Honeywell

HONEYWELL ELECTRICAL DEVICES AND SYSTEMS INDIA LIMITED

2021-2022

Annual Report

Board of Directors

Mr. Inder Jeet Singh	(Independent Director)
Mr. Virender Shankar	(Independent Director)
Mr. Vimal Chawla	(Director)
Mr. Satish Kumar Agarwal	(Director)

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,
Tehsil Vikas Nagar, Selaqui Industrial Area
Selaqui, Dehradun – Uttrakhand 248 197

Contents

Notice is hereby given that the 37th (Thirty Seventh) Annual General Meeting (AGM) of the Members of Honeywell Electrical Devices and Systems India Limited will be held on Wednesday, September 28, 2022 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, 2022, along with the Reports of the Directors and Auditors thereon.
2. To appoint a director in place of Mr. Satish Kumar Agarwal, (DIN: 06927467) 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 Accountants, 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 2022-23, 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."

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 37th AGM is being convened at the registered office of the Company which can be attended by the members physically. 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 37th AGM through Video Conferencing/Other Audio Visual Means(VC/OAVM) mode through the link provided below:

https://teams.microsoft.com/l/meetup-join/19%3ameeting_NzY1ODhlZjAtZTk3Zi00NzJlLThhYTMtMjFkZWE2MGQyODU2%40thread.v2/0?context=%7b%22Tid%22%3a%2296ece526-9c7d-48b0-8daf-8b93c90a5d18%22%2c%22Oid%22%3a%223e9a36d2-3700-4d16-8d67-ba27e7fdcb30%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 Accountants to conduct the audit of the cost records of the Company for the financial year 2022-23.

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 2022-23 as set out in the resolution for the aforesaid services to be renderedby 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.

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

Vimal Chawla
Director
DIN: 08396551

Place: Pune
Date: August 24, 2022

Details of Directors to be appointed/ re-appointed at the AGM to be held on September 28, 2022 in terms of Secretarial Standard on General Meetings (SS-2).

Item No. 2

Name	**Mr. Satish Kumar Agarwal (DIN: - 06927467)**
Date of Birth and Age	October 04,1976, Age: 45 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
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. Since he is liable to retire by Rotation and Eligible for re-appointment as director it is proposed to appoint Mr. Agarwal as Director of the Company.
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.

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

Vimal Chawla
Director
DIN: 08396551

Place: Pune
Date: August 24, 2022

Dear Members,

Your Directors are pleased to present the Directors' Report of Honeywell Electrical Devices and Systems India Limited ("Company") along with the balance sheet and profit and loss account for the year ended March 31, 2022.

FINANCIAL RESULTS

Your company achieved a turnover of Rs.14,337 lakhs and the profit after tax of Rs. 1,544 lakhs. The key aspects of financial performance of your Company for the financial year 2021-22 are tabulated below:

(Rs. in lakhs)

PARTICULARS	2021-22	2020-21
Sales and other income	14,337	8,886
Profit/(Loss) before depreciation and interest	3,343	(496)
Less: Depreciation and interest	473	474
Profit/(loss) before tax	2,870	(970)
Less tax expense	1,326	101
Profit / (Loss) After Tax	**1.544**	**(869)**
Other Comprehensive Income	8	12
Surplus brought forward from previous year	7,799	8,667
Balance carried to balance sheet	**9,351**	**7,799**

RESERVES

Your Company has not transferred any amount to reserves during the year. Your Company has carried the amount of Rs.1,544 lakhs as profit for the year to the surplus account.

DIVIDEND

In view of conserving resources for future business growth of your Company, the directors do not declare any dividend in the current year.

CORPORATE DEVELOPMENT

In the financial year 2021-22, market conditions started recovering post COVID-19, especially in the construction industry. The residential segment witnessed recoveries backed by a resumption in the home buying sentiment. Commercial office market continues to be stagnant due to work from home and very slow recovery came in Q4'22 due to gradual return to work.

The financial year 2021-22 was indeed a recovery year post COVID-19. Your company exhibited strong recovery in top line as well as bottom line. We witnessed material inflation last year, which was well tackled by proactive price management.

Growth drivers were performances of new products introductions (NPI), particularly in the affordable and midsegment range, and in new geographies. For the second consecutive year, the NPI vitality for your Company is in double digits at 40%+, indicating your Company's strong commitment to building a comprehensive portfolio. The premium segment continues to be a challenge due to the ongoing economic scenario and your Company is working on a revival model for the product lines catering to this market segment.

THE YEAR AHEAD

We continue to scale up new products that were launched recently by executing our identified go-to-market strategy. Your 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 portfolio in the premium segment. During the upcoming year, your Company aims to provide a digital solution for its distributors and channel partners, driving continuous innovation and efficiency.

PEOPLE DEVELOPMENT AND INDUSTRIAL RELATION

The Hopetown facility in Dehradun, Uttarakhand, continues to be associated with the Confederation of Indian Industry (CII) and the Uttarakhand Industrial Welfare Association (UIWA). Through these associations, your Company officials attend regular calls and meetings to get the latest updates about the industry. The Hopetown facility recently received the Quality Circle Gold & Silver Award organized by Quality circle forum of India (QCFI) in 2021 and One Creativity Award, 2021 at the 34th Quality Circle competition organized by CII. The facility received Honeywell's Global Site Excellence Award during the global CEO's town meeting. It also received the Honeywell Building Technologies (HBT) ISC Factory Q2 Award in August 2021. During the year, five teams (comprising 20 employees) participated in the Quality Circle Program and 24 employees participated in Poke Yoke Kaizen drive onsite, driving a Honeywell Operating System (HOS) and Six Sigma culture. The Hopetown facility is an HOS Silver accredited site. It will be assessed for HOS World Class in August 2022.

The facility lays emphasis on the health and safety of our workers. Our primary focus is to ensure a secure and safe manufacturing environment for the workers by following operational procedures aimed at preventing and controlling the spread of COVID-19 at the site. Your Company organized vaccination drives and COVID-19 testing camps onsite, covering 100% employees. We also organized an interaction with a medical practitioner for our colleagues to address their concerns regarding emerging health issues.

Employee development initiatives and top talent retention programs are reviewed during the annual Management Resource Review (MRR) process and HR Vartalaap (employee connect forum). Tea meetings and open house sessions with the site leader and skip level meetings with associates and teammates are conducted on a regular basis. We have implemented a two-way communication process between the management and employees, with regular town halls and leadership interactions onsite.

DEPOSITS

In terms of the provisions of Section 73 of the Companies Act, 2013 read with the relevant Rules of the Act, your Company has not accepted any deposit during the year under review and as such, no amount of principal or interest was outstanding as on March 31, 2022.

SHARE CAPITAL

The authorized share capital of your Company is Rs. 2,00,00,000/- (Rupees Two Crore Only) divided into 20,00,000 (Twenty Lakhs Only) equity shares of Rs. 10/- (Rupees Ten Only) each. The paid-up share capital of your Company is 9,51,640 (Nine Lakh Fifty One Thousand Six Hundred Forty Only) equity shares of Rs. 10/- (Rupees Ten Only) 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 re-appointment. The Board recommends his re-appointment.

The composition of the Board of Directors as on March 31, 2022 was as follows:

Sr. 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)

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 OF THE COMPANIES ACT, 2013

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.

Committees of the Board

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 are detailed below –

1. AUDIT COMMITTEE

During the year, there was no change in the composition of the Audit Committee. Currently, the Committee comprises Mr. Inder Jeet Singh, Mr. Virender Shankar and Mr. Vimal Chawla.

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 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 to deal 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, the Committee comprises Mr. Inder Jeet Singh, Mr. Virender Shankar, Mr. Satish Kumar Agarwal and Mr. Vimal Chawla.

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 suffered losses in the preceding financial year, the Company is not required to make any CSR expenditure for the current year and, hence, no report on CSR is annexed.

MEETINGS OF BOARD AND ITS COMMITTEES

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 25, 2021	Yes	Yes	Yes	Yes
August 24 ,2021	Yes	Yes	Yes	Yes
October 27, 2021	Yes	Yes	Yes	Yes
February 22, 2022	Yes	Yes	Yes	Yes

B. AUDIT COMMITTEE

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

Name of Director	Inder Jeet Singh	Virender Shankar	Vimal Chawla
Date of meeting			
June 25,2021	Yes	Yes	Yes
August 24, 2021	Yes	Yes	Yes
October 27, 2021	Yes	Yes	Yes
February 22, 2022	Yes	Yes	Yes

C. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee met one (1) time 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, 2021	Yes	Yes	Yes

D. CSR COMMITTEE

The CSR Committee 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	Vimal Chawla
Date of meeting				
June 25, 2021	Yes	Yes	Yes	Yes

VIGIL MECHANISM / WHISTLE BLOWER POLICY

In terms of the provisions of Sub-section (10) of Section 177 of the Companies Act, 2013, the vigil mechanism of the Company, which also incorporates a whistle blower policy, includes our Code of Ethics. Protected disclosures can be made by a whistle blower through an e-mail or telephone line.

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 a 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 so as 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 so as to enable the Board to discharge its function and duties effectively.

c. The Board/Committee shall consider the following attributes/criteria, while 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 or her 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 continuous 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.

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 one (1) theft case in Hopetown manufacturing facility was discovered against which more stringent preventive and detective controls have been put in place.

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 functioning, as well as the quality, content and timeliness of the flow of information between the management and the Board. The inputs from the meeting were shared with the Nomination and Remuneration Committee.

SUBSIDIARY COMPANIES

The Company has no subsidiary company as at the end of the financial year March 31, 2022. Further, there were no subsidiary companies of Honeywell Electrical Devices and Systems India Limited which have become or ceased to be its subsidiaries, joint ventures or associate companies during the year under review.

EXTRACT OF THE ANNUAL RETURN

Pursuant to Section 92(3) of the Companies Act, 2013, since the Company does not have its own website, 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 state as follows:

1. That in preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
2. That your Directors have selected such accounting policies and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the period under review.
3. That your Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. That the annual financial statements have been prepared on a going concern basis.
5. That the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS MADE BY THE COMPANY

During the year, your 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 material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company and its future operations. However, members' attention is drawn to the statement on contingent liabilities, commitments in the notes forming part of the financial statements.

AUDITORS AND AUDITORS' REPORT

STATUTORY AUDITORS

M/s Deloitte Haskins & Sells LLP, Chartered Accountants, were appointed to act as statutory auditor for period of five (5) years from conclusion of 35th Annual General Meeting (for financial year 2019-2020) till conclusion of 40th Annual General Meeting (to be held for 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.

The Company has also received declaration from auditors that they are not disqualified for such appointment under the said act.

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 2021-22.

Your Company submitted its Cost Audit Report for the financial year 2020-21, duly audited by M/s C. S. Adawadkar, Cost Accountants, with the Ministry of Corporate Affairs within the stipulated time. The Board has re-appointed him as the cost auditor for the year 2022-23. A resolution seeking approval from members for their remuneration and their appointment for the financial year 2022-23 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 workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 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 2021-22. Hence no complaint is outstanding as on March 31, 2022 for redressal.

ACKNOWLEDGEMENT

Your Directors acknowledge the support and co-operation 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 on 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

Vimal Chawla	**Satish Kumar Agarwal**
Director	Director
DIN: 08396551	**DIN: 06927467**
Place: Pune	**Place: Gurgaon**
Date: August 24, 2022	Date: August 24, 2022

ANNEXURE INDEX

Annexure	Content
1.	AOC-2 – Related Party Transactions disclosure
2.	Details of conservation of energy, technology absorption, foreign exchange earnings and outgo

ANNEXURE - 1

Form No. AOC-2

[Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 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 third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis - None
2. Details of material contracts or arrangement or transactions at arm's length basis –

   All the transactions are on 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

Vimal Chawla	**Satish Kumar Agarwal**
Director	Director
DIN: 08396551	**DIN: 06927467**
Place: Pune	**Place: Gurgaon**
Date: August 24, 2022	Date: August 24, 2022

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 energy required for all its operations. Some of the key initiatives undertaken during the period ended March 31, 2022 are as under:

(i)	the steps taken or impact on conservation of energy	Your Company has installed Servo Motor in 1 of our Machine which will provide us saving of INR 1,29,159/- Per Year and 1650 Kwh/ year
(ii)	the steps taken by the company for utilizing alternate sources of energy	Solar streetlights, Solar water heater for canteen usage are installed in Hope Town factory.
(iii)	the capital investment on energy conservation equipment	Nil

(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. 744.29 Lakhs and the total foreign exchange earned were Rs. 0.29 Lakhs.

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

Vimal Chawla	**Satish Kumar Agarwal**
Director	Director
DIN: 08396551	**DIN: 06927467**
Place: Pune	**Place: Gurgaon**
Date: August 24, 2022	Date: August 24, 2022

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 31st March 2022, 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 (hereinafter referred to as "the financial statements").

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 31st March 2022, 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.

Management's Responsibility 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those 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 system 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 and its joint operation companies so far as it appears from our examination of those books.

   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 31st March, 2022 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting 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 over financial reporting.

   g) 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.

   h) 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.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were 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 (which are material either individually or in the aggregate) 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 or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, 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 (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, 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 that has 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.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

Kedar Raje
Partner
(Membership No. 102637)
(UDIN: 21102637AAAADT2670)

Place: Pune
Date: August 24, 2022

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Honeywell Electrical Devices and Systems India Limited ("the Company") as of 31st March, 2022 in conjunction with our audit of the Ind AS (retain as applicable) 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 based on the internal control over financial reporting 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 respective 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 Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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 Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 over financial reporting 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting 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 Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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 system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2022, based on the criteria for internal financial control over financial reporting established by the respective Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

Kedar Raje
Partner
(Membership No. 102637)
(UDIN: 21102637AAAADT2670)

Place: Pune
Date: August 24, 2022

(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 and relevant details of right-of-use assets.

(B) The Company does not have capital work in progress and 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 31st March, 2022 for holding any benami property under the Benami Transaction(Prohibition) Act , 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) The inventories 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 Companies Act, 2013, 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 Companies Act,2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) In respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Customs Duty, Goods and Service Tax (GST), Cess and other material statutory dues applicable to it to the appropriate authorities.

There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Customs Duty, GST, Cess and other material statutory dues in arrears as at 31st March, 2022 for a period of more than six months from the date they became payable.

(b) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and GST which have not been deposited as on 31st March, 2022 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 2007-08, 2008-09 and 2013-14 to 2016-17	3,579.42	22.30
VAT	Additional Commissioner Delhi	FY 2007-08 to 2008-09	34.40	-
VAT	Appellate Authority, Haryana	FY 2013-14 to 2017-18	230.31	-
VAT	Additional Commissioner, Tamil Nadu	FY 2010-11 to FY 2013-14	433.65	199.48
VAT	Deputy Commissioner, Haryana	FY 2016-17	53.08	-
VAT	Deputy Commissioner, Maharashtra	FY 2014-15	32.90	-

(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 Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) We have taken into consideration the whistle-blower complains received by the Company during the year and provided to us, when performing our audit.

(xii) The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable 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) (a) In our opinion and based on our examination, the company has an internal audit system however, it is not required to have an internal audit system as per provisions of the Companies Act 2013.

(b) Since Internal Audit is not applicable as per provisions of the Companies Act 2013, reporting under clause 3 (xiv)(b) is not applicable to the Company.

(xv) In our opinion, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with them and hence provisions of Section 192 of the Companies Act,2013 are not applicable to the Company.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3 (xvi) (a), (b) and (c) of the Order is not applicable 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 any cash losses in the financial year covered by our audit but had incurred cash losses amounting to Rs. 547 lakhs in 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 was not having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year and hence, provisions of Section 135 of the Act are not applicable to the Company during the year. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

Kedar Raje
Partner
(Membership No. 102637)
(UDIN: 21102637AAAADT2670)

Place: Pune
Date: August 24, 2022

Financial Statements

(Rupees in lakhs)

Particulars	Notes	As at 31st March 2022	As at 31st March 2021
Assets			
Non-current assets			
(a) Property, Plant and Equipment	4	698	954
(b) Right-Of-Use Assets	29	353	429
(c) Financial assets			
(i) Other financial assets	8	83	82
(d) Income tax assets (net)	9	458	1,263
(e) Deferred tax assets (net)	10	396	466
(f) Other non-current assets	11	476	485
Total non-current assets		2,464	3,679
Current assets			
(a) Inventories	5	1,981	1,449
(b) Financial assets			
(i) Trade receivables	6	3,396	2,612
(ii) Cash and cash equivalents	7	6,275	3,768
(iii) Other financial assets	8	306	300
(c) Other current assets	11	352	830
Total current assets		12,310	8,959
Non-current Assets held for sale	12	-	131
Total Assets		14,774	12,769
Equity and Liabilities			
Equity			
(a) Equity share capital	13	95	95
(b) Other equity	14	9,160	7,607
Total Equity		9,255	7,702
Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Lease liabilities	17	301	364
(b) Provisions	15	107	224
Total non-current liabilities		408	588
Current liabilities			
(a) Financial liabilities			
(i) Trade payables	16		
(A) Total outstanding dues of Micro enterprises and Small enterprises		183	205
(B) Total outstanding dues of creditors other than Micro enterprises and Small enterprisenterprises		2,936	2,437
(ii) Lease liabilities	17	63	56
(iii) Other financial liabilities	18	802	761
(b) Provisions	15	731	671
(c) Other current liabilities	19	396	349
Total current liabilities		5,111	4,479
Total Equity and Liabilities		14,774	12,769

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 Raje
Partner
Membership No: 102637

Vimal Chawla
Director
DIN: 08396551

Satish Agarwal
Director
DIN: 06927467

Place : Pune
Date : August 24, 2022

Place : Pune
Date : August 24, 2022

Place : Gurgaon
Date : August 24, 2022

(Rupees in lakhs)

Particulars	Notes	Year ended 31st March 2022	Year ended 31st March 2021
I. Revenue from operations	20	12,140	8,548
II. Other Income	21	2,197	338
III. Total Income (I + II)		**14,337**	**8,886**
(IV) Expenses:			
Cost of materials consumed	22	3,074	2,237
Purchases of Stock in Trade		3,748	2,443
Changes in inventories of finished goods, work-in-progress and stock-in-trade	23	(359)	237
Employee benefits expense	24	2,325	2,203
Finance costs	25	35	57
Depreciation and amortization expense	4, 29	438	417
Other expenses	26	2,206	2,262
Total expenses (IV)		**11,467**	**9,856**
V. Profit / (Loss) before tax (III - IV)		**2,870**	**(970)**
VI. Income tax expense:			
- Current tax		330	-
- Deferred tax		68	(101)
- Relating to earlier years		928	-
Total tax expense (VI)		1,326	(101)
VII. Profit / (Loss) for the year (V - VI)		1,544	(869)
VIII. Other comprehensive income			
A (i) Items that will not be reclassified to Profit or Loss			
(a) Remeasurements of the defined benefit plans		11	16
A (ii) Income tax / Deferred tax relating to items that will not be reclassified to profit or loss		(3)	(4)
B (i) Items that may be reclassified to Profit or Loss		-	-
B (ii) Income tax relating to items that may be reclassified to profit or loss		-	-
Total other comprehensive Profit / (Loss) (A (i-ii) + B (i-ii)) (VIII)		8	12
IX. Total comprehensive Income / (Loss) for the year (VII - VIII)		1,552	(857)
Earning / (Loss) per equity shares (In Rs.)	30		
Basic and Diluted		162.24	(91.32)
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 : Pune
Date : August 24, 2022

For and on behalf of the Board

Vimal Chawla
Director
DIN: 08396551

Place : Pune
Date : August 24, 2022

Satish Agarwal
Director
DIN: 06927467

Place : Gurgaon
Date : August 24, 2022

(Rupees in lakhs)

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
A. Cash flow from operating activities		
Profit/ (Loss) for the year	**1,544**	**(869)**
Adjustments for:		
Income tax expense recognised in statement of profit and Loss	1,326	(101)
Depreciation and amortisation expense	438	417
Unrealised foreign exchange (gain)/loss	(23)	23
Provision for doubtful debts	(3)	(18)
(Gain)/Loss on disposal of property, plant and equipment	(2,042)	(2)
Interest income recognised in statement of profit and loss	(88)	(26)
Liabilities/ Provision no longer required written back	(58)	-
Finance cost	35	57
Movements in working capital:		
(Increase)/decrease in trade and other receivables	(782)	168
(Increase)/decrease in inventories	(532)	441
(Increase)/decrease in other assets	477	385
(Increase)/decrease in other financial assets	(7)	1,862
Increase/(decrease) in trade payables	546	407
Increase/(decrease) in provisions	(32)	104
Increase/(decrease) in other current liabilities	47	(54)
Cash generated from operations	**846**	**2,794**
Income taxes paid (net of refund, if any)	(453)	7
Net cash generated from operations	**393**	**2,801**
B. Cash flow from investing activities		
Payments for Property, Plant and equipment including changes in Non current assets held for sale	(68)	(143)
Proceeds from disposal of Non current assets held for sale	2,175	3
Interest received	88	26
Net cash generated from investing activities	**2,195**	**(114)**

(Rupees in lakhs)

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
C. Cash flow from financing activities		
Proceeds from intercompany Loan	-	400
Loan Repaid	-	(400)
Interest on Loan	-	(20)
Repayment of Lease liability	(81)	(89)
Net cash used in financing activities	**(81)**	**(109)**
Net change in cash and cash equivalents	**2,507**	**2,578**
Cash and cash equivalents as at the beginning of the Year	3,768	1,214
Effects of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies	-	(24)
Cash and cash equivalents as at the end of the Year	6,275	3,768
Movement in cash and cash equivalents	**2,507**	**2,578**

Cash and cash equivalents consist of		
Bank Balances		
Current Accounts	6	9
Demand deposits (Original maturity less than 3 months)	6,269	3,759
	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 : Pune
Date : August 24, 2022

For and on behalf of the Board

Vimal Chawla
Director
DIN: 08396551

Place : Pune
Date : August 24, 2022

Satish Agarwal
Director
DIN: 06927467

Place : Gurgaon
Date : August 24, 2022

A. Equity share capital

(Rupees in lakhs)

	Amount
As at 31st March 2021	95
Changes in equity share capital	-
As at 31st March 2022	95

B. Other equity

(Rupees in lakhs)

	Reserves and surplus			Total
	Capital Redemption Reserve	Retained earnings	Other comprehensive Income - Remeasurements of the defined benefit plans	
Balance as at 31st March 2020	5	**8,667**	**(208)**	8,464
Profit/ (loss) for the year	-	(869)	-	(869)
Other comprehensive income/(loss) for the year, net of income tax	-	-	12	12
Total comprehensive income /(loss) for the year	-	**(869)**	12	**(857)**
Balance as at 31st March 2021	5	**7,799**	**(196)**	**7,607**
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

In terms of our report of even date

For Deloitte Haskins & Sells LLP
Firm Registration Number - FRN 117366W/W100018
Chartered Accountants

Kedar Raje
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Vimal Chawla
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Place : Pune
Date : August 24, 2022

Satish Agarwal
Director
DIN: 06927467

Place : Gurgaon
Date : August 24, 2022

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 August 24, 2022.

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
Buildings	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. 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.

K. 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.

L. 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.
- relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review – there were no onerous contracts as at 1 April 2019
- excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

M. 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.

N. 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 entirely 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 recongnising 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.

O. 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.

P. 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.

Q. New Accounting Standards, Amendments to Existing Standards, Annual Improvements and Interpretations applicable to the Company effective subsequent to March 31, 2022

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below.

Ind AS 16 – Property Plant and equipment - The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. 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, costs relating to the termination of the lease and the importance of the underlying asset to the Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the company has concluded that no material changes are required to lease period relating to the existing lease contracts. Refer note no 2 (M).

Notes to the financial statements

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

(Rupees in lakhs)

	31st March 2022	31st March 2021
Carrying amounts of :		
Buildings	40	41
Plant and machinery	159	241
Toolings	383	548
Furniture and fixtures	30	40
Office equipments (including computers)	86	85
Total	**698**	**954**

(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, 2020	**206**	**789**	**1,490**	**146**	**306**	**5**	**2,942**
Add: Additions	-	53	190	-	28	-	271
Less: Disposals / Written off	-	10	-	1	58	5	74
Less: Reclassified assets held for sale (Refer note 12)	161	-	-	-	-	-	161
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**
Accumulated depreciation and impairment							
Balance at March 31, 2020	**66**	**531**	**907**	**95**	**206**	**5**	**1,810**
Less: Eliminated on disposal of assets	-	9	-	1	58	5	73
Add: Depreciation expenses	2	69	225	11	43	-	350
Less: Reclassified assets held for sale (Refer note 12)	63	-	-	-	-	-	63
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**
Carrying Amount							
Balance at March 31, 2021	**41**	**241**	**548**	**40**	**85**	**-**	**954**
Balance at March 31, 2022	**40**	**159**	**383**	**30**	**86**	**-**	**698**

Notes to the financial statements

Note 5 - Inventories

(Rupees in lakhs)

	As at 31st March 2022	As at 31st March 2021
Inventories (lower of cost and net realisable value)		
Raw Materials and Components	604	468
Raw Material in transit	77	39
Packing Materials	12	13
Work-in progress	98	98
Finished goods	400	407
Stock in trade (in respect of goods acquired for trading)	705	406
Stock-in-trade in transit (in respect of goods acquired for trading)	85	18
Total	**1,981**	**1,449**

Note-

a) The amount of inventories recognised as an expense Rs. 6,463 Lakhs (2021:Rs.4,917 Lakhs) including Rs. 17 lakhs (2021 : Rs. (41 lakhs)) in respect of write-down of inventory to net realisable value.

b) Mode of valuation of inventories is stated in note 2(h).

Note 6 - Trade receivables

(Rupees in lakhs)

	As at 31st March 2022	As at 31st March 2021
Current		
Trade Receivables		
(a) Secured, considered good	-	-
(b) Unsecured, considered good	3,474	2,692
Less: Expected credit loss allowance for doubtful trade receivables	(78)	(80)
	3,396	**2,612**
(c) Credit impaired	-	-
Less: Expected credit loss allowance for doubtful trade receivables	-	-
	-	-
Total	**3,396**	**2,612**

Refer Note 20B below, Note 28 for Related Party Balances and note 36B 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:

	Expected credit loss %	
Ageing	31st March 2022	31st March 2021
0-90 days past due	0%	0%
More than 90 days past due	77%	91%

Age of trade receivables (Rupees in lakhs)

	As at 31st March 2022	As at 31st March 2021
0-90 days past due	3,373	2,573
More than 90 days past due	101	119
Total	**3,474**	2,692

Movement in the expected credit loss allowance (Rupees in lakhs)

	As at 31st March 2022	As at 31st March 2021
Balance at beginning of the year	80	98
Add: Expected credit loss during the year	7	51
Less: Amount recovered / reversed/ written off in the current year	(9)	(69)
Balance at the end of the year	(78)	(80)

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, 2022 is considered adequate.

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

(Rupees in lakhs)

As at	Number of customers	Outstanding balance
31st March 2022	1	394
31st March 2021	1	171

Notes to the financial statements

Note 7 - Cash and cash equivalents

(Rupees in lakhs)

	As at 31st March 2022	As at 31st March 2021
Bank balances		
In current accounts	6	9
Demand deposits (Original maturity less than 3 months)	6,269	3,759
Total	**6,275**	**3,768**

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 2022	As at 31st March 2021
Non-Current		
Security deposits	83	82
Total	83	82
Current		
Other Receivables (Refer note 27B and note 28)	306	300
Total	306	300

Note 9 - Income tax assets (Net)

(Rupees in lakhs)

	As at 31st March 2022	As at 31st March 2021
Current tax assets		
Tax refund receivable (net of provision of Rs. 467 lakhs (March 31, 2021: Rs. 2,162 lakhs))	458	1,263
	458	1,263

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

	As at 31st March 2022	As at 31st March 2021
Profit/(Loss) before tax	2,870	(970)
Tax expenses	1,326	(101)
Effective tax rate	**46.20%**	**10.42%**
Net impact of deduction/exemption and disallowance	11.30%	14.75%
Additional tax provision for earlier years arising out of proceedings with the authorities during the current year	32.34%	0.00%
Tax rate as per Income tax act	**25.17%**	**25.17%**

Notes to the financial statements

During the year, the Company has availed the Vivad se Vishwas (VSV) Scheme to settle dues relating to earlier years. The tax expense for the year ended March 31, 2022 has been recognized basis the above settlement.

Note 10 - Deferred tax asset (Net)

(Rupees in lakhs)

	As at 31st March 2022	As at 31st March 2021
Deferred tax assets	396	466
Deferred tax assets (net)	**396**	**466**

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

2021-22

	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
Provision for trade and other receivables	20	0	-	20
Retirement Benefits	71	(33)	(3)	35
Provision for Indirect Tax Matter	141	13	-	154
Bonus	45	(3)	-	42
Lease liabilities	(2)	2	-	0
Others (Refer Note 27B)	57	(30)	-	27
Total	**466**	**(67)**	**(3)**	**396**

2020-21

(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	95	39	-	134
Provision for trade and other receivables	25	(5)	-	20
Retirement Benefits	65	10	(4)	71
Provision for Indirect Tax Matter	120	21	-	141
Bonus	41	4	-	45
Lease liabilities	6	(8)	-	(2)
Others (Refer Note 27B)	17	40	-	57
Total	**369**	**101**	**(4)**	**466**

Notes to the financial statements

Note 11 - Other assets

(Rupees in lakhs)

	As at 31st March 2022	As at 31st March 2021
Non-Current		
Capital advances	-	9
Sales Tax paid under protest	476	476
Total	**476**	485
Current		
Balances with Government authorities	257	761
Advances recoverable in cash or kind (net of provision for doubtful recovery Rs. NIL, 31st March 2021 Rs. Nil) (Refer note 38)	81	58
Advances to employees	3	4
Prepaid expenses	11	7
Total	352	830

Note 12 - Non-current Assets classified as held for sale

(Rupees in lakhs)

	As at 31st March 2022	As at 31st March 2021
Land held for sale	-	34
Building held for sale	-	97
Total	-	131

Note- During the Previous year ended March 31, 2021, the Company had presented land and building (Property) separately as 'Held for sale' and was carried at lower of carrying value and fair value. In the current 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 21.

Note 13 - Equity share capital

(Rupees in lakhs)

	As at 31st March 2022	As at 31st March 2021
Authorised:		
2,000,000 (March 31, 2021: 2,000,00) equity shares of Rs.10 each	200	200
	200	200
Issued:		
951,640 (March 31, 2021: 951,640) Equity Shares of Rs.10 each, fully paid	95	95
	95	95
Subscribed and paid up		
951,640 (March 31, 2021: 951,640) Equity Shares of Rs.10 each, fully paid	95	95
Total	95	95

Notes to the financial statements

(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, 2022		As at March 31, 2021	
	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, 2022		As at March 31, 2021	
	Number of shares	(Rupees in lakhs)	Number of shares	(Rupees in lakhs)
Equity shares:				
Novar ED&S Limited, U.K. (Holding company)	869,100	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, 2022		As at March 31, 2021	
	Number of shares	Percentage	Number of shares	Percentage
Novar ED&S Limited, U.K. (Holding company)	869,100	91%	869,100	91%

Note 14 - Other equity

(Rupees in lakhs)

	As at 31st March 2022	As at 31st March 2021
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	188	(196)
Balance as at the beginning of the year	7,799	8,667
Profit / (Loss) for the year	1,544	(869)
Retained Earnings (C)	9,343	7,799
Total (A-B+C)	9,160	**7,607**

Notes to the financial statements

Note 15 - Provisions

(Rupees in lakhs)

	As at 31st March 2022	As at 31st March 2021
Non Current		
Gratuity and other retirement benefits (Refer note 35)	52	185
Provision for Warranty (Refer note 34)	55	39
Total	**107**	224
Current		
Gratuity and other retirement benefits(Refer note 35)	12	20
Compensated absences	76	78
Provision for Indirect Tax Matters (Refer note 34)	614	559
Provision for Warranty (Refer note 34)	29	14
Total	**731**	**671**

Note 16 - Trade payables

(Rupees in lakhs)

	As at 31st March 2022	As at 31st March 2021
Current (Refer Note 28 for related party balances and 36B for Ageing)		
Total outstanding dues of creditors other than Micro enterprises and Small enterprises	2,936	2,437
Total outstanding dues of Micro enterprises and Small enterprises (Refer note 31)	183	205
Total	3,119	**2,873**

Note 17 - Lease liabilities

(Rupees in lakhs)

	As at 31st March 2022	As at 31st March 2021
Non Current		
Lease obligations	301	364
Total	301	364
Current		
Current maturities of lease obligations	63	56
Total	63	56

Notes to the financial statements

Note 18 - Other financial liabilities

(Rupees in lakhs)

	As at 31st March 2022	As at 31st March 2021
Current		
Creditors for capital goods	37	6
Provision for expenses	765	755
	802	**761**

Note 19 - Other current liabilities

(Rupees in lakhs)

	As at 31st March 2022	As at 31st March 2021
Advances from customers	22	26
Statutory dues (including Provident Fund, VAT and Tax deducted at Source)	81	72
Interest due to suppliers registered under the MSMED Act (Refer note 31)	9	81
Provision for Discount	284	170
	396	349

Note 20 - Revenue from operations

(Rupees in lakhs)

	Year ended 31st March 2022	Year ended 31st March 2021
Sale of products (Net of Rebates and Discount)	6,639	4,461
Sale of traded products	5,482	4,084
Other operating revenue		
Scrap sale	19	3
Total	12,140	8,548

Notes to the financial statements

Note 20.1 - Revenue from contracts with customers

(Rupees in lakhs)

	Year ended 31st March 2022	Year ended 31st March 2021
A. Disaggregation of revenue		
(a) Timing of revenue recognition		
Point in time	12,121	8,545
Over time	-	-
(b) Geographical location		
India	12,121	8,529
Europe	-	3
Others	-	13
(c) Type of contract		
Fixed price	12,121	8,545
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.

(Rupees in lakhs)

	Year ended 31st March 2022	Year ended 31st March 2021
(a) Opening balance of Contract receivables (net of expected credit loss allowance)	2,612	2,762
Closing balance of Contract receivables (net of expected credit loss allowance)	3,396	2,612
(b) Revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods	-	-

Notes to the financial statements

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 2022**	Year ended **31st March 2021**
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, 2022 will be satisfied over the course of future periods. The disclosure of the timing for satisfying the performance obligation is based on the requirements of contracts with customers. Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts and periodic revalidations.

Note 21 - Other Income

(Rupees in lakhs)

	Year ended **31st March 2022**	Year ended **31st March 2021**
Interest income earned on financial assets that are not designated as a fair value through profit and loss account		
Bank Deposits	88	26
Interest on Other financial assets carried at amortised cost	5	5
Profit on assets sold/ discarded (net) (Refer Footnote to note 12)	2,042	2
Provision/Liabilities written back to the extent no longer required	58	-
Other Non operating Income (Refer note 27B)	-	300
Miscellaneous income	4	5
Total	**2,197**	**338**

Notes to the financial statements

Note 22 - Cost of materials consumed

(Rupees in lakhs)

	Year ended 31st March 2022	Year ended 31st March 2021
Raw materials consumed		
Opening inventory	520	724
Add: Purchases (net)	3,247	2,033
Less: Inventory at the end of the year	693	520
Cost of raw materials consumed	**3,074**	**2,237**

The above balance of COGS includes Rs. 45 lakhs on account of theft at the Factory location.

Note 23 - Changes in inventories of finished goods, work-in-progress and traded goods

(Rupees in lakhs)

	Year ended 31st March 2022	Year ended 31st March 2021
(Increase)/ decrease in stock		
Stock at the beginning of the year		
Finished goods	407	383
Work in progress	98	128
Stock in trade (in respect of goods acquired for trading)	424	655
Total (A)	929	1,166
Stock at the end 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 (B)	1,288	929
(Increase)/ decrease in stock (A-B)	**(359)**	**237**

Note 24 - Employee benefit expenses

(Rupees in lakhs)

	Year ended 31st March 2022	Year ended 31st March 2021
Salaries, wages and bonus	2,174	2,023
Contribution to Provident and Other Funds (Refer note 35)	110	130
Staff welfare expenses	41	50
Total	2,325	2,203

Notes to the financial statements

Note 25 - Finance cost

(Rupees in lakhs)

	Year ended 31st March 2022	Year ended 31st March 2021
Interest cost on lease liabilities (Refer note 29)	26	24
Interest payable to MSME (Refer note 31)	9	13
Other interest cost (Intercompany Loan) (Refer note 28)	-	20
Total	**35**	**57**

Note 26 - Other expenses

(Rupees in lakhs)

	Year ended 31st March 2022	Year ended 31st March 2021
Power and fuel	88	70
Stores and Spares Consumed	59	33
Packing, Freight and Forwarding	510	369
Rent (Refer note 2 (M) and 29)	127	173
Rates and taxes	70	199
Repairs and maintenance		
Building	9	5
Plant and machinery	69	24
Others	8	5
	86	34
Auditors remuneration		
As Auditors	13	13
Others(including tax audit)	2	2
Out of pocket expenses	-	-
	15	15
Travelling and conveyance	140	78
Communication expenses	22	14
Insurance	41	41
Professional fees	372	561
Foreign exchange loss (Net)	6	71
Bad debts written off (Net of expected credit loss allowance) (refer note 26.1)	6	24
Corporate overhead allocations	228	300
Bank Charges	2	1
Expense for warranty ((Refer note 34)	58	14
Advertisement and Sales Promotion	237	145
Miscellaneous expenses	139	120
Total	**2,206**	**2,262**

Notes to the financial statements

Note 26.1 - Bad debts written off Net of expected credit loss allowance

(Rupees in lakhs)

	Year ended 31st March 2022	Year ended 31st March 2021
Bad debts written off	9	42
Expected credit loss allowance	(3)	(18)
Bad debts written off (Net of expected credit loss allowance)	6	24

27A 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, 2022	March 31, 2021	March 31, 2022	March 31, 2021
India	12,140	8,532	1,052	1,514
Europe	-	3	-	-
Other	-	13	-	-
Total	**12,140**	**8,548**	**1,052**	**1,514**

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, 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.

27B The Board of Directors at their meeting on July 13, 2018 decided to close the operations of its manufacturing facility at Chennai effective October12, 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

Notes to the financial statements

Note 28 - 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 System Sensor India Honeywell Environmental & Combustion Controls (Tianjin) 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, 2022		**March 31, 2021**	
a) Purchase of Goods				
Honeywell International India Private Limited	-		6	
Honeywell Automation India Limited	13		3	
Honeywell Environmental & Combustion Controls (Tianjin) Co. Ltd	18		3	
MK Electric (Malaysia) SDN BHD	13		3	
Novar ED&S Limited, UK	445		209	
		489		224
b) Corporate overhead allocations				
Honeywell International Inc	228		300	
		228		300

Notes to the financial statements

Description of the nature of transactions	Volume of transactions for year ended			
	March 31, 2022		March 31, 2021	
c) Cost Allocation and Others				
Honeywell Automation India Limited	62		66	
Honeywell Pte Ltd	1			
Honeywell Technology Solutions Lab Private Limited	-		14	
		63		**80**
d) Rent paid				
Honeywell Automation India Limited	32		88	
Honeywell International India Private Limited	43		43	
		75		**131**
e) Data Communication Charges				
Honeywell Automation India Limited	-		13	
Honeywell Pte Limited	-		5	
		-		**18**
f) Debit Notes raised				
Honeywell International Inc	24		-	
Novar ED&S Limited, UK	1		-	-
		25		
g) R&D expense				
Honeywell Technology Solutions Lab Pvt. Ltd.	16		68	
Honeywell Environmental & Combustion Controls (Tianjin) Co. Ltd	-		-	
		16		**68**
h) Others				
Novar ED&S Limited, UK (Refer Note 27B)	-		300	
		-		**300**
i) Loan Availed				
Honeywell Technology Solutions Lab Private Limited	-		400	
				400
j) Repayment of Loan				
Honeywell Technology Solutions Lab Private Limited	-		400	
		-		**400**
k) Interest on Loan				
Honeywell Technology Solutions Lab Private Limited	-		20	
		-		**20**

Notes to the financial statements

(Rupees in lakhs)

	Amount outstanding as at			
	March 31, 2022		March 31, 2021	
	Receivable	Payable	Receivable	Payable
Honeywell International India Private Limited	-	10	-	-
Novar ED&S Limited, UK	318	137	300	394
Morris Plains Corporate HQ	-	-	-	23
Honeywell International Inc	16	11	-	-
MK Electric (Malaysia) Sdn Bhd	-	6	5	5
Honeywell Automation India Limited	-	36	-	39
Honeywell Pte Limited	-	2	-	7
Honeywell Environmental & Combustion Controls (Tianjin) Co., Ltd.	-	1	-	3
System Sensor India	-	-	-	10
	334	**203**	**305**	**481**

Note 29 - Lease Transactions:

(Rupees in lakhs)

	Year ended	
	March 31, 2022	March 31, 2021
Depreciation charge for right-of-use assets	76	67
Interest expense on lease liabilities	26	24
Expense relating to short-term leases and leases of low-value assets	127	173
Expense relating to variable lease payments not included in the measurement of lease liabilities	-	-
Cash outflow from operating leases	81	89
Additions to right-of-use assets during the year	-	-

Maturity analysis of lease liabilities

As a lessee under operating leases

(Rupees in lakhs)

2022-23	85
2023-24	88
2024-25	92
2025-26	95
2026-27 and thereafter	65
Total lease payments	**425**
Less: Interest	61
Total	**364**

Notes to the financial statements

Details of Right of Use Asset :-

(Rupees in lakhs)

	Year ended	
	March 31, 2022	**March 31, 2021**
Gross Block		
Balance as at April 01, 2021	542	542
Additions	-	-
Disposals	-	-
Balance as at March 31, 2022	542	542
Accumulated Amortisation		
Balance as at April 01, 2021	113	46
Charge for the year	76	67
Disposals	-	-
Balance as at March 31, 2022	**189**	**113**
Net Right of Use Asset as at March 31, 2022	**353**	**429**

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.

Note 30 - 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, 2022	**March 31, 2021**
Profit / (Loss) after tax (Rs. in lakhs)	1,544	(869)
Weighted average number of equity shares	951,640	951,640
Basic / Diluted earnings per share (Rs.)	162.24	(91.32)
Face value per share (Rs.)	10	10

Notes to the financial statements

NOTE 31 - a) Disclosure in accordance with Section 22 of Micro, Small and Medium Enterprises Development Act, 2006

(Rupees in lakhs)

Sr No	Particulars	March 31, 2022	March 31, 2021
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	183	205
	-Interest thereon	9	13
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	423	386
	- Total interest accrued during the year	9	13
	- Total Interest remaining unpaid out of the above as at the balance sheet date	9	13
	Outstanding interest at the end of previous year	81	68
	Outstanding interest at the end of current year	9	81

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.

Notes to the financial statements

Note 32 - Foreign Currency Exposures

Unhedged by derivative instruments/ or otherwise

(Rupees in lakhs)

Particulars	March 31, 2022	March 31, 2021
a) Liability - Trade Creditors		
In GBP	1	4
(Equivalent approximate in Rs.)	119	405
In EURO	-	1
(Equivalent approximate in Rs.)	-	44
In USD	-	3
(Equivalent approximate in Rs.)	14	217
In HKD	-	2
(Equivalent approximate in Rs.)	-	18
b) Asset - Trade Receivables		
In EURO	-	-
(Equivalent approximate in Rs.)	-	1
In USD	4	-
(Equivalent approximate in Rs.)	334	-

NOTE 33 - CONTINGENT LIABILITIES AND COMMITMENTS

A) Contingent liabilities

(Rupees in lakhs)

	Particulars	March 31, 2022	March 31, 2021
a)	Income Tax Department under appeal	-	692
b)	Sales Tax Department under appeal	4,468	4,007
c)	Other Legal Cases	6	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, 2022, Contingent liability majorly represent demands arising on completion of assessment proceedings under the Income-tax Act, 1961 and 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.

Notes to the financial statements

B) Estimated amount of contracts remaining to be executed on capital accounts and not provided for (net of advances) Rs. 49 Lakhs [Previous year 2021 Rs. 37 Lakhs]

Note 34 - 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	2022	53	58	27	-	84
	2021	55	14	16	-	53
Indirect tax matters	2022	559	55	-	-	614
	2021	475	84	-	-	559
Total	2022	612	113	27	-	698
	2021	530	98	16	-	612

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 35 - 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, 2022	Year ended March 31, 2021
1	Contribution to employees' superannuation fund	9	8
2	Provident fund paid to authorities	86	70
	Total	95	**78**

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, 2022	As at March 31, 2021
1	Discount rate	7.15%	6.80%
2	Expected rate of return on plan assets	6.80%	7.90%
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, 2022	March 31, 2021
1	Current service cost	35	38
2	Past service cost		-
3	Net Interest cost	13	12
	Component of defined benefit costs recognised in profit or loss	48	50
4	Actuarial (gain)/ losses arising from changes in demographic assumptions	-	-
5	Actuarial (gain)/ losses arising from changes in financial assumptions	(10)	8
6	Actuarial (gain)/ losses arising from changes in experience adjustments	4	(21)
7	Return on plan assets (greater)/ less than discount rate	(5)	(3)
8	Adjustments for restriction on defined benefit asset	-	-
	Component of defined benefit costs recognised in other comprehensive income	**(11)**	**(16)**
	Total	**37**	**34**

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, 2022	March 31, 2021
1	Present value of obligation as at beginning of the year	340	347
2	Current service cost	36	38
3	Past service cost		-
4	Interest cost	23	22
5	Remeasurement (gains)/losses:		
	Actuarial (gain)/ losses arising from changes in demographic assumptions	-	-
	Actuarial (gain)/ losses arising from changes in financial assumptions	(10)	8
	Actuarial (gain)/ losses arising from changes in experience adjustments	4	(21)
6	Curtailment cost/(credit)	-	-
7	Settlement cost/(credit)	-	-
8	Benefits paid	(42)	(54)
9	Acquisition/ Divestiture	(2)	-
10	Present value of obligation as at end of the year	349	340

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

(Rupees in lakhs)

Sr. No.	Particulars	March 31, 2022	March 31, 2021
1	Fair value of plan assets as at beginning of the year	135	161
2	Interest income		-
3	Remeasurement gain/(loss)	5	3
4	Expected return on plan assets	10	12
5	Employers' contribution	179	14
6	Benefits payment from plan asset	(42)	(54)
7	Acquisition/ Divestiture	(2)	-
8	Fair value of plan assets as at end of the year	285	135

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, 2022	March 31, 2021
1	Present value of funded obligation	349	340
2	Fair value of plan assets	285	135
3	Net liability recognized in the Balance Sheet	64	205

C. Other long term benefit - Compensated absences as at year end amounts to Rs. 76 lakhs (March 31, 2021: Rs. 78 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, 2022 Present value of Obligation	March 31, 2021 Present value of Obligation
a) Discount rate -100 basis point	378	370
b) Discount rate +100 basis point	324	314

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, 2022 Present value of Obligation	March 31, 2021 Present value of Obligation
a) Salary increment rate -100 basis point	322	314
b) Salary increment rate +100 basis point	379	370

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

Sr. No.	Particulars	March 31, 2022	March 31, 2021
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, 2022	March 31, 2021
a	Actual return on plan assets	14	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	49
Year -2	36
Year -3	20
Year -4	32
Year -5	19
Years 6 to 10	169

Note 36 - Financial Instrument

36.1 Categories of financial instrument

(Rupees in lakhs)

	31st March 2022			31st March 2021		
	Within twelve months	After twelve months	Total	Within twelve months	After twelve months	Total
Financial assets						
Measured at amortised cost						
(i) Trade receivables	3,396	-	3,396	2,612	-	2,612
(ii) Cash and Bank	6,275	-	6,275	3,768	-	3,768
(iii) Other financials assets				300	82	382
(i) Security Deposits	-	83	83		82	82
(ii) Other receivables	306		306		300	300
Financial Liabilities						
Measured at amortised cost						
(i) Trade payables						
(i) Trade payables to Micro Small and Medium Enterprise	183	-	183	205		205
(ii) Trade payables others	2,936	-	2,936	2,437		2,437
(ii) Other financial liabilities						
(i) Creditors for Capital Goods	37	-	37	6		6
(ii) Provision for expenses	765	-	765	755		755
(iii) Lease Liabilities	63	301	364	56	364	420

Notes to the financial statements

36.2 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 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, 2022	March 31, 2021
USD Impact		
5% Appreciation in USD		
Impact on profit or loss for the year {Gain/(Loss)}	16	(11)
Impact on total equity as at the end of the reporting period	16	(11)
5% Depreciation in USD		
Impact on profit or loss for the year {Gain/(Loss)}	(16)	11
Impact on total equity as at the end of the reporting period	(16)	11
GBP Impact		
5% Appreciation in GBP		
Impact on profit or loss for the year {Gain/(Loss)}	(6)	(20)
Impact on total equity as at the end of the reporting period	(6)	(20)
5% Depreciation in GBP		
Impact on profit or loss for the year {Gain/(Loss)}	6	20
Impact on total equity as at the end of the reporting period	6	20

Notes to the financial statements

36.3 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.

36.4 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, 2022.

Particulars	Less than 1 year	1 to 5 years	more than 5 years
Trade payables	-	-	-
Other financial liabilities at amortised cost	-	-	-
Lease liabilities	85	275	65

36A 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, 2022			As at March 31, 2021		
		Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Inventories	5	1,981	-	1,981	1,449	-	1,449
Trade Receivables	6	3,396	-	3,396	2,612	-	2,612
Other financial assets	8	306	-	306	300	-	300
Other Current assets	11	352	-	352	830	-	830

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, 2022			As at March 31, 2021		
		Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Trade Payables to Micro Small and Medium Enterprise	16	183	-	183	205	-	205
Trade payables others	16	2,936	-	2,936	2,437	-	2,437
Lease liabilities	17	63	-	63	56	-	56
Other financial liabilities	18	802	-	802	761	-	761
Other current liabilities	19	396	-	396	349	-	349
Provisions	15	731	-	731	671	-	671

36B 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	2022	376	-	-	-	-	3,018	3,396
	2021	498	-	-	-	-	2,114	2,612
ii) Undisputed Trade Receivables – which have significant increase in credit risk	2022	-	-	-	-	-	-	-
	2021	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	2022	-	-	-	-	-	-	-
	2021	-	-	-	-	-	-	-
iv) Disputed Trade Receivables– considered good	2022	-	-	-	-	-	-	-
	2021	-	-	-	-	-	-	-
v) Disputed Trade Receivables – which have significant increase in credit risk	2022	-	-	-	-	-	-	-
	2021	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	2022	-	-	-	-	-	-	-
	2021	-	-	-	-	-	-	-

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	2022	-	-	-	-	-	-	-
	2021	-	-	-	-	-	-	-
MSME - undisputed dues	2022	(59)	(8)	(8)	(2)	(1)	(105)	(183)
	2021	(79)	-	(0)	-	(2)	(124)	(205)
Others - disputed dues	2022	-	-	-	-	-	-	-
	2021	-	-	-	-	-	-	-
Others - undisputed dues	2022	(708)	0	(91)	(25)	(21)	(2,092)	(2,937)
	2021	(830)	(115)	(140)	(37)	(83)	(1,233)	(2,438)

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	2.41	2.00	20%	Not Applicable
Debt-Equity Ratio	Total Debt	Shareholder's Equity	Not Applicable	Not Applicable	-	Not Applicable
Debt Service Coverage Ratio	Earnings available for debt service	Debt Service	Not Applicable	Not Applicable	-	Not Applicable
Return on Equity Ratio	Profit after tax	Shareholder's Equity	17%	-11%	248%	Variation is on account of profit on sale of Land and Building at Chennai during the current year.
Inventory turnover ratio	Cost of goods sold	Average Inventory	3.77	2.95	28%	The variance is on account of increase in purchase volumes.
Trade Receivables turnover ratio	Net Sales	Avg. Accounts Receivable	4.03	3.18	27%	Increase in Sales volumes and improvement is the average collection period.
Trade payables turnover ratio	Net Purchases	Average Trade Payables	2.24	1.75	28%	The variance is on account of increase in purchase volumes during the current year.
Net capital turnover ratio	Net Sales	Working Capital	1.68	1.91	12%	Not Applicable
Net profit ratio	Net Profit	Net Sales	13%	-10%	225%	Variation is on account of profit on sale of Land and Building at Chennai in the current year.
Return on Capital employed	Earnings before interest and tax	Capital Employed	0.31	(0.13)	330%	Variation is on account of profit on sale of Land and Building at Chennai in the current year.
Return on investment	Return on investment	Average investments	Not Applicable	Not Applicable	-	Not Applicable

Notes to the financial statements

Note 38

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 39

Company does not have any transaction with Struck off companies.

Note 40

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 41

As set out in section 135 of the Companies Act, 2013 the Company is not required to contribute any amount towards Corporate Social Responsibility activities.

Note 42

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

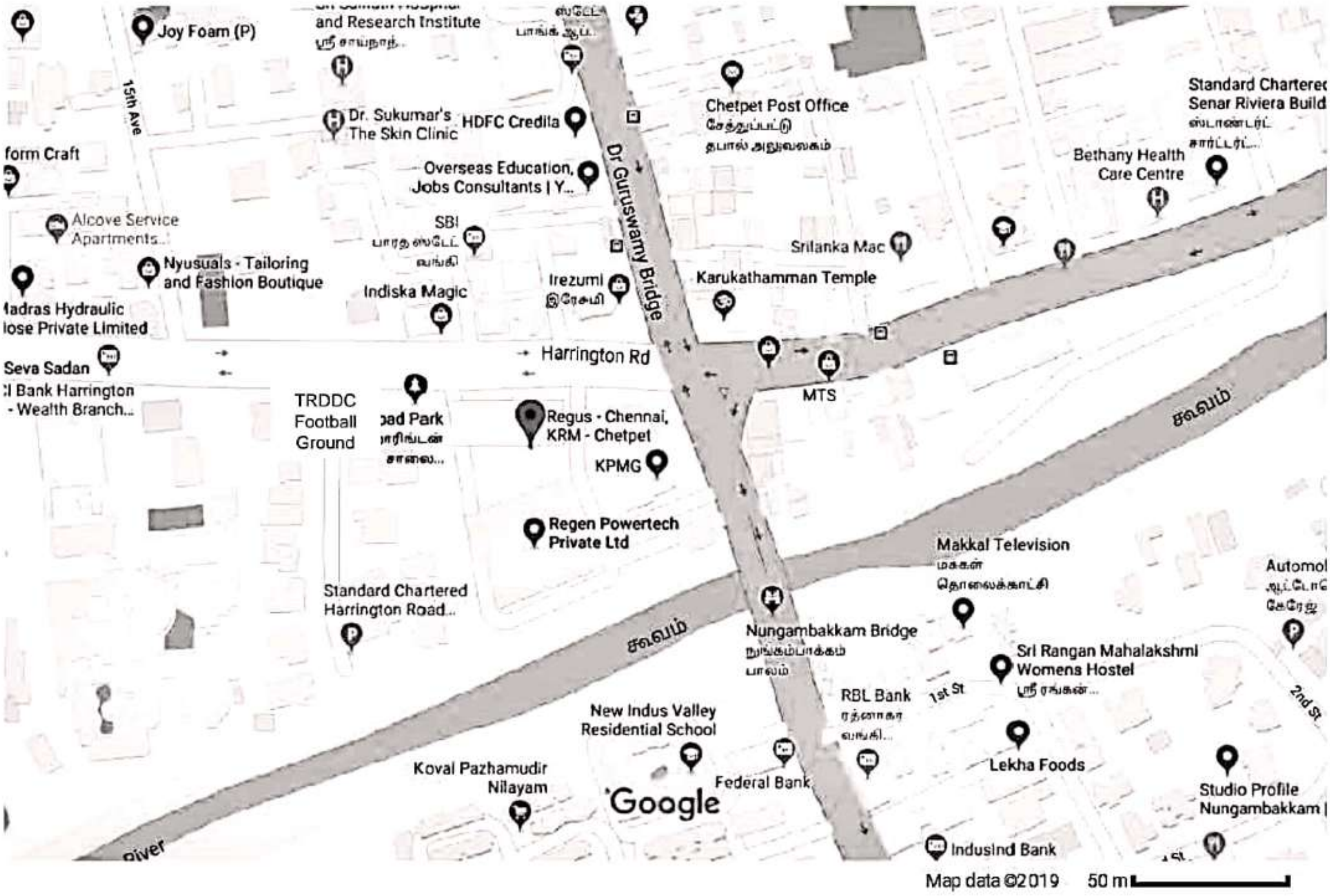
Note 43

The financial statements were approved for issue by the board of directors on August 24, 2022

For and on behalf of the Board

Vimal Chawla Director DIN: 08396551	**Satish Agarwal** Director DIN: 06927467
Place : Pune Date : August 24, 2022	Place : Gurgaon Date : August 24, 2022

Google Maps Regus - Chennai, KRM - Chetpet



ATTENDANCE SLIP

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

37th Annual General Meeting on 28th September, 2022

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 37th Annual General Meeting of Honeywell Electrical Devices and Systems India Limited on Wednesday, September 28, 2022, 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 37th Annual General Meeting of the Company, to be held on Wednesday, September 28, 2022, 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, 2022, 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.		

Signed this _____day of __________ 2022

Signature of Shareholder

Signature of Proxy holder

Affix Revenue Stamps

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

NOTES

NOTES

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

Honeywell