other receivables	20	12	-	32
Provision for gratuity and other retirement benefits	35	13	2	50
Provision for Indirect Tax Matter	154	23	-	177
Provision for Bonus	42	10	-	52
Lease liabilities	-	-	-	-
Others (Refer Note 27)	27	(10)	-	17
Total	396	75	2	473

Notes to the financial statements

2021-22

(Rupees in lakhs)

	Opening Balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
Deferred tax assets/ (liabilities) in relation to				
Depreciation and amortisation	134	(16)	-	118
Expected Credit Loss on trade and other receivables	20	-	-	20
Provision for gratuity and other retirement benefits	71	(33)	(3)	35
Provision for Indirect Tax Matter	141	13	-	154
Provision for Bonus	45	(3)	-	42
Lease liabilities	(2)	2	-	-
Others (Refer Note 27)	57	(30)	-	27
Total	466	(67)	(3)	396

Note 11 - Other assets

(Rupees in lakhs)

	As at 31st March 2023	As at 31st March 2022
Non-Current		
Balances with Government authorities (including payments made under protest)	484	476
Total	484	476
Current		
Balances with Government authorities (including GST)	83	257
Advances recoverable in cash or kind (net of provision for doubtful recovery Rs. NIL, 31st March 2022 Rs. Nil) (Refer note 40)	232	81
Advances to employees	1	3
Prepaid expenses	7	11
Total	323	352

Notes to the financial statements

Note 12 - Equity share capital

(Rupees in lakhs)

	As at 31st March 2023	As at 31st March 2022
Authorised:		
2,000,000 (March 31, 2022: 2,000,000) equity shares of Rs.10 each	200	200
	200	200
Issued:		
951,640 (March 31, 2022: 951,640) Equity Shares of Rs.10 each, fully paid	95	95
	95	95
Subscribed and paid up		
951,640 (March 31, 2022: 951,640) Equity Shares of Rs.10 each, fully paid	95	95
Total	95	95

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

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

(b) Reconciliation of shares:

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of shares	(Rupees in lakhs)	Number of shares	(Rupees in lakhs)
Equity shares				
Balance as at the beginning and end of the year	951,640	95	951,640	95

(c) Shares held by the holding company (Promoters)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of shares	(Rupees in lakhs)	Number of shares	(Rupees in lakhs)
Equity shares:				
Novar ED&S Limited, U.K. (Holding company)	8,69,100	87	869,100	87

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

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of shares	Percentage	Number of shares	Percentage
Novar ED&S Limited, U.K. (Holding company)	869,100	91%	869,100	91%

Notes to the financial statements

Note 13 - Other equity

(Rupees in lakhs)

	As at 31st March 2023	As at 31st March 2022
Capital Redemption Reserve (A)	5	5
Balance as at the beginning and end of the year		
Other comprehensive Income (B)		
Remeasurements Gain/ (Loss) of the defined benefit plans	192	188
Share based payment reserve (C)	12	-
Balance as at the beginning of the year	9,343	7,799
Profit / (Loss) for the year	1,596	1,544
Retained Earnings (C)	10,939	9,343
Total (A-B+C)	10,764	9,160

Note 14 - Provisions

(Rupees in lakhs)

	As at 31st March 2023	As at 31st March 2022
Non Current		
Gratuity and other retirement benefits (Refer note 34)	56	52
Provision for Warranty (Refer note 33)	66	55
Total	122	107
Current		
Gratuity and other retirement benefits(Refer note 34)	54	12
Compensated absences	88	76
Provision for litigations/ disputes (refer note 33)	702	614
Provision for Warranty (Refer note 33)	30	29
Total	874	731

Note 15 - Trade payables

(Rupees in lakhs)

	As at 31st March 2023	As at 31st March 2022
Current		
Total outstanding dues of micro enterprises and small enterprises; and	328	183
Total outstanding dues of creditors other than Micro enterprises and Small enterprises	2712	2936
Total	3,040	3,119

Refer note 35B for ageing schedule from due date of payment and note 41 for struck off companies. Refer note 27 for related party transactions.

Notes to the financial statements

Note 16 - Lease liabilities

(Rupees in lakhs)

	As at 31st March 2023	As at 31st March 2022
Non Current		
Lease liabilities (refer note 2 (M) and note 28)	231	301
Total	231	301
Current		
Current maturities of lease liabilities (refer note 2 (M) and note 28)	71	63
Total	71	63

Note 17 - Other financial liabilities

(Rupees in lakhs)

	As at 31st March 2023	As at 31st March 2022
Current		
Creditors for capital goods	28	37
Provision for expenses	1110	765
	1,138	802

Note 18 - Other current liabilities

(Rupees in lakhs)

	As at 31st March 2023	As at 31st March 2022
Advances from customers	26	22
Statutory dues (including Provident Fund, VAT and Tax deducted at Source)	74	81
Interest due to suppliers registered under the MSMED Act (Refer note 30)	15	9
Provision for Discount (Refer note 27)	651	284
	766	396

Notes to the financial statements

Note 19 - Revenue from operations

(Rupees in lakhs)

	Year ended 31st March 2023	Year ended 31st March 2022
Revenue from contracts with customers (refer note 19.1)		
Sale of products (Net of Rebates and Discount)	7,429	6,639
Sale of traded products	7,670	5,482
Other operating revenue		
Scrap sale	20	19
Total	15,119	12,140

Note 19.1 - Revenue from contracts with customers

(Rupees in lakhs)

	Year ended 31st March 2023	Year ended 31st March 2022
A. Disaggregation of revenue		
(a) Timing of revenue recognition		
Point in time	15,099	12,121
Over time	-	-
(b) Geographical location		
India	15,095	12,121
Others	4	-
(c) Type of contract		
Fixed price	15,099	12,121
Time and material	-	-

B. Contract balances

Progress on satisfying performance obligations under contracts with customers and the related billings and cash collections are recorded in accounts receivable. The customer advances are recorded as Other Current Liabilities.

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.

Notes to the financial statements

(Rupees in lakhs)

	Year ended 31st March 2023	Year ended 31st March 2022
(a) Opening balance of Contract receivables (net of expected credit loss allowance)	3,396	2,612
Closing balance of Contract receivables (net of expected credit loss allowance)	3,782	3,396
(b) Revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods	-	-

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. 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.

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

(Rupees in lakhs)

	Year ended 31st March 2023	Year ended 31st March 2022
Amount of transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied)	-	-

The Company has applied the practical expedient to exclude the value of remaining performance obligations for contracts with an original expected term of one year or less. Performance obligations recognized as of March 31, 2023 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 revaluations.

Notes to the financial statements

Note 20 - Other Income

(Rupees in lakhs)

	Year ended 31st March 2023	Year ended 31st March 2022
Interest income earned on financial assets that are not designated as a fair value through profit and loss account		
Bank Deposits	146	88
Interest on Other financial assets carried at amortised cost	5	5
Profit on assets sold/ discarded (net)	1	2,042
Provision/Liabilities written back to the extent no longer required	3	58
Miscellaneous income	20	4
Total	175	2,197

Note 21 - Cost of materials consumed

(Rupees in lakhs)

	Year ended 31st March 2023	Year ended 31st March 2022
Raw materials consumed		
Opening inventory	693	520
Add: Purchases (net)	3,006	3,247
Less: Inventory at the end of the year	414	693
Cost of raw materials consumed	3,285	3,074

Note 22 - Changes in inventories of finished goods, work-in-progress and stock in trade

(Rupees in lakhs)

	Year ended 31st March 2023	Year ended 31st March 2022
(Increase)/ decrease in stock		
Stock at the beginning of the year		
Finished goods	400	407
Work in progress	98	98
Stock in trade (in respect of goods acquired for trading)	790	424
Total (A)	1,288	929
Stock at the end of the year		
Finished goods	567	400
Work in progress	142	98
Stock in trade (in respect of goods acquired for trading)	852	790
Total (B)	1,561	1,288
(Increase)/ decrease in stock (A-B)	(273)	(359)

Notes to the financial statements

Note 23 - Employee benefit expenses

(Rupees in lakhs)

	Year ended 31st March 2023	Year ended 31st March 2022
Salaries, wages and bonus	2,448	2,174
Share based payment (Refer note 39)	12	-
Contribution to Provident and Other Funds (Refer note 34)	137	110
Staff welfare expenses	79	41
Total	2,676	2,325

Note 24 - Finance cost

(Rupees in lakhs)

	Year ended 31st March 2023	Year ended 31st March 2022
Interest cost on lease liabilities (Refer note 28)	22	26
Interest payable to MSME (Refer note 30)	6	9
Interest cost others	26	-
Total	54	35

Notes to the financial statements

Note 25 - Other expenses

(Rupees in lakhs)

	Year ended 31st March 2023	Year ended 31st March 2022
Power and fuel	92	88
Stores and Spares Consumed	41	59
Packing, Freight and Forwarding	494	510
Rent (Refer note 2 (M) and 28)	133	127
Rates and taxes	140	70
Repairs and maintenance		
Building	6	9
Plant and machinery	28	69
Others	11	8
	<u>45</u>	<u>86</u>
Auditors remuneration		
As Auditors	13	13
Others(including tax audit)	2	2
	<u>15</u>	<u>15</u>
Travelling and conveyance	362	140
Communication expenses	11	22
Insurance	38	41
Professional fees	260	372
Foreign exchange loss (Net)	2	6
Bad debts written off (Net of expected credit loss allowance) (refer note 25.1)	60	6
Corporate overhead allocations	84	228
Expenditure towards Corporate Social Responsibility (Refer note 36)	3	-
Bank Charges	4	2
Expense for warranty ((Refer note 33)	32	58
Advertisement and Sales Promotion	238	237
Miscellaneous expenses	97	139
Total	<u>2,151</u>	<u>2,206</u>

Note 25.1 - Bad debts written off Net of expected credit loss allowance

(Rupees in lakhs)

	Year ended 31st March 2023	Year ended 31st March 2022
Bad debts written off	12	9
Expected credit loss allowance	48	(3)
Bad debts written off (Net of expected credit loss allowance)	<u>60</u>	<u>6</u>

Notes to the financial statements**26A 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. Manufacture and Trading in Electrical and Electronic devices. There are no other reportable segments.

General Manager regarded as the Chief Operating Decision Maker ("CODM").

Geographical Information:

The Company operates in three principal geographical areas, viz. India, Europe and Others. Revenue by location of operations and information about its non- current assets is given below:

(Rupees in lakhs)

Particulars	Revenue for the year ended		Non current assets as at	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
India	15,115	12,140	1,276	1,052
Other	4	-	-	-
Total	15,119	12,140	1,276	1,052

Revenue from type of products and services-

The operating segments are primarily based on nature of products and services and hence the Revenue from external customers of each segment is representative of revenue based on products and services.

Information about major customers

During the year ended 31st March, 2023, 2022 and 2021 respectively, revenues from transactions with a single external customer did not amount to 10 per cent or more of the Entity's revenues from external customers.

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

- 26B** The Board of Directors at their meeting on July 13, 2018 decided to close the operations of its manufacturing facility at Chennai effective October 12, 2018 on commercial considerations. Such closure did not constitute discontinued operations under Ind AS 105 and did not impact the ability of the Company to continue as a going concern. The Company had obtained the necessary statutory/regulatory approvals for closure and is in the process of complying with the necessary statutory/regulatory requirements for closure. The estimated closure costs have been adequately provided for as at March 31, 2022. In previous year, the Property is sold for a value of Rs. 2,142 Lakhs and resultant gain of Rs. 2,042 Lakhs has been stated under note 20.

Notes to the financial statements

Note 27 - Related Party Disclosure :

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

i) Parties where control exists	
	Novar ED&S Limited, UK , Holding company Honeywell International Inc., Ultimate holding company
	Other related parties with whom transactions have taken place during the year:
ii) Fellow Subsidiaries	
	Honeywell Automation India Limited Honeywell International India Private Limited Honeywell Hometown Solutions India Foundation Honeywell Middle East FZE Honeywell Pte Limited Honeywell Technology Solutions Lab Private Limited MK Electric (Malaysia) SDN BHD Honeywell Environmental & Combustion Controls (Tianjin) Co. Ltd Honeywell (China) Co Ltd
iii) Key Management Personnel	
	None

Transactions with Related Parties

(Rupees in lakhs)

Description of the nature of transactions	Volume of transactions for year ended			
	March 31, 2023		March 31, 2022	
a) Purchase of Goods				
Honeywell International India Private Limited	2		-	
Honeywell Automation India Limited	13		13	
Honeywell Environmental & Combustion Controls (Tianjin) Co. Ltd	14		18	
MK Electric (Malaysia) SDN BHD	20		13	
Novar ED&S Limited, UK	216		445	
Honeywell Technology Solutions Lab Private Limited	4		-	
		269		489

Notes to the financial statements

Description of the nature of transactions	Volume of transactions for year ended			
	March 31, 2023		March 31, 2022	
b) Corporate overhead allocations				
Honeywell International India Private Limited	19		-	
Honeywell (China) Co Ltd	12		-	
Honeywell Technology Solutions Lab Private Limited	10		-	
Honeywell International Inc	43		228	
		84		228
c) Cost Allocation and Others				
Honeywell Hometown Solutions India Foundation (CSR)	3		-	
Honeywell Automation India Limited	10		62	
Honeywell International Inc.	147		-	
Honeywell Pte Ltd	3		1	
		163		63
d) Rent paid				
Honeywell Automation India Limited	67		32	
Honeywell International India Private Limited	39		43	
		106		75
e) Sale of Goods				
MK Electric (Malaysia) SDN BHD	4		-	
Honeywell Middle East FZE	0		-	
		4		-
f) Debit Notes raised				
Honeywell International Inc.	34		24	
Novar ED&S Limited, UK	15		1	
		49		25
g) R&D expense				
Honeywell Technology Solutions Lab Private Limited	-		16	
		-		16

Notes to the financial statements

(Rupees in lakhs)

	Amount outstanding as at			
	March 31, 2023		March 31, 2022	
	Receivable	Payable	Receivable	Payable
Honeywell International India Private Limited	-	41	-	10
Novar ED&S Limited, UK	8	215	318	137
Honeywell International Inc	-	101	16	11
MK Electric (Malaysia) Sdn Bhd	-	1	-	6
Honeywell Automation India Limited	-	49	-	36
Honeywell Pte Limited	-	1	-	2
Honeywell Environmental & Combustion Controls (Tianjin) Co., Ltd.	0.50	1	-	1
Honeywell Middle East FZE	0.02	-	-	-
Honeywell Technology Solutions Lab Private Limited	-	10	-	-
Honeywell (China) Co Ltd	-	12	-	-
	8	431	334	203

Note 28 - Lease Transactions:

(Rupees in lakhs)

	Year ended	
	March 31, 2023	March 31, 2022
Depreciation charge for right-of-use assets	76	76
Interest expense on lease liabilities	22	26
Expense relating to short-term leases and leases of low-value assets	133	127
Expense relating to variable lease payments not included in the measurement of lease liabilities	-	-
Cash outflow from operating leases	94	81
Additions to right-of-use assets during the year	-	-

Notes to the financial statements**Maturity analysis of lease liabilities**

As a lessee under operating leases

(Rupees in lakhs)

2023-24	88
2024-25	92
2025-26	95
2026-27 and thereafter	66
Total lease payments	341
Less: Interest	39
Total	302

Details of Right of Use Asset :-

(Rupees in lakhs)

	Year ended	
	March 31, 2023	March 31, 2022
Gross Block		
Balance as at the beginning of the year	542	542
Additions	-	-
Disposals	-	-
Balance as at close of the year	542	542
Accumulated Amortisation		
Balance as at the beginning of the year	189	113
Charge for the year	76	76
Disposals	-	-
Balance as at close of the year	265	189
Net Right of Use Asset as at close of the year	277	353

The leases that the Company has entered with lessors towards office premises are long term in nature and the terms of lease have been modified during the year for escalations and intervals of rent escalations.

Notes to the financial statements

Note 29 - Earning per share (EPS):

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

	For the year ended	
	March 31, 2023	March 31, 2022
Profit / (Loss) after tax (Rs. in lakhs)	1,596	1,544
Weighted average number of equity shares	9,51,640	9,51,640
Basic / Diluted earnings per share (Rs.)	167.76	162.24
Face value per share (Rs.)	10	10

NOTE 30 - a) Disclosure in accordance with Section 22 of Micro, Small and Medium Enterprises Development Act, 2006

(Rupees in lakhs)

Sr No	Particulars	March 31, 2023	March 31, 2022	
i)	The principle amount and the interest due thereon remaining			
	unpaid to any supplier as at the end of the accounting year			
	- Principal amount outstanding	328	183	
	- Interest thereon	6	9	
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 year	-	-	
	- Interest paid in terms of Section 16	-	-	
	- Delayed principal payments	178	423	
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.			

Notes to the financial statements

Sr No	Particulars	March 31, 2023	March 31, 2022	
iv)	The amount of interest accrued and remaining unpaid at the end of each accounting period			
	- Total interest accrued during the year	6	9	
	- Total Interest remaining unpaid out of the above as at the balance sheet date	6	9	
v)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.			
	Outstanding interest at the end of previous year	9	81	
	Outstanding interest at the end of current year	15	9	

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.

Note 31 - Foreign Currency Exposures

Unhedged by derivative instruments/ or otherwise

(Rupees in lakhs)

Particulars	March 31, 2023	March 31, 2022
a) Liability - Trade Creditors		
In GBP	1	1
(Equivalent approximate in Rs.)	135	119
In EURO	-	-
(Equivalent approximate in Rs.)	-	-
In USD	0.6	-
(Equivalent approximate in Rs.)	50	14
In HKD	0	-
(Equivalent approximate in Rs.)	0	-

Notes to the financial statements

Particulars	March 31, 2023	March 31, 2022
b) Asset - Trade Receivables		
In EURO (Equivalent approximate in Rs.)	- -	- -
In USD (Equivalent approximate in Rs.)	0.1 8	4 334

NOTE 32 - CONTINGENT LIABILITIES AND COMMITMENTS

A) Contingent liabilities

(Rupees in lakhs)

	Particulars	March 31, 2023	March 31, 2022
a)	Sales Tax Department under appeal	524	4,468
b)	Other Legal Cases	-	6

Note:

1. 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.
 2. As at March 31, 2023, Contingent liability majorly represent demands arising on completion of assessment proceedings under the other indirect tax acts. Other legal cases against company not acknowledged as debts includes ongoing cases pending in court in relation to claims/ counter claims raised for disagreements.
- B)** Estimated amount of contracts remaining to be executed on capital accounts and not provided for (net of advances) Rs. 238.40 Lakhs [Previous year 2022 Rs. 49 Lakhs]

Notes to the financial statements

Note 33 - Disclosure as required by IND AS -37 - Provisions, Contingent Liabilities and Contingent Assets

(Rupees in lakhs)

	Year ended	Opening balance	Additions	Utilizations	Reversals	Total
Warranty	2023	84	32	20	-	96
	2022	53	58	27	-	84
Indirect tax matters	2023	614	88	-	-	702
	2022	559	55	-	-	614
Total	2023	698	120	20	-	798
	2022	612	113	27	-	698

- a) Provision for warranty is considered based on the rolling average warranty expense incurred in the preceding 12 months. Product warranty is generally extended for a period of one year to five years from the date of sale to the end customer. Timing of outflow is over the period of warranty.
- b) Indirect Tax Matters - Provision represents estimates made for possible liabilities relating to Indirect tax matters. The outflow with regard to said matters depends on the exhaustion of remedies available under the law and hence the Company is not able to reasonably ascertain the timing of the outflow.

Note 34 - Employee Benefit plans

A Defined contribution plans

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

(Rupees in lakhs)

Sr no	Particulars	Year ended March 31, 2023	Year ended March 31, 2022
1	Contribution to employees' superannuation fund	7	9
2	Provident fund paid to authorities	98	86
	Total	105	95

Provident Fund: Provident fund for all eligible employees are remitted to the Regional Provident Fund Commissioner towards Employee's Provident Fund and Employee's Family Pension Fund on monthly basis based on the statutory provisions as per the Employee Provident Fund Scheme and are charged to Statement of Profit and Loss. The Company has no further obligation in this regard.

Superannuation Fund: The Company contributes a sum equivalent to 10% of eligible employees salary for certain employees to a Superannuation Fund administered and managed by Life Insurance Corporation of India (LIC). The Company has no liability for future Superannuation Fund benefits other than its annual contribution and recognises such contributions as an expense in the year incurred.

Notes to the financial statements**B Defined benefit plans (Gratuity)**

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.

The Principal assumptions used for the purposes of the actuarial valuations were as follows::

Sr. No.	Particulars	As at March 31, 2023	As at March 31, 2022
1	Discount rate	7.20%	7.15%
2	Expected rate of return on plan assets	6.80%	6.80%
3	Withdrawal rate	Upto 30 years: 5% 31 - 45 years - 8% 46 - 58 years - 5%	Upto 30 years: 5% 31 - 45 years - 8% 46 - 58 years - 5%
4	Salary escalation rate - management staff	8.50%	8.50%

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 Account

(Rupees in lakhs)

Sr. No.	Particulars	For the year ended	
		March 31, 2023	March 31, 2022
1	Current service cost	36	35
2	Past service cost		
3	Net Interest cost	3	13
	Component of defined benefit costs recognised in profit or loss	39	48
4	Actuarial (gain)/ losses arising from changes in demographic assumptions	-	-
5	Actuarial (gain)/ losses arising from changes in financial assumptions	(2)	(10)
6	Actuarial (gain)/ losses arising from changes in experience adjustments	3	4
7	Return on plan assets (greater)/ less than discount rate	5	(5)
8	Adjustments for restriction on defined benefit asset	-	-
	Component of defined benefit costs recognised in other comprehensive income	6	(11)
	Total	45	37

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.

(Rupees in lakhs)

Sr. No.	Particulars		
		March 31, 2023	March 31, 2022
1	Present value of obligation as at beginning of the year	349	340
2	Current service cost	37	36
3	Past service cost		
4	Interest cost	24	23
	Remeasurement (gains)/losses:		
	Actuarial (gain)/ losses arising from changes in demographic assumptions	-	-
5	Actuarial (gain)/ losses arising from changes in financial assumptions	(2)	(10)
	Actuarial (gain)/ losses arising from changes in experience adjustments	3	4
6	Curtailment cost/(credit)	-	-
7	Settlement cost/(credit)	-	-
8	Benefits paid	(47)	(42)
9	Acquisition/ Divestiture	7	(2)
10	Present value of obligation as at end of the year	370	349

Movements in the fair value of the plan assets are as follows.

(Rupees in lakhs)

Sr. No.	Particulars		
		March 31, 2023	March 31, 2022
1	Fair value of plan assets as at beginning of the year	285	135
2	Interest income		
3	Remeasurement gain/(loss)	(4)	5
4	Expected return on plan assets	20	10
5	Employers' contribution	0	179
6	Benefits payment from plan asset	(47)	(42)
7	Acquisition/ Divestiture	7	(2)
8	Fair value of plan assets as at end of the year	260	285

Notes to the financial statements

Amount recognized in the Balance Sheet including a reconciliation of the present value of defined benefit obligation and the fair value of assets.

(Rupees in lakhs)

Sr. No.	Particulars	March 31, 2023	March 31, 2022
1	Present value of funded obligation	370	349
2	Fair value of plan assets	260	285
3	Net liability recognized in the Balance Sheet	110	64

- C. Other long term benefit - Compensated absences as at year end amounts to Rs. 88 lakhs (March 31, 2022: Rs. 76 lakhs)

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 assumption at +1 % and -1%
- 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 to that in the previous year.

Impact of change in discount rate when base assumption is decreased/increased by 100 basis point

(Rupees in lakhs)

Discount rate	March 31, 2023 Present value of Obligation	March 31, 2022 Present value of Obligation
a) Discount rate -100 basis point	404	378
b) Discount rate +100 basis point	341	324

Notes to the financial statements

Impact of change in salary increase rate when base assumption is decreased/increased by 100 basis point

(Rupees in lakhs)

Salary escalation rate	March 31, 2023 Present value of Obligation	March 31, 2022 Present value of Obligation
a) Salary increment rate -100 basis point	339	322
b) Salary increment rate +100 basis point	405	379

Percentage of each category of plan assets to total fair value of plan assets

Sr. No.	Particulars	March 31, 2023	March 31, 2022
1	Insurer managed funds	100%	100%

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.

The actual return on plan assets is as follows

(Rupees in lakhs)

Sr. No.	Particulars	March 31, 2023	March 31, 2022
a	Actual return on plan assets	16	14

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.

Notes to the financial statements

Maturity profile of defined benefit obligation:

(Rupees in lakhs)

Year	Amount
Year -1	23
Year -2	24
Year -3	37
Year -4	23
Year -5	23
Years 6 to 10	181

Note 35 - Financial Instrument

35.1 Categories of financial instrument

(Rupees in lakhs)

	March 31, 2023			March 31, 2022		
	Within twelve months	After twelve months	Total	Within twelve months	After twelve months	Total
Financial assets						

Notes to the financial statements

Measured at amortised cost						
(i) Trade receivables	3,782	-	3,782	3,396	-	3,396
(ii) Cash and Bank	8,570	-	8,570	6,275	-	6,275
(iii) Other financials assets				-	-	-
(i) Security Deposits	-	92	92		83	83
(ii) Other receivables	-		-	306	-	306
Financial Liabilities						
Measured at amortised cost						
(i) Trade payables						
(i) Trade payables to Micro Small and Medium Enterprise	328	-	328	183		183
(ii) Trade payables others	2,712	-	2,712	2,936		2,936
(ii) Other financial liabilities						
(i) Creditors for Capital Goods	28	-	28	37		37
(ii) Provision for expenses	1,110	-	1,110	765		765
(iii) Lease Liabilities	71	231	302	63	301	364

35.2 Financial risk management objectives

Company is exposed to foreign exchange risk on account of import risk 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

Notes to the financial statements

rate fluctuations arise. The carrying amounts of the companies foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

The company has not entered in any derivative contracts for hedging its foreign currency exposure.

Foreign currency sensitivity analysis

The Company is mainly exposed to the fluctuation in the value of USD and GBP. The following table details the company sensitivity to a 5% increase and decrease in INR 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.

(Rupees in lakhs)

	March 31, 2023	March 31, 2022
USD Impact		
5% Appreciation in USD		
Impact on profit or loss for the year {Gain/(Loss)}	2	16
Impact on total equity as at the end of the reporting period	2	16
5% Depreciation in USD		
Impact on profit or loss for the year {Gain/(Loss)}	(2)	(16)
Impact on total equity as at the end of the reporting period	(2)	(16)
GBP Impact		
5% Appreciation in GBP		
Impact on profit or loss for the year {Gain/(Loss)}	(7)	(6)
Impact on total equity as at the end of the reporting period	(7)	(6)
5% Depreciation in GBP		
Impact on profit or loss for the year {Gain/(Loss)}	7	6
Impact on total equity as at the end of the reporting period	7	6

35.3 Credit risk management

Credit risk refers to the risks that a counterparty will 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.

Notes to the financial statements

35.4 Liquidity risk management

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company has obtained fund and non-fund based working capital lines from various banks

The Company invests its surplus funds as per investment policy in fixed deposits, which are risk averse. The table below provides details regarding the contractual maturities of financial liabilities as at March 31, 2023.

Particulars	Less than 1 year	1 to 5 years	more than 5 years
Trade payables	-	-	-
Other financial liabilities at amortised cost	-	-	-
Lease liabilities	71	231	-

35A 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:

Particulars	Note reference	As at March 31, 2023			As at March 31, 2022		
		Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Inventories	5	1,975	-	1,975	1,981	-	1,981
Trade Receivables	6	3,782	-	3,782	3,396	-	3,396
Other financial assets	8	-	-	-	306	-	306
Other Current assets	11	323	-	323	352	-	352

Notes to the financial statements

(b) Current liabilities expected to be settled within twelve months and after twelve months from the reporting date:

Particulars	Note reference	As at March 31, 2023			As at March 31, 2022		
		Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Trade Payables to Micro Small and Medium Enterprise	16	328	-	328	183	-	183
Trade payables others	16	2,712	-	2,712	2,936	-	2,936
Lease liabilities	17	71	-	71	63	-	63
Other financial liabilities	18	1,138	-	1,138	802	-	802
Other current liabilities	19	766	-	766	396	-	396
Provisions	15	874	-	874	731	-	731

35B Additional Disclosures pursuant to Schedule III to Companies Act, 2013:

Trade receivable ageing

(Rupees in lakhs)

Particulars		Outstanding for following periods from due date of payment						Total
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Not due	
(i) Undisputed Trade receivables – considered good	2023	571	-	-	-	-	3,211	3,782
	2022	378	-	-	-	-	3,018	3,396
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	2023	-	-	-	-	-	-	-
	2022	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	2023	-	-	-	-	-	-	-
	2022	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	2023	-	-	-	-	-	-	-
	2022	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	2023	-	-	-	-	-	-	-
	2022	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	2023	-	-	-	-	-	-	-
	2022	-	-	-	-	-	-	-

Notes to the financial statements

Trade payable ageing

(Rupees in lakhs)

Particulars		Outstanding for following periods from due date of payment						Total
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Not due	
MSME - disputed dues	2023	-	-	-	-	-	-	-
	2022	-	-	-	-	-	-	-
MSME - undisputed dues	2023	2	1	4	1	1	319	328
	2022	59	8	8	2	1	105	183
Others - disputed dues	2023	-	-	-	-	-	-	-
	2022	-	-	-	-	-	-	-
Others - undisputed dues	2023	25	36	12	-	79	2,560	2,712
	2022	708	-	91	25	21	2,091	2,936

Note 36

As set out in section 135 of the Companies Act, 2013 the Company is required to contribute/ spend Rs. 3 lakhs (previous year ended March 31, 2022: Rs. NIL) towards Corporate Social Responsibility activities, as calculated basis 2% of its average net profits of the last three financial years.

Particulars	March 31, 2023	March 31, 2022
(i) Gross Amount required to be spent by the company during the year	3	-
(ii) Amount spent during the year,		
a. construction/ acquisition of any asset	-	-
b. on purposes, other than (a) above	3	-
(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,	-	-
(iv) Total of previous years shortfall amount,	-	-

Notes to the financial statements

Note 37 Ratio Analysis:

Ratio	Numerator	Denominator	Current period	Previous period	% variance	Reason for Variance required only if variance more than 25%
Current Ratio	Current asset	Current liabilities	2.42	2.35	3%	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	16%	18%	-13%	Not Applicable
Inventory turnover ratio	Cost of goods sold	Average Inventory	4.05	3.77	7%	Not Applicable
Trade Receivables turnover ratio	Net Sales	Avg. Accounts Receivable	4.21	4.03	4%	Not Applicable
Trade payables turnover ratio	Net Purchases	Average Trade Payables	2.60	2.24	16%	Not Applicable
Net capital turnover ratio	Net Sales	Average Working Capital	1.93	2.10	-8%	Not Applicable
Net profit ratio	Net Profit	Net Sales	11%	13%	-17%	Variation is on account of profit on sale of Land and Building at Chennai in the previous year.
Return on Capital employed	Earnings before interest and tax	Capital Employed	0.18	0.31	-43%	Variation is on account of profit on sale of Land and Building at Chennai in the previous year.
Return on investment	Return on investment	Average investments	*Refer Note below			

* The Company does not have Borrowings and Investment hence not applicable.

Notes to the financial statements

Note 38

Particulars		Amount in CWIP for a period of				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	2023	36	-	-	-	36
	2022	-	-	-	-	-
Projects temporarily suspended	2023	-	-	-	-	-
	2022	-	-	-	-	-

Company does not have any overdue capital work in progress.

Note 39 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.

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.

Grant Date	23-Feb-23
Exercise price (USD)	194.31
* Exercise price in equivalent INR	15,966
Expected volatility	22.42%
Option life	4.86
Dividend yield	2.51%
Risk-free interest rate	4%
Fair value per share	\$38.73
Fair value per share in equivalent INR*	3,182

* Converted at Rs. 82.17 / USD

Notes to the financial statements

Options series	Number	Grant date	Expiry date	Exercise price	Fair value at grant date	Equivalent fair value INR*
Restricted stock option						
2016 RSU	198	29.07.2021	NA	NA	\$219.49	18,035

* Converted at Rs. 82.17/ USD (March 31, 2022 - Rs. 75.79/ USD)

Movements in Restricted Stock Units during the year	Restricted Stock Units	Restricted Stock Units
	2022-23	2021-22
	No of Units	No of Units
Balance at beginning of year	-	-
Granted during the year	198	-
Forfeited during the year	-	-
Vested and issued during the year	-	-
Expired during the year	-	-
Balance at end of year	198	-

Note 40

The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended from time to time) and the rules made thereunder.

Note 41 Company does not have any transaction with Struck off companies except

Name of the company	Relationship of Struck off company	Transaction during the year	Balance outstanding as at year end
2021-22	Customer	Nil	(0)
Unitronics Automation Systems Private Limited			
2022-23	Customer	Nil	(0)
Unitronics Automation Systems Private Limited			

*Less than Rs 1 Lakh

Notes to the financial statements**Note 42**

The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

Note 43

The Company maintains the books of account electronically and it's back-up on daily-basis on a server located outside of India. These data are accessible in India at all times. The Company has noted the recent changes in the Rule 3 of The Companies (Accounts) Rules, 2014 and is in the process of evaluating the options to comply with the revised rules. The Company will notify Registrar of Companies (ROC) about the person in control of the data in its Annual filing.

Note 44

Previous period's figures have been regrouped, wherever necessary, to conform with current year's presentation.

Note 45

The financial statements were approved for issue by the board of directors on September 8, 2023

For and on behalf of the Board**Nagendranath Shankarappa**

Director

DIN: 10186938

Satish Agarwal

Director

DIN: 06927467

Place : Gurgaon

Date : September 8, 2023

Place : Gurgaon

Date : September 8, 2023

CIN: U31901TN1984PLC011107

Google Maps Regus - Chennai, KRM - Chetpet



Map data ©2019 50 m

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ATTENDANCE SLIP

(To be handed over at the entrance of the meeting hall)

38th Annual General Meeting on Wednesday, November 22, 2023

Full name of the members attending _____
(In block capitals)

Folio No./Client Id _____ DP ID: _____

No. of shares held: _____

Name of Proxy _____
(To be filled in, if the proxy attends instead of the member)

I hereby record my presence at the 38th Annual General Meeting of Honeywell Electrical Devices and Systems India Limited on Wednesday, November 22, 2023, at the registered office of the Company at 5th, 6th & 7th Floors, North Tower, KRM Plaza, No. 2, Harrington Road, Chetpet, Chennai, Tamil Nadu – 600031 at 12.00 PM (IST)

(Member's /Proxy's Signature)

Notes:

- 1) Members are requested to bring their copies of the Annual Report to the meeting, since further copies will not be available.
- 2) The Proxy form, to be effective should be deposited at the Registered Office of the Company not less than FORTY EIGHT HOURS before the commencement of the meeting.
- 3) A Proxy need not be a member of the Company.
- 4) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by Proxy, shall be accepted to the exclusion of the vote of the other joint holders. Seniority shall be determined by the order in which the names stand in the Register of Members.
- 5) The submission by a member of this form of proxy will not preclude such member from attending in person and voting at the meeting.

FORM NO. MGT-11

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: U31901TN1984PLC011107

Name of the Company: Honeywell Electrical Devices and Systems India Limited

Registered office: 5th, 6th & 7th Floors, North Tower, KRM Plaza, No. 2, Harrington Road, Chetpet, Chennai, Tamil Nadu – 600031

Name of the Member(s):	
Registered Address:	
E-mail Id:	
Folio No/Client Id:	DP ID:

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

Name :	E-mail Id:
Address:	
Signature:	

or failing him/her

Name :	E-mail Id:
Address:	
Signature:	

or failing him/her

Name :	E-mail Id:
Address:	
Signature:	

as my/ our proxy to attend and vote(on a poll) for me/us and on my/our behalf at the 38th Annual General Meeting of the Company, to be held on Wednesday, November 22, 2023, at the registered office of the Company at 5th, 6th & 7th Floors, North Tower, KRM Plaza, No. 2, Harrington Road, Chetpet, Chennai, Tamil Nadu – 600031 at 12.00 PM and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	Resolution(s)	Vote	
		For	Against
1.	To Consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2023, along with the Reports of the Directors and Auditors thereon.		
2.	To Appoint a Director in place of Mr. Satish Kumar Agarwal who retires by rotation and being eligible, has offered himself for re-appointment.		
3.	Ratification of remuneration of Cost Auditors.		
4.	Appointment of Mr. Nagendranath Shankarappa as a Director of the company		

Signed this ____ day of _____ 2023

Affix Revenue Stamps

Signature of Shareholder

Signature of Proxy holder

Notes:

- 1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
- 2) The proxy need not be a member of the company.

Honeywell Electrical Devices and Systems India Limited
5th, 6th & 7th Floors,
North Tower, KRM Plaza,
No.2, Harrington Road,
Chetpet, Chennai – 600 031
Email: IndiaCorporateSecretarial@Honeywell.com

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**THE
FUTURE
IS
WHAT
WE
MAKE IT**
—
Honeywell