Honeywell Technologies

HONEYWELL ELECTRICAL DEVICES AND SYSTEMS INDIA LIMITED

ANNUAL REPORT 2025 - 26

Board of Directors

Mr. Harish Maganlal Baijal	- Independent Director
Mr. Sajeev Kumar Jain	- Independent Director
Mr. Nagendranath Shankarappa	- Director
Mr. Sameer Mahajan	- 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

Walker Chandiok & Co. LLP
Chartered Accountants, Pune

Works

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

Contents

Notice is hereby given that the Forty-First Annual General Meeting of the Members of Honeywell Electrical Devices and Systems India Limited will be held on Wednesday, September 30, 2026 at the registered office of the Company at 5th, 6th and 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, 2026 along with the Reports of the Directors and Auditors thereon.**
2. **To appoint a director in place of Mr. Nagendranath Shankarappa (DIN: 10186938) 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 Membership No. M-22758, appointed by the Board of Directors as Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2027, amounting to Rs.1,75,000/- as also the payment of GST as applicable and reimbursement of out of pocket expenses incurred in connection with the aforesaid audit, be and is hereby ratified and confirmed.

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

4. **Appointment of Mr. Sanjeev Kumar Jain as Independent Director:**

   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 Sections 149, 150, 152, 160 and other applicable provisions, read with Schedule IV of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, Mr. Sanjeev Kumar Jain (DIN: 05325926), who was co-opted by the board as an Additional Non-executive Independent Director on August 12, 2026 and who holds office up to the date of this Annual General Meeting and who has submitted a declaration that he meets the criteria of independence under section 149 (6) of the act, in respect of whom the company has received a notice in writing under section 160 of the act from a member proposing his candidature for the office of the Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation and to hold the office for a first term of 5 (five) consecutive years, commencing from August 12, 2026 to August 11, 2031.

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

5. **Approve and Ratify Remuneration Paid to Mr. Sameer Mahajan, Non-Executive Director for the Financial Year 2025-26**

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

"**RESOLVED THAT** pursuant to the provisions of Section 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V thereto and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors, the approval of the members of the Company be and is hereby accorded to ratify remuneration paid to Mr. Sameer Mahajan (DIN: 11089242) Non-Executive Director of the Company during the Financial Year 2025-26, and to waive recovery of the remuneration amount paid in excess of the limits specified under Section 197 read with Schedule V of the Companies Act, 2013.

RESOLVED FURTHER THAT any Director of the Company be and are hereby severally authorized to take all such steps as may be necessary for obtaining requisite approvals, statutory or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and execute all applications, documents, writings and filings as may be required on behalf of the Company, and generally to do all such acts, deeds and things as may be necessary, proper or expedient for giving effect to this resolution."

6. **Approve the payment of Remuneration to Mr. Sameer Mahajan, Non-Executive Director for the Financial Year 2026-27**

To consider and if thought fit, to pass with or without modification(s), the following resolution(s) as a **Special Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Sections 197, 198 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors, the approval of the members of the Company be and is hereby accorded to pay remuneration to Mr. Sameer Mahajan (DIN: 11089242), Non-Executive Director of the Company, for the Financial Year 2026-27, in excess of the limits specified under Section 197 and Schedule V of the Companies Act, 2013.

RESOLVED FURTHER THAT any Director of the Company be and are hereby severally authorized to take all such steps as may be necessary, proper or expedient to give effect to this resolution, including but not limited to filing of requisite forms with the Registrar of Companies, and to do all such acts, deeds, matters and things as may be necessary or incidental thereto."

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

Nagendranath Shankarappa
Director
DIN: 10186938

Date: August 27, 2026
Place: Gurgaon

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 41st AGM is being convened at the registered office of the Company which can be attended by the members physically. Further, pursuant to General Circulars issued by the Ministry of Corporate Affairs (to the extent applicable to the Company), the members are given an additional opportunity to attend the 40th AGM through Video Conferencing/ Other Audio-Visual Means (VC/OAVM) mode through the link provided below: https://teams.microsoft.com/meet/240696202734406?p=7ROW5e0G1fJ81prWrq
7. A route map to the venue of the Annual General Meeting has been provided at the end of the Annual Report.
8. The Company has initiated the process for dematerialization 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 investor.heds@gmail.com.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 3

The Board of Directors of the Company has approved the appointment and remuneration of M/s. C.S. Adawadkar & Co; Cost Accountant, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2027.

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 2026-27 as set out in the resolution for the aforesaid services to be rendered by them.

None of the Directors are, in any way interested or concerned in the resolution. The Board recommends the resolution set forth in Item No. 3 for the approval of the members.

Item No. 4

The Board appointed Mr. Sanjeev Kumar Jain as an Additional Independent Director of the Company on August 12, 2026 pursuant to Section 161, 152 and 149 of the Companies Act, 2013.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, Mr. Sanjeev Kumar Jain holds office up to the date of the ensuing Annual General Meeting. It is proposed to appoint Sanjeev Kumar Jain as an Independent Director of the Company.

The Company has received from Mr. Sanjeev Kumar Jain (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014, and (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 iii) Declaration of independence under sub-section (7) of section 149 of the Companies Act, 2013.

Further, the Nomination and Remuneration Committee and the Board of Directors have recommended appointment of Mr. Sanjeev Kumar Jain as an Independent Director of the Company.

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

Item No. 5

During the year the company has paid an amount in excess of the limits laid down under section 197(13) read with the Schedule V of the Companies Act, 2013. On the basis of recommendation of the Nomination and Remuneration Committee, the Board of Directors, have recommended the resolution for ratification of the remuneration paid to Mr Sameer Mahajan, Non-Executive Director for the FY 2025-26 and to waive recovery of the remuneration amount paid in excess of the limits specified under Section 197 read with Schedule V of the Companies Act, 2013.

None of the directors or their relatives except Mr Sameer Mahajan are in any way interested in the said resolution.

The Board recommends the resolution set forth in Item No. 5 for the approval of the members

Item No. 6

During the year the company proposes to pay remuneration to Mr. Sameer Mahajan. If the limit exceeds the limits specified in Section 197 read with Schedule V of the Companies Act 2013, on the basis of recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company have recommended the necessary special resolution for the approval of the members of the company for the payment of remuneration for the FY 2026-27.

None of the directors or their relatives except Mr Sameer Mahajan are in any way interested in the said resolution.

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

Nagendranath Shankarappa
Director
DIN: 10186938

Date: August 27, 2026
Place: Gurgaon

Details of Directors to be appointed/ re-appointed at the Annual General Meeting to be held on Wednesday, September 30, 2026 in terms of Secretarial Standard on General Meetings (SS-2).

Item No. 2 and 4

NAME	Mr. Nagendranath Shankarappa (DIN:10186938)	Mr. Sanjeev Kumar Jain (DIN: - 05325926)	Mr. Sameer Mahajan (DIN: 11089242)
DATE OF BIRTH AND AGE	March 10, 1969 Age 57 years	February 10, 1964 Age 62 years	March 22, 1971 Age 55 years
DATE OF FIRST APPOINTMENT ON BOARD IF ANY	June 20, 2023	August 12, 2026	June 10, 2025
QUALIFICATION	Bachelor of Engineering	Chartered Accountant	B.E. in Electronics & Communication Engineering and MBA in international Trade
EXPERIENCE	Working experience of 34 years in companies including Schneider Electric, General Motors, Toyota, Whirlpool	Working experience of 40+ years in companies including Tata communications, GATI, AFL/ FEDEX, Amicus Growth Advisors.	He has 30+ years of experience in Electrical Products Industry. He has worked with Polycab India Ltd., Legrand (India) group, ABB and Havells India ltd. group where he held various positions in Sales, Marketing and Business Development.
DIRECTORSHIP HELD IN OTHER COMPANIES	Advinnov Materials India Private Limited	6 Companies and 1 LLP	Nil
MEMBERSHIP/ CHAIRMANSHIP OF COMMITTEES ACROSS ALL COMPANIES	He is a Member of Audit Committee and Corporate Social Responsibility Committee and Nomination and Remuneration Committee He does not hold membership/ chairmanship of committees in any other company.	He is a Member of Audit Committee and Corporate Social Responsibility Committee and Nomination and Remuneration Committee As per annexure attached	He is a Member of 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	Nil	Nil
TERMS AND CONDITIONS OF APPOINTMENT OR RE-APPOINTMENT INCLUDING REMUNERATION	The Board appointed Mr. Shankarappa as an Additional Director of the Company on June 20, 2023. Pursuant to the provisions of Section 161 of the Companies Act, 2013, Mr. Shankarappa holds office up to the date of the ensuing Annual General Meeting. It is proposed to appoint Mr. Shankarappa as Director of the Company. If appointed, Mr. Vimal Chawla will be Non-Executive Director liable to retire by rotation.	The Board appointed Sanjeev Kumar Jain as an Additional Director of the Company on August 12, 2026 not liable to retire by rotation.	The Board appointed Mr. Mahajan as an Additional Director of the Company on June 10, 2025. Pursuant to the provisions of Section 161 of the Companies Act, 2013, Mr. Mahajan holds office up to the date of the ensuing Annual General Meeting. In the Annual General Meeting held on November 11, 2025 Mr. Mahajan were appointed as Non-Executive Director of the Company.

NAME	Mr. Nagendranath Shankarappa (DIN:10186938)	Mr. Sanjeev Kumar Jain (DIN: - 05325926)	Mr. Sameer Mahajan (DIN: 11089242)
RELATIONSHIP WITH OTHER DIRECTORS, KEY MANAGERIAL PERSONNEL OF THE COMPANY	Mr. Nagendranath Shankarappa is not related to any of the directors of the Company.	Mr. Sanjeev Kumar Jain is not related to any of the directors of the Company.	Mr. Mahajan 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. Nagendranath Shankarappa is as disclosed elsewhere in the Directors' Report.	NA	The number of meetings attended by Mr. Mahajan is as disclosed elsewhere in the Directors' Report.

Committee Positions of Mr. Sanjeev Kumar Jain:

S. No.	Name of the Company	Committee Name	Designation
1	VR Dakshin Private Limited	Audit Committee	Member
		Nomination & Remuneration Committee	Member
		Risk Management Committee	Member
2	VR Konkan Private Limited	Audit Committee	Member
		Nomination & Remuneration Committee	Member
		Risk Management Committee	Member
3	Green Planet Transportation Private Limited	Audit Committee	Chairman
		Nomination & Remuneration Committee	Member
4	Honeywell Electrical Devices and Systems India Limited	Audit Committee	Member
		Nomination & Remuneration Committee	Member
		Corporate Social Responsibility Committee	Member
5	Green Planet Logistics Private Limited	Audit Committee	Member

For and on behalf of Board of

Honeywell Electrical Devices And Systems India Limited

Nagendranath Shankarappa

Director

DIN: 10186938

Date: August 27, 2026

Place: Gurgaon

Dear Members,

Your Directors are pleased to present the Directors' Report of the Company, together with the Balance Sheet and Profit and Loss Account for the year ended March 31, 2026.

FINANCIAL RESULTS

Your company achieved a turnover of Rs. 16,324 Lacs and the profit after tax of Rs. 1,373 Lakhs. The key aspects of financial performance of the Company for the financial year 2025-26 are tabulated below:

(Rs. in lakhs)

PARTICULARS	2025-26	2024-25
Sales and Other Income	16,877	16,263
Profit before depreciation and Interest	2,441	1,626
Less: Depreciation	459	415
Less: Interest	14	20
Profit / (Loss) before Tax	1,968	1,191
Less Tax Expense	595	304
Profit / (Loss) After Tax	1,373	887
Other Comprehensive Income		
Surplus brought forward from previous year		
Balance carried to Balance Sheet	14,343	12,970

RESERVES

The Company has not transferred any amounts to reserves during the year. The Company has carried the amount of Profit for the year of Rs.1,373 Lakhs to the Surplus Account.

DIVIDEND

In view of conserving the resources for future business growth of the Company, the Directors do not recommend any dividend for the year.

CORPORATE DEVELOPMENT

During FY 2025-26, market conditions in the construction industry remained broadly stable compared with the previous financial year. While the first quarter was impacted by disruptions arising from Operation Sindoor, overall demand trends remained resilient. The premium residential segment continued to outperform the mid-income and affordable housing segments. The reduction in repo rates led to more favorable home loan interest rates, supporting sustained demand in the residential real estate market. The commercial office segment also exhibited steady growth, driven by consistent demand for commercial real estate throughout the year. Furthermore, continued investments in government infrastructure projects contributed positively to overall market growth and business activity.

FY 2025-26 was a year of consolidation for the Company as it focused on strengthening and scaling recently launched product platforms. During the year, the Company upgraded its flagship wiring devices range, EVO, which received a positive response from customers. The Company also recorded strong growth in revenue from the Blenze Pro range, supported by increasing demand in the premium residential real estate segment.

However, the temporary unavailability of the Company's IoT-enabled wiring devices portfolio constrained growth opportunities within the premium residential market. The Company remains committed to expanding the EVO and Horizon product ranges while maintaining a strong focus on retail channel growth. The Company's New Product Introduction (NPI) vitality index stood at 56%, reflecting its strong commitment to innovation and portfolio development. The absence of a comprehensive home automation offering continues to present a challenge in the premium segment, and the Company is actively working on a revival strategy for product lines catering to this market.

THE YEAR AHEAD

The Company will continue to scale up recently launched products through the effective execution of its identified go-to-market strategies. Growth initiatives will remain focused on strengthening market share in key regions, expanding presence in high-potential verticals such as Healthcare and Pharmaceuticals, and further enhancing the Circuit Protection portfolio.

During the coming year, the Company intends to launch Nucleus 2.0, a new product range designed to strengthen its position in the premium residential real estate segment. In addition, the Company is pursuing strategic initiatives to regain momentum and reinforce its presence in the lighting management segment.

PEOPLE DEVELOPMENT AND INDUSTRIAL RELATION

Hopetown facility continues to be associated with CII (Confederation of Indian Industry) & UIWA (Uttarakhand Industrial Welfare Association) and through the association attends regular calls & meetings to get the latest updates about industries. Site received the north region Quality Circle Regional Award organized by CII of India in September 2025, two teams from Hopetown Won the Gold Award in QCFI-HCCQC competition in October 2025. Hopetown team awarded best Kaizen awards 6 times in the year 2025 & Kaizen of the year Award 2025 and Poka-yoke of the quarter award among all Building Automation sites globally. Hopetown site re-certified with ISO 9001, 45001 & 50001-2018 certification in November'2025.

The site has continually focused on the health and safety of the workers. The primary focus has been to ensure a secure and safe manufacturing environment for the workers by following operational procedures aimed at preventing and controlling the spread of Health diseases at the site. The Site conducted medical examinations for all employees as per the Factory Act Guidelines in November 2025.

DEPOSITS

In terms of the provisions of Sections 73 of the Companies Act, 2013 read with the relevant Rules of the Act, the Company has not accepted any deposits during the year under review and as such, no amount of principal or interest was outstanding as on March 31, 2026.

SHARE CAPITAL

The Authorized Share Capital of the Company is Rs. 20,000,000/- (Rupees Two Crores Only) divided into 20,00,000 (Twenty Lakhs Only) Equity Shares of Rs. 10/- (Rupees Ten Only) each. The paid-up Share Capital of the company is 951,640 Equity Shares of Rs. 10/- each amounting to Rs. 95,16,400/- (Rupees Ninety-Five Lakhs Sixteen Thousand and Four Hundred Only).

MANAGEMENT STRUCTURE

As per the provisions of the Companies Act, 2013, Mr. Nagendranath Shankarappa, retires by rotation at the forthcoming AGM and being eligible, has offered himself for reappointment. The Board recommends his reappointment.

The composition of the Board of Directors as of March 31, 2026, was as follows:

Sr. No.	Name of the Director	Designation
1.	Mr. Virender Shankar	Independent Director
2.	Mr. Satish Kumar Agarwal	Director
3.	Mr. Nagendranath Shankarappa	Director
4.	Mr. Harish Maganlal Baijal	Independent Director
5.	Mr. Sameer Mahajan	Director

After the closure of Financial Year 2025-26, Mr. Satish Kumar Agarwal resigned from the post of director of the company w.e.f. May 20, 2026.

Mr. Virender Shankar had completed his second tenure as an independent director, thus he retired from the post of directorship w.e.f. August 11, 2026.

On August 12, 2026 Mr. Sanjeev Kumar Jain, Independent Director was appointed on the Board of the Company as an additional director. The Board recommends regularization of his appointment in the forthcoming AGM.

The composition of the Board of Directors as on date of this report, is as follows:

Sr. No.	Name of the Director	Designation
1.	Mr. Sanjeev Kumar Jain	Independent Director
2.	Mr. Harish Maganlal Baijal	Independent Director
3.	Mr. Nagendranath Shankarappa	Director
4.	Mr. Sameer Mahajan	Director

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

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

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

BOARD COMMITTEES

The Company has the following Committees –

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

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

AUDIT COMMITTEE

The Committee comprises of following Members as on 31st March 2026

Sr. No.	Name of the Director	Designation
1.	Mr. Virender Shankar	Independent Director
2.	Mr. Harish Baijal	Independent Director
3.	Mr. Nagendranath Shankarappa	Director
4.	Mr. Sameer Mahajan	Director

Post Retirement of Mr. Virender Shankar and appointment of Mr. Sanjeev Kumar Jain composition of committee is as follows.

Sr. No.	Name of the Director	Designation
1.	Mr. Sanjeev Kumar Jain	Independent Director
2.	Mr. Harish Maganlal Baijal	Independent Director
3.	Mr. Nagendranath Shankarappa	Director
4.	Mr. Sameer Mahajan	Director

The Audit Committee's primary objective is to monitor and provide effective supervision of the Management's financial reporting process, to ensure accurate and timely disclosures with the highest levels of transparency, integrity, and quality of financial reporting, and to deal with all matters as per section 177 of the Companies Act, 2013.The Board sincerely record its appreciation for the contribution of Mr. Shankar during his tenure and wishes him good luck for future.

NOMINATION AND REMUNERATION COMMITTEE

The Committee comprises of following Members as on 31st March 2026

Sr. No.	Name of the Director	Designation
1.	Mr. Virender Shankar	Independent Director
2.	Mr. Harish Maganlal Baijal	Independent Director
3.	Mr. Sameer Mahajan	Director
4.	Mr. Satish Kumar Agarwal	Director

Post resignation of Satish Kumar Agarwal, retirement of Mr. Virender Shankar and appointment of Mr. Sanjeev Kumar Jain, the Committee was reconstituted. As on date of this report the composition of committee is as follows.

Sr. No.	Name of the Director	Designation
1.	Mr. Sanjeev Kumar Jain	Independent Director
2.	Mr. Harish Maganlal Baijal	Independent Director
3.	Mr. Sameer Mahajan	Director
4.	Mr. Nagendranath Shankarappa	Director

The Committee is responsible for formulating criteria for determining the appointment and remuneration of individual members of the Board of Directors of the Company.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Committee comprises of following Members as on 31st March 2026

Sr. No.	Name of the Director	Designation
1.	Mr. Virender Shankar	Independent Director
2.	Mr. Harish Maganlal Baijal	Independent Director
3.	Mr. Satish Kumar Agarwal	Director
4.	Mr. Nagendranath Shankarappa	Director
5.	Mr. Sameer Mahajan	Director

Post resignation of Mr. Satish Kumar Agarwal in May 2026, appointment of Mr. Sanjeev Kumar Jain and retirement of Mr. Virender Shankar in August 2026, following is the composition of Corporate Social Responsibility Committee as on the date of this report.

Sr. No.	Name of the Director	Designation
1.	Mr. Sanjeev Kumar Jain	Independent Director
2.	Mr. Harish Maganlal Baijal	Independent Director
3.	Mr. Nagendranath Shankarappa	Director
4.	Mr. Sameer Mahajan	Director

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

MEETINGS OF BOARD AND ITS COMMITTEES

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

A. BOARD OF DIRECTORS:

The Board had met 4 (Four) times during the year, on July 10, 2025, August 29, 2025, December 18, 2025 and March 11, 2026. Attendance of the members for the same is given below:

S. No.	Date of Meeting	Attended by				
		Harish Baijal	Virender Shankar	Satish Kumar Agarwal	Nagendranath Shankarappa	Sameer Mahajan
1.	July 10, 2025	Yes	Yes	No	No	Yes
2.	August 29, 2025	Yes	Yes	Yes	Yes	Yes
3.	December 18, 2025	Yes	Yes	No	Yes	No
4.	March 11, 2026	Yes	Yes	Yes	Yes	Yes

B. AUDIT COMMITTEE

The Audit Committee met 4 (Four) times during the year, on July 10, 2025, August 29, 2025, December 18, 2025 and March 11, 2026. Attendance of the members for the same is given below:

Date of Meeting	Attended by			
	Harish Baijal	Virender Shankar	Nagendranath Shankarappa	Sameer Mahajan
July 10, 2025	Yes	Yes	No	NA
August 29, 2025	Yes	Yes	Yes	NA
December 18, 2025	Yes	Yes	Yes	No
March 11, 2026	Yes	Yes	Yes	Yes

C. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee met Once during the year on August 29, 2025. Attendance of the members for the same is given below:

Date of Meeting	Attended by		
	Harish Baijal	Virender Shankar	Satish Kumar Agarwal
August 29, 2025	Yes	Yes	Yes

D. CSR COMMITTEE

The CSR Committee met Once during the year on December 18, 2025. Attendance of the members for the same is given below:

Date of Meeting	Attended by				
	Harish Baijal	Virender Shankar	Nagendranath Shankarappa	Satish Kumar Agarwal	Sameer Mahajan
December 18, 2025	Yes	Yes	Yes	No	No

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 Code of Ethics. Protected disclosures can be made by a whistle blower through an e-mail, or telephone line. The policy has been displayed on https://www.honeywellsmarthomes.com/about-honeywell/statutory-info

COMPANYS' POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

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

Policy relating to Directors

a. The person to be chosen as a Director shall be of high integrity with relevant expertise and experience 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, whilst recommending the candidature for appointment as Director:

   (i) Qualification, expertise and experience of the Directors in their respective fields;

   (ii) Personal, Professional or business standing; and

   (iii) Diversity of the Board.

d. In case of re-appointment of Non-Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

Remuneration Policy

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

During FY 2025-26, the Company has paid remuneration to the Independent Directors by way of sitting fees @ Rs 30,000/- for each Board, Audit Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee attended by the Independent Directors.

Further, the Company has paid remuneration to Mr. Sameer Mahajan, a Non Executive Director of the Company, in excess of the limits laid down under section 197 read with Schedule V of the Act. As per the provisions of Section 197 read with Schedule V to the Companies Act, 2013, the approval of the shareholders is being sought at the ensuing Annual General Meeting by way of separate special resolutions to (i) ratify payment of remuneration to Mr. Sameer Mahajan for FY 2025-26 and (ii) for payment of Remuneration to Mr. Sameer Mahajan for FY 2026-27.

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, evaluate business risks and opportunities. The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage. These are discussed at various department level meetings of the Company. The Company has identified various risks and has mitigation plans for each risk identified.

INTERNAL CONTROL SYSTEMS AND ADEQUACY OF INTERNAL FINANCIAL CONTROLS

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

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

SEPARATE MEETING OF INDEPENDENT DIRECTORS

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

SUBSIDIARY COMPANIES

The Company has no subsidiary company as on the end of the financial year March 31, 2026. 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, thus it is not required to upload its Annual Return on the website and a copy of the Annual Return shall be filed with the Registrar of Companies.

RELATED PARTY TRANSACTIONS

There have been no material 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 II.**

NAMES OF THE COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR:

No Company either became or ceased to be a subsidiary company, joint venture partner or associate company of the Company during the financial year under review.

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

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

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

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

There is no significant material orders passed by the Regulators or Courts or Tribunal 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

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the rules framed there under Walker Chandiok & Co. LLP (FRN: 001076N/ N500013), Chartered Accountants, have been appointed as statutory auditors of the company in the 40th Annual General Meeting held on 11th November 2025 for a period of five years to conduct the audit of the financial statements for financial years 2025-26 to 2029-30.

They have also confirmed that their appointment is within the limits prescribed under the Companies Act, 2013.

STATUTORY AUDIT REPORT

The Audit Report for the Financial Year 2025-26 does not contain any qualification or Emphasis of Matter during the year 2025-26.

COST RECORDS

In pursuance of the provisions of Section 148(1) of the Companies Act, 2013 and Rule 4 of the Companies (Cost Records and Audit) Rules, 2014, the Company is required to maintain the Cost Records and accordingly the accounts and Cost Records for the Financial Year 2025-26 have been made and maintained.

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 2025-26.

Your Company submitted its Cost Audit Report for the FY 2024-25, duly audited by M/s Chandrashekar S Adawadkar, Cost Accountants, with the Ministry of Corporate Affairs within the stipulated time. The Board has reappointed him as the Cost Auditor for the year 2026-27.

A resolution seeking ratification of their remuneration 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.

Please also mention the number of employees

Male- 164

Female- 50

Transgender- 0

Not Disclosed- 56

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

Honeywell Electrical Devices and Systems India Limited as an organization is committed to provide a healthy environment to all its employees and thus does not tolerate any discrimination and/or harassment in any form. The Company has in place a Prevention of Sexual Harassment (POSH) policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Frequent communication of this policy is done in assimilation programs and at regular intervals to its employees. Following are some of the awareness programs imparted to train the employees and Internal Complaints Committee (ICC).

1. Every employee is supposed to undergo mandatory e-learning module on "Prevention of Sexual Harassment" at workplace.
2. Policy of "Prevention of Sexual Harassment" at workplace is available on intranet for employee to access as and when required.

The Company has setup an Internal Complaints Committee (ICC) both at the head office / corporate office in India. ICC has representation of men and women and is chaired by senior lady employee and has an external women representation.

INSOLVENCY AND BANKRUPTCY CODE, 2016

The Company has not made any application under the Insolvency and Bankruptcy Code, 2016 (31 of 2016). Nor are there any proceedings pending under the said statute.

DETAILS OF DIFFERENCE BETWEEN THE AMOUNT OF THE VALUATION DONE AT THE TIME OF ONETIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF

The requirement to disclose the details of difference between the amount of the valuation done at the time of one-time settlement and the valuation done while taking loans from the Banks or Financial Institutions, along with the reasons thereof, is not applicable.

SECRETARIAL STANDARDS

During the financial year under review, the company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

STATEMENT THAT COMPANY HAS COMPLIED WITH MATERNITY BENEFITS ACT, 1961

The Company has complied with the provisions relating to Maternity Benefits Act, 1961 to the extent applicable.

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

Nagendranath Shankarappa	**Sameer Mahajan**
Director	**Director**
DIN: 10186938	**DIN: 11089242**

Date – August 27, 2026
Place - Gurgaon

ANNEXURE INDEX

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

Annexure -I

ANNUAL REPORT ON CSR ACTIVITIES

(For Financial Year ended on March 31, 2026)

1. Brief outline on CSR Policy of the Company.

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

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

Our vision is based on three critical areas-

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

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

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Harish Baijal	Independent Director	1	1
2	Virender Shankar	Independent Director	1	1
3	Satish Kumar Agarwal	Director	1	0
4	Nagendranath Shankarappa	Director	1	1
5	Sameer Mahajan	Director	1	0

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

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

manages the webpage for all Honeywell Group India Entities detailing Company's Composition of the CSR Committee, CSR Policy and the project approved.
https://www.honeywell.com/in/en/csr

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable. Not applicable.

5. (a) Average net profit of the company as per sub-section (5) of section 135 - INR 153,685,446

(b) Two percent of average net profit of the company as per sub-section (5) of section 135 - INR 3,073,709/-

(c) Surplus arising out of the CSR Projects or programs or activities of the previous financial years-NA

(d) Amount required to be set-off for the financial year, if any. -NA

(e) Total CSR obligation for the financial year [(b)+(c) -(d)] - INR 3,073,709/-

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project). - INR 3,073,709/-

(b) Amount spent on Administrative Overheads. -Nil

(c) Amount spent on Impact Assessment, if applicable. - NA

(d) Total amount spent for the Financial Year [(a)+(b)+(c)]. - INR 3,073,709/-

(e) CSR amount spent or unspent for the Financial Year: INR 3,073,709/-

Total Amount Spent for the Financial Year. (In Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section (6) of section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to section (5) of section 135.		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
3,073,709/-	-	-	-	-	-

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

Sl. No.	Particular	Amount (in Rs.)
(1)	(2)	(3)
(I)	Two percent of average net profit of the company as per sub-section (5) of section 135	INR 3,073,709/-
(ii)	Total amount spent for the Financial Year	INR 3,073,709/-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	-

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

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

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

Yes No

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

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

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

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). – NA

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

Nagendranath Shankarappa
Director
DIN: 10186938

Sameer Mahajan
Director
DIN: 11089242

Date – August 27, 2026
Place - Gurgaon

ANNEXURE - II

Form No. AOC-2

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

Disclosure of particulars of contracts/arrangements entered 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 on an 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

Nagendranath Shankarappa	**Sameer Mahajan**
Director	**Director**
DIN: 10186938	**DIN: 11089242**

Date – August 27, 2026
Place - Gurgaon

ANNEXURE - III

Details of conservation of energy, technology absorption, foreign exchange earnings and outgo

(a) Conservation of Energy

Your Company continues to make every effort to conserve the energy required for all its operations. Some of the key initiatives undertaken during the period ending March 31, 2026, are as under:

Hope Town: Year 2025-26 Energy Saving Program Total Energy Saving in FY 2025-26 is 10.8% against PY (key projects towards Energy conservations are Inducting 2 New electric Molding Machines, Installation of VFD on Air Compressors, Blower Installation on STP & 332 KWP Solar Power plant on rooftop).

(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. 176 Lakhs, and the total foreign exchange earned was Rs. 95 Lakhs.

For and on behalf of the Board of Directors of

Honeywell Electrical Devices and Systems India Limited

Nagendranath Shankarappa **Director** **DIN: 10186938**	**Sameer Mahajan** **Director** **DIN: 11089242**

Date – August 27, 2026
Place - Gurgaon

To The Members of Honeywell Electrical Devices and Systems India Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of **Honeywell Electrical Devices and Systems India Limited** ('the Company'), which comprise the Balance Sheet as at 31 March 2026, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information.

2. 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 ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2026, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities 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 thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditor's Report Thereon

4. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Board's report, 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 in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

5. The accompanying financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under section 133 of the Act 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 of 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

6. In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

7. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

8. 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 Standards on Auditing 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.

9. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
   - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

- Conclude on the appropriateness of Board of Directors’ 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; and
- 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.

10. 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.

Other Matter

11. The financial statements of the Company for the year ended 31 March 2025 were audited by the predecessor auditor, Deloitte Haskins & Sells LLP, who have expressed an unmodified opinion on those financial statements vide their audit report dated 29 August 2025.

Report on Other Legal and Regulatory Requirements

12. As required by section 197(16) of the Act, we report that the Company has paid remuneration to one of its directors for the year ended 31 March 2026 in excess of the limits laid down under section 197 read with Schedule V of the Act by Rs. 82 lakhs, which is subject to approval of the shareholders by way of special resolution in the ensuing Annual General Meeting in accordance with the requirements of Section 197 read with Schedule V of the Act, as also mentioned in note 27 to the accompanying financial statements.
13. As required by the Companies (Auditor’s Report) Order, 2020 (‘the Order’) issued by the Central Government of India in terms of section 143(11) of the Act we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
14. Further to our comments in Annexure A, as required by section 143(3) of the Act based on our audit, we report, to the extent applicable, that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying financial statements;

    b) Except for the matters stated in paragraph 14(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books. Further, the back-up of the books of accounts and other books and papers of the Company maintained in electronic mode has not been maintained on servers physically located in India, on a daily basis;

c) The financial statements dealt with by this report are in agreement with the books of account;

d) In our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;

e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2026 from being appointed as a director in terms of section 164(2) of the Act;

f) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in, paragraph 14(b) above on reporting under section 143(3)(b) of the Act and paragraph 14(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);

g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2026 and the operating effectiveness of such controls, refer to our separate report in Annexure B wherein we have expressed an unmodified opinion; and

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, as detailed in note 32 and note 33 to the financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2026.;

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2026.;

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2026.

   iv. a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 36(B)(i) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any persons or entities, including foreign entities ('the 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 ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

   b. The management has represented that, to the best of its knowledge and belief, as disclosed in note 36(B)(ii) to the financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ('the 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; and

c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v. The Company has not declared or paid any dividend during the year ended 31 March 2026.

vi. Based on our examination which included test checks, except for instances mentioned below, the Company, in respect of financial year commencing on 1 April 2025, has used accounting software for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same have been operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with, other than the consequential impact of the exceptions given below. Furthermore, except for instances mentioned below, the audit trail has been preserved by the Company as per the statutory requirements for record retention:

i. The audit trail feature was not enabled at the database level for an ERP accounting software to log any direct data changes, used for maintenance of all records by the Company (refer note 40 to the financial statements).

ii. The accounting software used for maintenance of payroll records is operated by a third-party software service provider. In the absence of any information on existence of audit trail (edit logs) for any direct changes made at the database level in the 'Independent Service Auditor's Assurance Report on the Description of Controls, their Design and Operating Effectiveness' ('Type 2 report' issued in accordance with SAE 3402, Assurance Reports on Controls at a Service Organization), we are unable to comment on whether audit trail feature with respect to the database of the said software was enabled and operated throughout the year (refer note 40 to the financial statements).

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Disha Maheshwari
Partner
Membership No.: 110159

UDIN: 26110159KVYHHG2030

Place: Pune
Date: 27 August 2026

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

Annexure A referred to in paragraph 13 of the Independent Auditor's Report of even date to the members of Honeywell Electrical Devices and Systems India Limited on the financial statements for the year ended 31 March 2026

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 report 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 any intangible assets and accordingly, reporting under clause 3(i)(a)(B) of the Order is not applicable to the Company.

(b) The property, plant and equipment and relevant details of right-of-use assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of physical verification programme adopted by the Company, is reasonable having regard to the size of the Company and the nature of its assets.

(c) The Company does not own any immovable property (including investment properties) (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee). Accordingly, reporting under clause 3(i)(c) of the Order is not applicable to the Company.

(d) The Company has adopted cost model for its Property, Plant and Equipment including right-of-use assets. Accordingly, reporting under clause 3(i)(d) of the Order is not applicable to the Company.

(e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder.

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit and inventory lying with third parties. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed as compared to book records. In respect of inventory lying with third parties, these have substantially been confirmed by the third parties and in respect of goods-in-transit, these have been confirmed from corresponding receipt and/or dispatch inventory records.

(b) The Company has not been sanctioned working capital limits by banks or financial institutions on the basis of security of current assets at any point of time during the year. Accordingly, reporting under clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) The Company has not made any investment in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or any other parties during the year. Accordingly, reporting under clause 3(iii) of the Order is not applicable to the Company.

(iv) The Company has not entered into any transaction covered under sections 185 and 186 of the Act. Accordingly, reporting under clause 3(iv) of the Order is not applicable to the Company.

(v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there are no amounts which have been deemed to be deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has specified maintenance of cost records under sub-section (1) of section 148 of the Act in respect of the products of the Company. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) (a) In our opinion and according to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, duty of customs, cess and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, we report that there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

Name of the statute	Nature of dues	Gross Amount (₹ lakhs)	Amount paid under Protest (₹ lakhs)	Period to which the amount relates	Forum where dispute is pending
Respective Value Added Tax Act	VAT	31.28	9.39	2013-14	Appellate Authority, Haryana
	VAT	22.58	6.77	2015-16	Appellate Authority, Haryana
	VAT	8.77	2.63	2014-15	Appellate Authority, Haryana
	VAT	11.47	3.44	2017-18	Appellate Authority, Haryana
	VAT	25.21	7.56	2016-17	Appellate Authority, Haryana
	VAT	2.00	-	2007-08	Additional commissioner, Delhi
	VAT	32.40	-	2008-09	Additional commissioner, Delhi
The Haryana Goods and Services Tax Act, 2017	GST	71.83	6.53	2021-22	Appellate Authority, Haryana

Name of the statute	Nature of dues	Gross Amount (₹ lakhs)	Amount paid under Protest (₹ lakhs)	Period to which the amount relates	Forum where dispute is pending
The Uttarakhand Goods and Services Tax Act, 2017	GST	44.49	2.22	2017-18	Additional commissioner, Uttrakhand
Income Tax Act, 1961	Income Tax	6.06	-	2019-20	Jurisdictional Assessing Officer., Delhi

(viii) According to the information and explanations given to us, we report that no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been previously recorded in the books of accounts.

(ix) According to the information and explanations given to us, we report that the Company does not have any loans or other borrowings from any lender. Accordingly, reporting under clause 3(ix) of the Order is not applicable to the Company.

(x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no fraud on the Company has been noticed or reported during the period covered by our audit.

(b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014, with the Central Government for the period covered by our audit.

(c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year

(xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.

(xiv) According to the information and explanations given to us, the Company is not required to and consequently, does not have an internal audit system as per the provisions of section 138 of the Act. Accordingly, reporting under clause 3(xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of section 192 of the Act are not applicable to the Company.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi)(a), (b) and (c) of the Order are not applicable to the Company.

(d) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.

(xvii) The Company has not incurred any cash losses in the current financial year as well as the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information in the financial statements, our knowledge of the plans of the Board of Directors and management 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 that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a 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 a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

(xx) According to the information and explanations given to us, the Company does not have any unspent amounts towards Corporate Social Responsibility in respect of any ongoing or other than ongoing project as at the end of the financial year. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.

(xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Disha Maheshwari
Partner
Membership No.: 110159

UDIN: 26110159KVYHHG2030

Place: Pune
Date: 27 August 2026

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

Independent Auditor's Report on the internal financial controls with reference to the financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the financial statements of Honeywell Electrical Devices and Systems India Limited ('the Company') as at and for the year ended 31 March 2026, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). 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 the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, 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.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain

to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2026, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal financial controls stated in the Guidance Note issued by the ICAI.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Disha Maheshwari
Partner
Membership No.: 110159

UDIN: 26110159KVYHHG2030

Place: Pune
Date: 27 August 2026

Financial Statement

(₹ in lakhs)

Particulars	Notes	As at 31st March 2026	As at 31st March 2025
Assets			
Non-current assets			
(a) Property, plant and equipment	4	1,104	965
(b) Right-of-use assets	28	51	127
(c) Capital work in progress	4	-	-
(d) Financial assets			
(i) Other financial assets	7	110	103
(e) Income tax assets	8	999	663
(f) Deferred tax assets (net)	9	510	547
(g) Other non-current assets	10	127	535
Total non-current assets		**2,901**	**2,940**
Current assets			
(a) Inventories	11	1,597	2,061
(b) Financial assets			
(i) Trade receivables	5	5,224	4,965
(ii) Cash and cash equivalents	6	9,923	8,148
(iii) Other financial assets	7	34	14
(c) Other current assets	10	258	143
Total current assets		**17,036**	**15,331**
Total Assets		**19,937**	**18,271**
Equity and Liabilities			
Equity			
(a) Equity share capital	12	95	95
(b) Other equity	13	14,147	12,755
Total Equity		**14,242**	**12,850**
Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Lease liabilities	15	-	64
(b) Provisions	14	285	115
Total non-current liabilities		**285**	**179**
Current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	15	64	88
(ii) Trade payables	16		
(A) total outstanding dues of micro enterprises and small enterprises; and		601	385
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		2,665	2,651
(iii) Other financial liabilities	17	191	196
(b) Other current liabilities	18	389	597
(c) Provisions	14	649	1,029
(d) Income tax liabilities	8	851	296
Total current liabilities		**5,410**	**5,242**
Total Equity and Liabilities		**19,937**	**18,271**

The accompanying notes form an integral part of the financial statements 1-43
As per our report of even date attached

For **Walker Chandiok & Co. LLP**
Chartered Accountants
Firm Registration Number - 001076N/N500013

Disha Maheshwari
Partner
Membership No: 110159

Place : Pune
Date : 27th August 2026

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

Nagendranath Shankarappa
Director
DIN: 10186938

Place : Gurugram
Date : 27th August 2026

Sameer Mahajan
Director
DIN:11089242

Place : Gurugram
Date : 27th August 2026

(₹ in lakhs)

Particulars	Notes	Year ended 31st March 2026	Year ended 31st March 2025
(I) Revenue from operations	19	16,324	15,751
(II) Other Income	20	553	512
(III) Total Income (I + II)		**16,877**	**16,263**
(IV) Expenses:			
Cost of materials consumed	21	3,913	3,756
Purchases of Stock in Trade		3,948	4,805
Changes in inventories of finished goods, work-in-progress and stock-in-trade	22	330	(111)
Employee benefits expense	23	3,538	3,244
Finance costs	24	14	20
Depreciation and amortization expense	4 & 28	459	415
Other expenses	25	2,571	2,943
Total expenses		**14,773**	**15,072**
(V) Profit before tax and Exceptional Item (III - IV)		**2,104**	**1,191**
(VI) Exceptional Item			
Gratuity past service cost	34	136	-
(VII) Profit before tax (V - VI)		1,968	1,191
(VIII) Income tax expense:			
- Current tax		464	279
- Deferred tax		30	25
- Relating to earlier years		101	-
Total tax expense		**595**	**304**
(IX) Profit for the year (VII-VIII)		**1,373**	**887**
(X) Other comprehensive income			
A (i) Items that will not be reclassified to Profit and Loss			
(a) Remeasurements losses of the defined benefit plans		26	(35)
A (ii) Income tax relating to items that will not be reclassified to profit or loss		(7)	9
Total other comprehensive income [A (i-ii)]		**19**	**(26)**
(XI) Total comprehensive income for the year (IX + X)		**1,392**	**861**
Earnings per equity share (In ₹)			
Basic and Diluted	29	144.31	93.19
Nominal value per share: ₹10			

The accompanying notes form an integral part of the financial statements 1-43
As per our report of even date attached

For **Walker Chandiok & Co. LLP**
Chartered Accountants
Firm Registration Number - 001076N/N500013

Disha Maheshwari
Partner
Membership No: 110159

Place : Pune
Date : 27th August 2026

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

Nagendranath Shankarappa
Director
DIN: 10186938

Place : Gurugram
Date : 27th August 2026

Sameer Mahajan
Director
DIN:11089242

Place : Gurugram
Date : 27th August 2026

(₹ in lakhs)

Particulars		Year ended 31st March 2026	Year ended 31st March 2025
A. Cash flow from operating activities			
Profit for the year		**1,373**	**887**
Adjustments for:			
Income tax expense recognised in profit and loss account		595	304
Depreciation and amortisation of non current assets	4 & 28	459	415
(Gain) / Loss on sale / write off of property, plant and equipment (net)	20	-	(1)
Interest income recognised in profit and loss	20	(356)	(235)
Employee stock options provisions	23	-	16
Effect of unrealized exchange (Gain)/Loss		(12)	(1)
Other interest cost	24	14	20
Liabilities no longer required written back	20	(190)	(183)
Interest on other financial assets carried at amortised cost	20	(6)	(6)
Expected credit loss allowance	25	68	1
Provision for warranty no longer required written back	20	-	(55)
Movements in working capital:			
Increase in trade and other receivables		(305)	(477)
Increase in other financial assets		(7)	(6)
Decrease /(increase) in inventories		464	(138)
Decrease in other assets		169	12
Increase/ (decrease) in trade payables		225	(786)
(Increase) /decrease in provisions		(1)	31
Decrease in other current liabilities		(203)	(589)
Cash generated from/ (used in) operations		**2,287**	**(791)**
Income taxes paid (net of refund, if any)		(346)	(526)
Net cash generated from / (used in) operations		**1,941**	**(1,317)**
B. Cash flow from investing activities			
Payments for property, plant and equipment	4	(407)	(418)
Proceeds from disposal of property, plant and equipment	4	-	4
Interest received	7 & 20	336	221
Net cash used in investing activities		**(71)**	**(193)**

(₹ in lakhs)

Particulars		Year ended 31st March 2026	Year ended 31st March 2025
C. Cash flow from financing activities			
Repayment of principal portion of lease liabilities	28	(88)	(79)
Repayment of interest portion of lease liabilities	28	(7)	(13)
Net cash used in financing activities		**(95)**	**(92)**
Net change in cash and cash equivalents		**1,775**	**(1,602)**
Cash and cash equivalents as at the beginning of the year		8,148	9,750
Cash and cash equivalents as at the end of the year		9,923	8,148
Movement in cash and cash equivalents		**1,775**	**(1,602)**

1. Statement of cash flows has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows" as specified in the Companies (Indian Accounting Standards) Rules, 2015.
2. Refer Note 28 for reconciliation of liabilities arising from financing activities
3. Cash and cash equivalents included in the Statement of Cash Flows comprise the following:

Cash and cash equivalents consist of	As at 31st March 2026	As at 31st March 2025
Bank Balances		
Current Accounts	314	227
Demand deposits (Original maturity less than 3 months)	9,609	7,921
	9,923	**8,148**

The accompanying notes form an integral part of the financial statements
As per our report of even date attached

For **Walker Chandiok & Co. LLP**
Chartered Accountants
Firm Registration Number - 001076N/N500013

Disha Maheshwari
Partner
Membership No: 110159

Place : Pune
Date : 27th August 2026

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

Nagendranath Shankarappa
Director
DIN: 10186938

Place : Gurugram
Date : 27th August 2026

Sameer Mahajan
Director
DIN:11089242

Place : Gurugram
Date : 27th August 2026

A. Equity share capital

(₹ in lakhs)

	Amount
Balance as at 31st March 2024	**95**
Changes in Equity share capital during the year	-
Balance as at 31st March 2025	**95**
Changes in Equity share capital during the year	-
Balance as at 31st March 2026	**95**

B. Other equity

(₹ in lakhs)

	Reserves and surplus			Other comprehensive Income	Total
	Capital Redemption Reserve	Retained earnings	Share based payment reserve	Remeasurements of the defined benefit plans	
Balance as at 31st March 2024	**5**	**12,083**	**22**	**(232)**	**11,878**
Profit for the year	-	887	-	-	887
Other comprehensive income for the year, net of income tax	-	-	-	(26)	(26)
Total comprehensive income for the year	**-**	**887**	**-**	**(26)**	**861**
Recognition of share-based payments	-	-	16		16
Balance as at 31st March 2025	**5**	**12,970**	**38**	**(258)**	**12,755**
Profit for the year	-	1,373	-	-	1,373
Other comprehensive income for the year, net of income tax	-	-	-	19	19
Total comprehensive income for the year	**-**	**1,373**	**-**	**19**	**1,392**
Balance as at 31st March 2026	**5**	**14,343**	**38**	**(239)**	**14,147**

The accompanying notes form an integral part of the financial statements
As per our report of even date attached

For **Walker Chandiok & Co. LLP**
Chartered Accountants
Firm Registration Number - 001076N/N500013

Disha Maheshwari
Partner
Membership No: 110159

Place : Pune
Date : 27th August 2026

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

Nagendranath Shankarappa
Director
DIN: 10186938

Place : Gurugram
Date : 27th August 2026

Sameer Mahajan
Director
DIN:11089242

Place : Gurugram
Date : 27th August 2026

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 27th August, 2026.

Note 2. Material Accounting Policy Information

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.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

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) Certain financial assets and financial liabilities measured at fair values (as required by the relevant Ind AS)

ii) Share based payment transactions and

iii) 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 116, 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.

Amounts in the financial statements are presented in Indian ₹ in lakhs and rounded off as permitted by Schedule III to the Companies Act, 2013, except where otherwise indicated. Per share data are presented in Indian ₹ 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.

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	7 years to 30 years
Plant and Machinery*	4 years to 10 years
Tooling	4 years
Office Equipment (including computer)	3 years to 6 years
Furniture and Fixture	10 years

* 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. Impairment Of Property, plant and equipment

Assessment is done at each Balance Sheet date as to whether there is any indication that an asset (property, plant and equipment) 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.

E. 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.

F. 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.

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.

G. Foreign Currency Transactions

i) Functional currency

The functional currency of the Company is the Indian rupee. These financial statements are presented in Indian ₹ (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.

H. 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.

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:-

Actuaral 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.

I. Share based payments

Employees of the Company receive remuneration in the form of equity settled instruments given by the ultimate holding company (Honeywell International Inc.), for rendering services over a defined vesting period. Equity instruments granted are measured by reference to the fair value of the instrument at the date of grant.

The expense is recognized in the statement of profit and loss with a corresponding increase to the share based payment reserve, as a component of equity. The equity instruments generally vest in a graded manner over the vesting period. The fair value determined at the grant date is expensed over the vesting period of the respective tranches of such grants. The stock compensation expense is determined based on the Company's estimate of equity instruments that will eventually vest.

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, except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity or other comprehensive income.

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, is termed as a contingent liability.

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

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 Factory premises under non-cancelable operating lease arrangements at stipulated rentals.

Right-of-use assets represent right to use an underlying asset during the reasonably certain lease term, and lease liabilities represent obligation to make lease payments arising from the lease. The lease terms include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance lease payments.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

The Company primarily uses incremental borrowing rate, which is based on the information available at the lease commencement date, in determining the present value of the lease payments.

A right-of-use asset and corresponding lease liability are not recorded for leases with an initial term of 12 months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes lease payments as operating expense as incurred over the lease term.

The Company has also elected practical expedient available within the standard:

- not to separate non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single lease component.
- using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

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.

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.

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

   All financial assets are subsequently measured at amortised cost except derivative financial instruments.

2. Impairment of financial assets

   The company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables, other contractual right to receive cash or other financial asset.

   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 judgement considering past experience.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to other financial assets.

3. 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 (a) the carrying amount (measured at the date of derecognition) and (b) the consideration received (including any new asset obtained less any new liability assumed) shall be recognised in profit or loss.

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.

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. New Accounting Standards, Amendments to Existing Standards, Annual Improvements, Interpretations, etc. applicable to the Company effective subsequent to March 31, 2025

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.

In May 2025, MCA notified amendments to Ind AS 21 - The Effects of Changes in Foreign Exchange Rates, applicable w.e.f. April 1, 2025.

The Company has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements.

In August 2025, MCA notified the following amendments to:

1. Ind AS 1, Presentation of Financial Statements, applicable w.e.f. April 1, 2025 – The amendment relates to classification of liabilities as current or non-current and non-current liabilities with covenants. In the context of classifying a liability as current, it removes the requirement of existence of a right to defer settlement for at least 12 months after the reporting date and instead requires that the said right should exist on the reporting date and have substance. The amendment also introduces guidance on classification of liabilities with covenants. The Company has no impact of these amendments in its classification criteria of current and non-current liabilities.
2. Ind AS 7, Statement of Cash Flows and Ind AS 107, Financial Instruments: Disclosures, applicable w.e.f. April 1, 2025 – The amendment in Ind AS 7 requires to inform users of financial statements of the existence of supplier finance arrangements and explain the nature of the arrangements, the carrying amount of liabilities and the range of payment due dates. Ind AS 107 has been amended to add supplier finance arrangements as a factor that may cause concentration of liquidity risk. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements (Refer note 18).
3. Ind AS 12, International Tax Reform – The Organisation for Economic Co-operation and Development (OECD) has published the model rules for global minimum tax (Pillar Two model rules).Based on the current assessment, the Company does not expect a material financial impact from the application of the Pillar Two rules.

Note 3. Critical judgements in applying accounting policies

The preparation of the financial statements in conformity with Ind AS requires the management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the year. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed appropriately. Accounting estimates could change from period to period. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates and judgements are reflected in the financial statements in the period in which changes are made.

The Company uses the following critical accounting judgements, estimates and assumptions in preparation of its financial statements:

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. 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.

3. Ind AS 116 requires lessee to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, cost relating to the termination of the lease and the importance of the underlying asset to the Company’s operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

4. The cost of defined benefit plans, compensated absences and the present value of defined benefit obligations based on current actuarial valuations using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of discount rate, salary increment and mortality rates. Due to complexities involved in the valuation and its long term nature, defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Notes to the financial statements

Note 4 - Property, Plant and Equipment and capital work-in-progress (₹ in lakhs)

Particulars / Class of Assets	As at 31st March 2026	As at 31st March 2025
Carrying amounts of :		
Buildings	20	25
Plant and machinery	295	247
Tooling	687	575
Office Equipments (Including Computers)	91	105
Furniture and fixtures	11	13
	1,104	**965**

(₹ in lakhs)

	Buildings	Plant and machinery	Tooling	Office Equipments (Including Computers)	Furniture and fixtures	Total
Cost or deemed cost						
Balance at March 31, 2024	**50**	**1,027**	**2,288**	**437**	**145**	**3,947**
Additions	-	58	384	41	-	483
Disposals/ assets written off	-	(22)	(59)	(17)	-	(98)
Balance at March 31, 2025	**50**	**1,063**	**2,613**	**461**	**145**	**4,332**
Additions	-	93	389	40	-	522
Disposals/ assets written off	-	-	(7)	-	-	(7)
Balance at March 31, 2026	**50**	**1,156**	**2,995**	**501**	**145**	**4,847**
Accumulated depreciation and impairment (if any)						
Balance at March 31, 2024	**20**	**791**	**1,870**	**311**	**129**	**3,121**
Eliminated on disposal/ assets written off	-	(22)	(57)	(16)	-	(95)
Depreciation expenses	5	47	225	61	3	341
Balance at March 31, 2025	**25**	**816**	**2,038**	**356**	**132**	**3,367**
Eliminated on disposal/ assets written off			(7)			(7)
Depreciation expenses	5	45	276	54	3	383
Balance at March 31, 2026	**30**	**861**	**2,308**	**410**	**135**	**3,743**
Carrying Amount						
Balance at March 31, 2025	**25**	**247**	**575**	**105**	**13**	**965**
Balance at March 31, 2026	**20**	**295**	**687**	**91**	**11**	**1,104**

During the year ended March 31, 2026 and March 31,2025, there is no movement in property, plant and equipment on account of revaluation, business combination, impairment.

The aggregate depreciation has been included under depreciation in the statement of Profit and Loss.

Notes to the financial statements

Note 5 - Trade receivables

(₹ in lakhs)

	As at 31st March 2026	As at 31st March 2025
Current		
Undisputed trade receivables		
(a) Secured, considered good	-	-
(b) Unsecured, considered good	5,440	5,108
Less: Expected credit loss allowance for doubtful trade receivables	(216)	(143)
	5,224	**4,965**
(c) Unsecured, considered credit impaired	-	-
Less: Expected credit loss allowance for doubtful trade receivables	-	-
	-	-
Total	**5,224**	**4,965**

Also, refer note 19.1(B), note 27 for related party balances and note 36-B for ageing.

	Expected credit loss %	
Ageing	**31st March 2026**	**31st March 2025**
0-90 days past due	1.41%	1.00%
More than 90 days past due	67.74%	40.49%

Age of trade receivables

(₹ in lakhs)

	As at 31st March 2026	As at 31st March 2025
0-90 days past due	5,083	4,765
More than 90 days past due	357	343
Total	**5,440**	**5,108**

Movement in the expected credit loss allowance

(₹ in lakhs)

	As at 31st March 2026	As at 31st March 2025
Balance at beginning of the year	143	142
Add: Expected credit loss during the year	123	47
Less: Amounts recovered / reversed in the current year	(50)	(46)
Balance at the end of the year	**216**	**143**

Notes to the financial statements

The concentration of credit risk is limited due to the fact that the customer base is large.

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. 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 the expected credit loss, the Company has also considered the likelyhood 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, 2026 is considered adequate.

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

(₹ in lakhs)

As at	Number of customers	Outstanding balance
31st March 2026	None	-
31st March 2025	None	-

Note 6 - Cash and cash equivalents

(₹ in lakhs)

	As at 31st March 2026	As at 31st March 2025
Bank balances		
In current accounts	314	227
Demand deposits (Original maturity less than 3 months)	9,609	7,921
Total	**9,923**	**8,148**

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

The deposits maintained by the Company with banks and financial institutions comprise time deposits, which can be withdrawn by the Company at any point without prior notice or penalty on the principal.

Note 7 - Other financial assets

(₹ in lakhs)

	As at 31st March 2026	As at 31st March 2025
Non-Current		
Unsecured security deposits	110	103
Total	**110**	**103**
Current		
Interest accrued on deposits with banks	34	14
Total	**34**	**14**

Notes to the financial statements

Note 8 - Income tax assets and Income tax liabilities (₹ in lakhs)

	As at 31st March 2026	As at 31st March 2025
Income tax assets	999	663
	999	**663**
Income tax liabilities	851	296
	851	**296**

The income tax expense for the year can be reconciled to the accounting profit as follows: (₹ in lakhs)

	As at 31st March 2026	As at 31st March 2025
Profit before tax	1,968	1,191
Tax expenses	595	304
Effective tax rate	**30.23%**	**25.53%**
Net impact of deduction/exemption and disallowance	0.07%	-0.36%
Additional tax provision for earlier years	-5.13%	0.00%
Applicable Tax rate as per Income Tax Act	**25.17%**	**25.17%**

Note 9 - Deferred tax asset (net) (₹ in lakhs)

	As at 31st March 2026	As at 31st March 2025
Deferred tax liability (A)	-	-
Deferred tax assets (B)	510	547
Deferred tax assets (Net) (B-A)	**510**	**547**

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

2025-26

	Opening Balance	Recognised in the Statement of Profit and Loss	Recognised in other comprehensive income	Closing balance
Deferred tax assets / (liabilities) in relation to				
Expected Credit Loss on trade and other receivables	35	36	-	71
Depreciation and amortisation	183	13	-	196
Provision for Indirect Tax Matter	196	(89)	-	107
Provision for Gratuity	39	32	(7)	64
Provision for Bonus	45	0	-	45
Others	49	(22)	-	27
Total	**547**	**(30)**	**(7)**	**510**

Notes to the financial statements

2024-25 (₹ in lakhs)

	Opening Balance	Recognised in the Statement of Profit and Loss	Recognised in other comprehensive income	Closing balance
Deferred tax assets / (liabilities) in relation to				
Expected Credit Loss on trade and other receivables	36	(1)	-	35
Depreciation and amortisation	177	6	-	183
Provision for Indirect Tax Matter	225	(29)	-	196
Provision for Gratuity	40	(10)	9	39
Provision for Bonus	41	4	-	45
Others	44	5	-	49
Total	**563**	**(25)**	**9**	**547**

Note 10 - Other assets (₹ in lakhs)

	As at 31st March 2026	As at 31st March 2025
Non-current		
Capital advances	-	124
Balances with Government authorities (including payments made under protest)	127	411
Total	**127**	**535**
Current		
Balances with Government authorities (including Goods and service tax, custom duty)	37	13
Advances recoverable in cash or kind	58	120
Other Receivables - intercompany reimbursements	157	-
Prepaid expenses	6	10
Total	**258**	**143**

Notes to the financial statements

Note 11 - Inventories

(₹ in lakhs)

	As at 31st March 2026	As at 31st March 2025
Inventories (lower of cost and net realisable value)		
Raw materials [includes in transit: ₹10 lakhs (31st March 2025 : ₹124 lakhs]	432	566
Work-in progress	136	119
Finished goods	654	275
Stock-in-trade (in respect of goods acquired for trading)	375	1,101
Total	**1,597**	**2,061**

The mode of valuation of Inventories is stated in note 2(E)

Refer note 27 for related party transactions.

The amount of inventories recognised as an expense ₹ 8,191 lakhs (31st March 2025 : ₹ 8,450 lakhs).

Note 12 - Equity share capital

(₹ in lakhs)

	As at 31st March 2026	As at 31st March 2025
Authorised:		
2,000,000 (March 31, 2025: 2,000,000) equity shares of ₹10 each	200	200
	200	**200**
Issued:		
951,640 (March 31, 2025: 951,640) equity shares of ₹10 each	95	95
	95	**95**
Subscribed and paid up:		
951,640 (March 31, 2025: 951,640) equity shares of ₹10 each (fully paid up)	95	95
Total	**95**	**95**

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

Equity shares: The Company has one class of equity shares having a par value of ₹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.

Notes to the financial statements

(b) Reconciliation of shares:

Particulars	As at March 31, 2026		As at March 31, 2025	
	Number of shares	(₹ in lakhs)	Number of shares	(₹ in lakhs)
Equity shares				
Balance as at the beginning and end of the year	9,51,640	95	9,51,640	95

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

Particulars	As at March 31, 2026		As at March 31, 2025	
	Number of shares	(₹ in lakhs)	Number of shares	(₹ in lakhs)
Equity shares:				
Novar ED&S Limited, U.K. (Holding company)	8,69,100	87	8,69,100	87

There are no changes in promoter's shareholding during the year ended March 31, 2026 and March 31, 2025

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

Particulars	As at March 31, 2026		As at March 31, 2025	
	Number of shares	Percentage	Number of shares	Percentage
Novar ED&S Limited, U.K. (Holding company)	8,69,100	91%	8,69,100	91%

e) 869,100 (March 31, 2025 : 869,100) Equity shares constituting 91% (March 31, 2025 : 91%) of the paid-up capital of the Company are held by Honeywell International Inc., the ultimate holding company, through its 100% subsidiary, Novar ED&S Limited, U.K.

f) The Company has neither allotted any shares as fully paid up bonus shares nor pursuant to contract(s) payment being received in cash during 5 years immediately preceding March 31, 2026.

Note 13 - Other equity (₹ in lakhs)

	As at 31st March 2026	As at 31st March 2025
Capital Redemption Reserve (A)	5	5
Group share based payment reserve (B)	38	38
Other comprehensive Income (C)		
Remeasurements of the defined benefit plans (net)	(239)	(258)
Retained Earnings (D)	14,343	12,970
Total (A+B+C+D)	**14,147**	**12,755**

Notes to the financial statements

Group share based payment reserve

The Company has share option schemes under which Honeywell International Inc. (HII), the ultimate holding company, may grant stock options and restricted stock awards to certain employees under its stock incentive plan. The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration. Refer Note 33 for further details of these plans.

Retained Earnings

Retained earnings represents the profits that the Company has earned till date.

Note 14 - Provisions (₹ in lakhs)

	As at 31st March 2026	As at 31st March 2025
Non Current		
Gratuity (refer note 34)	252	80
Provision for Warranty (refer note 33)	33	35
Total	**285**	**115**
Current		
Compensated absences	127	118
Gratuity (refer note 34)	-	76
Provision for Warranty (refer note 33)	119	55
Provision for litigations/ disputes (refer note 33)	403	780
Total	**649**	**1,029**

Note 15 - Lease liabilities (₹ in lakhs)

	As at 31st March 2026	As at 31st March 2025
Non Current		
Lease liabilities (refer note 2 (L) and note 28)	-	64
Total	**-**	**64**
Current		
Current maturities of lease liabilities (refer note 2 (L) and note 28)	64	88
Total	**64**	**88**

Notes to the financial statements

Note 16 - Trade payables (₹ in lakhs)

	As at 31st March 2026	As at 31st March 2025
Current		
Total outstanding dues of micro enterprises and small enterprises; and (refer Note 30)	601	385
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,665	2,651
Total	**3,266**	**3,036**

The Company has supplier finance arrangements with its suppliers. The finance providers pay the amounts to a participating vendor in respect of invoices owed by the Company and receive settlement from the Company at a later date. By virtue of commercial agreements with the vendors, the Company remains obligated to settle invoices at the contractually agreed payment terms and is not impacted by the decision of vendor to obtain early financing from the finance providers. In this arrangement, no material extension of payment terms beyond those agreed with suppliers is offered to the Company by the finance providers. Further, the Company is not required to pledge any collateral to secure the transaction, and no fee is re-charged to the Company by the finance provider.

The economic substance of the transaction is determined to be in nature of operating activity where the original contract with the vendors does not get substantially modified on entering into the arrangement. Therefore, the Company has disclosed the amounts factored by vendors within trade payables because the nature and function of the liability remains the same as those of other trade payables. The Company obtains a credit period in the range of 90-180 days irrespective of the arrangement. The total liabilities outstanding as on March 31, 2026, under suppliers financing arrangement is ₹ 847 lakhs.

* Refer note 36-B for ageing schedule from due date of payment and note 42 for struck off companies. Refer note 27 for related party transactions.

Note 17 - Other financial liabilities (₹ in lakhs)

	As at 31st March 2026	As at 31st March 2025
Current		
Creditors for capital goods	-	10
Accrued employee liabilities	191	186
	191	**195**

Notes to the financial statements

Note 18 - Other current liabilities (₹ in lakhs)

	As at 31st March 2026	As at 31st March 2025
Advances from customers	73	81
Statutory dues (including Provident Fund and Tax deducted at Source)	97	80
Provision for Discount	219	436
	389	**597**

Note 19 - Revenue from operations (₹ in lakhs)

	Year ended 31st March 2026	Year ended 31st March 2025
Revenue from contracts with customers (refer note 19.1)		
Manufactured products	9,469	8,377
Traded products	6,823	7,349
Other operating revenue		
Scrap sale	32	25
Total	**16,324**	**15,751**

Note 19.1 - Revenue from contracts with customers (₹ in lakhs)

	Year ended 31st March 2026	Year ended 31st March 2025
A. Disaggregation of revenue		
(a) Timing of revenue recognition		
Point in time	16,292	15,726
Over time	-	-
(b) Geographical location		
India	16,096	15,565
Other	196	161
(c) Type of contract		
Fixed price	16,292	15,726
Time and material	-	-

Notes to the financial statements

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.

(₹ in lakhs)

	Year ended 31st March 2026	**Year ended 31st March 2025**
(a) Opening balances		
Contract receivables (net of expected credit loss allowance)	4,965	4,489
Closing balances		
Contract receivables (net of expected credit loss allowance)	5,224	4,965

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.

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 at the year end 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.

Notes to the financial statements

Note 20 - Other Income

(₹ in lakhs)

	Year ended 31st March 2026	Year ended 31st March 2025
Interest income earned on financial assets that are not designated as a fair value through the Statement of Profit and Loss		
i) Bank Deposits	356	235
ii) Other financial assets carried at amortised cost	6	6
Liabilities no longer required written back (refer note 33)	190	183
Profit on sale of property, plant and equipment (net)	-	1
Miscellaneous income	1	32
Provision for warranty no longer required written back (refer note 33)	-	55
Total	**553**	**512**

Note 21 - Cost of materials consumed

(₹ in lakhs)

	Year ended 31st March 2026	Year ended 31st March 2025
Raw materials consumed		
Opening inventory	566	539
Add: Purchases	3,779	3,783
Less: Inventory at the end of the year	432	566
Total	**3,913**	**3,756**

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

(₹ in lakhs)

	Year ended 31st March 2026	Year ended 31st March 2025
(Increase)/ decrease in stock		
Stock at the beginning of the year		
Finished goods	275	288
Work in progress	119	103
Stock-in-trade (in respect of goods acquired for trading)	1,101	993
Total (A)	1,495	1,384
Stock at the end of the year		
Finished goods	654	275
Work in progress	136	119
Stock-in-trade (in respect of goods acquired for trading)	375	1,101
Total (B)	1,165	1,495
Decrease/(Increase) in stock (A-B)	**330**	**(111)**

Notes to the financial statements

Note 23 - Employee benefit expenses

(₹ in lakhs)

	Year ended 31st March 2026	Year ended 31st March 2025
Salaries, wages and bonus	3,247	2,951
Share based payment (refer note 31)	-	16
Gratuity (refer note 34)	64	56
Contribution to Provident and Other Funds	138	130
Staff welfare expenses	89	91
Total	**3,538**	**3,244**

Note 24 - Finance cost

(₹ in lakhs)

	Year ended 31st March 2026	Year ended 31st March 2025
Interest cost on lease liabilities (refer note 28)	7	13
Interest payable to MSME (refer note 30)	4	4
Other interest cost	3	3
Total	**14**	**20**

Note 25 - Other expenses

(₹ in lakhs)

	Year ended 31st March 2026	Year ended 31st March 2025
Power and fuel	78	96
Rent [(refer note 2 (L), 27 and 28]	60	134
Rates and taxes	56	77
Repairs and maintenance		
Plant and machinery	105	70
Others	9	9
	114	79
Auditors remuneration		
As Statutory auditors	9	15
Tax Audit Services	2	2
	11	17
Packing, Freight and Forwarding	518	574
Stores and Spares Consumed	42	36
Travelling and conveyance	397	324
Warranty expenses (refer note 33)	62	-
Communication expenses	20	13
Insurance	32	29

Notes to the financial statements

Note 25 - Other expenses

(₹ in lakhs)

	Year ended 31st March 2026	Year ended 31st March 2025
Professional fees	446	493
Foreign exchange loss (net)	2	19
Bad debts written off	5	46
Expected credit loss allowance	68	1
Corporate overhead allocations (refer note 27)	302	582
Expenditure towards Corporate Social Responsibility (refer note 37 and 27)	31	29
Bank Charges	4	25
Advertisement and Sales Promotion	205	268
Miscellaneous expenses	118	101
Total	**2,571**	**2,943**

NOTE 26 - 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.

Geographical Information:

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

(₹ in lakhs)

Particulars	Revenue from customer for the year ended		Non current assets* as at	
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
India	16,128	15,590	1,155	1,092
Other	196	161	-	-
Total	**16,324**	**15,751**	**1,155**	**1,092**

* Property, Plant and Equipment, Right-Of-Use Assets, Capital work in progress and Intangible assets used in the Company's business have not been identified to "India" or "Other", as they are used interchangeably.

Notes to the financial statements

Note 27 - Related Party Disclosure :
List of related parties (as identified and certified by the Management)

i)	**Parties where control exists**
	Novar ED&S Limited, UK , Holding company Honeywell International Inc., Ultimate holding company
	Other related parties with whom transactions have taken place during the year:
ii)	**Fellow Subsidiaries**
	Honeywell Middle East FZE Honeywell Pte. Ltd. Honeywell Technology Solutions Lab Private Limited Honeywell Automation India Limited Honeywell International India Private Limited Honeywell Hometown Solutions India Foundation Honeywell (China) Co., Ltd. MK Electric (Malaysia) SDN BHD Honeywell Environmental & Combustion Controls (Tianjin) Co. Ltd MK Electric (Singapore) Pte Ltd MK Electric (China) Limited Honeywell Automation and Control Products Limited Honeywell International Philippines Inc.
iii)	**Key Managerial Personnel (KMP)**
	Non Executive Directors Sameer Mahajan Nagendranath Shankarappa **Non Executive Independent Directors** Mr. Virender Shankar Mr. Harish Maganlal Baijal

Notes to the financial statements

The Company's material related party transactions during the years ended March 31, 2026 and March 31, 2025 and outstanding balances as at March 31, 2026 and March 31, 2025 with whom the Company generally enters into transactions which are at arm's length and in the ordinary course of business.

(₹ in lakhs)

Transactions with Related Parties	Volume of transactions for year ended		Amount outstanding as at			
Description of the nature of transactions	31st March 2026	31st March 2025	March 31, 2026		March 31, 2025	
			Receiv-able	Payable / Provision	Receiv-able	Payable / Provision
Sale of goods						
Ultimate Holding Company						
Honeywell International Inc.	66	28	28	-	8	-
Fellow Subsidiaries						
Novar ED&S Limited, UK	104	114	83	-	56	-
MK Electric (China) Limited	4	-	-	-	-	-
Honeywell Middle East FZE	3	6	-	-	1	-
MK Electric (Singapore) Pte Ltd	-	1	-	-	-	-
Honeywell Automation and Control Products Limited	-	4	-	6	-	-
Total sales	**176**	**153**	**111**	**6**	**64**	**-**
Reimbursement of expenses received						
Honeywell International India Private Limited	157	-	-	-	-	-
Total reimbursement of expenses	**157**	**-**	**-**	**-**	**-**	**-**
Grand Total	**334**	**153**	**111**	**6**	**64**	**-**
Purchase of goods						
Honeywell Automation India Limited	10	14	-	3	-	19
Honeywell Environmental & Combustion Controls (Tianjin) Co. Ltd	2	-	-	-	-	-
MK Electric (Malaysia) SDN BHD	44	90	-	6	-	9
Novar ED&S Limited, UK	258	391	-	-	-	-
Total	**315**	**496**	**-**	**9**	**-**	**28**

Notes to the financial statements

(₹ in lakhs)

Transactions with Related Parties	Volume of transactions for year ended		Amount outstanding as at			
Description of the nature of transactions	**31st March 2026**	**31st March 2025**	**March 31, 2026**		**March 31, 2025**	
			Receivable	**Payable / Provision**	**Receivable**	**Payable / Provision**
Corporate overhead allocations paid						
Ultimate Holding Company						
Honeywell International Inc.	18	376	-	105	-	175
Total	**18**	**376**	**-**	**105**	**-**	**175**
Fellow Subsidiaries						
Honeywell Automation India Limited	38	38				
Honeywell China Limited	47	39	-	-	-	9
Honeywell International (India) Private Limited	126	109	-	-	-	51
Honeywell Pte Limited	15	8	-	-	-	-
Honeywell Technology Solutions Lab Private Limited	58	50	-	-	-	15
Total	**284**	**243**	**-**	**-**	**-**	**75**
Total corporate overhead allocations paid	**302**	**619**	**-**	**105**	**-**	**250**
Reimbursement of expenses paid						
Ultimate Holding Company						
Honeywell International Inc.	267	23	-	-	-	-
Total	**267**	**23**	**-**	**-**	**-**	**-**
Rent Paid						
Honeywell Automation India Limited	34	76	-	-	-	-
Honeywell International India Private Limited	15	24	-	-	-	-
Total	**49**	**100**	**-**	**-**	**-**	**-**
Expenditure towards Corporate Social Responsibility						
Fellow Subsidiaries						
Honeywell Hometown Solution India Foundation	31	29	-	-	-	-
Total	**31**	**29**	**-**	**-**	**-**	**-**

Notes to the financial statements

Remuneration to Independent Directors (₹ in lakhs)

	Year ended	
	31st March 2026	**31st March 2025**
Sitting Fees	5	6
Commission	-	-
Total	**5**	**6**

Remuneration to Key Management Personnel (₹ in lakhs)

	Year ended	
	31st March 2026	**31st March 2025**
Short term benefits	137	-
Post-employment benefits*	4	-
Other long-term benefits	-	-
Share-based payments	-	-
Total	**141**	**-**

During the year ended 31 March 2026, the Company has paid remuneration to one of its directors of ₹141 lacs out of which, ₹82 lacs is in excess of the limits laid down under section 197(13) read with the Schedule V of the Companies Act, 2013. The Company is in the process of obtaining necessary approvals from its shareholders as per the provisions of Section 197 read with Schedule V to the Companies Act, 2013 at the ensuing Annual General Meeting by way of special resolution.

Note 28 - Lease :

The Company has entered into leases for factory premise. These lease arrangements is for a period of 120 months.

(₹ in lakhs)

	Year ended	
	31st March 2026	**31st March 2025**
	Building	**Building**
Balance as at the beginning of the year	127	201
Additions	-	-
Adjustment	-	-
Depreciation	(76)	(74)
Balance as at the end of the year	**51**	**127**

Notes to the financial statements

Following are the changes in carrying value of lease liabilities during the year ended:

(₹ in lakhs)

	Year ended	
	31st March 2026	31st March 2025
Balance as at the beginning of the year	152	231
Interest cost accrued during the year	7	13
Payments	(95)	(92)
Balance as at the end of the year	**64**	**152**

(₹ in lakhs)

	Year ended	
	31st March 2026	31st March 2025
Total cash outflow arising out of leases	(95)	(92)

(₹ in lakhs)

	Year ended	
	31st March 2026	31st March 2025
Expense relating to short-term leases and leases of low-value assets	60	134

Maturity analysis of lease liabilities

As a lessee under operating leases

(₹ in lakhs)

	Year ended	
	31st March 2026	31st March 2025
2025-26	-	95
2026-27	66	66
Total lease payments	**66**	**161**
Less: Interest	2	9
Total	**64**	**152**

Notes to the financial statements

Note 29 - Earning per share (EPS):

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

	For the year ended	
	31st March 2026	**31st March 2025**
Profit after tax (₹ in lakhs)	1,373	887
Weighted average number of equity shares	9,51,640	9,51,640
Basic/ Diluted earnings per share (₹)	144.31	93.19
Face value per share (₹)	10	10

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

(₹ in lakhs)

Sr No	Particulars	31st March 2026	31st March 2025
i)	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the accounting period		
	- Principal amount outstanding	601	385
	- Interest thereon	4	4
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 period	-	-
	- Interest paid in terms of Section 16		
	- Delayed principal payments		
iii)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
	- Normal Interest accrued during the year, for all the delayed payments, as per the agreed terms and not as payable under the Act	-	-
	- Normal Interest payable during the year, for the period of delay in making payment, as per the agreed terms and not as payable under the Act.	-	-
iv)	The amount of interest accrued and remaining unpaid at the end of each accounting period		
	- Total interest accrued during the period	4	4
	-Total Interest remaining unpaid out of the above as at the balance sheet date	4	4

Notes to the financial statements

Sr No	Particulars	31st March 2026	31st March 2025
v)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.		
	Outstanding interest at the end of current year	8	23
	Outstanding interest at the end of previous year	23	19

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 (as amended from time to time).

Note 31 - Share Based Payments

Employee share option plan of the company

Honeywell International Inc. (HII), the ultimate holding company, may grant stock options and restricted stock awards to certain employees under its stock incentive plan.

Restricted Stock Units—Restricted stock unit (RSU) awards entitle the holder to receive one share of common stock for each unit when the units vest. RSUs are issued to certain employees as compensation at fair market value at the date of grant. RSUs typically become fully vested over periods ranging from three to seven years and are payable in Honeywell common stock upon vesting.

Fair value of share options granted in the year

The fair value of each stock option award is estimated on the date of grant using the Black-Scholes option-pricing model. Expected volatility is based on implied volatilities from traded options on common stock of HII and historical volatility of common stock of HII. Monte Carlo simulation model is used to derive an expected term which represents an estimate of the time options are expected to remain outstanding. Such model uses historical data to estimate option exercise activity and post-vest termination behaviour. The risk-free rate for periods within the contractual life of the option is based on the U.S. treasury yield curve in effect at the time of grant.

The inputs used in the measurement of the fair values at grant date of the Stock options were as follows.

Grant Date	Mar-26	Mar-25
Exercise price (USD)	244.19	213.55
*Exercise price in equivalent INR	22,964	18,303
Expected volatility	23.95%	23.24%
Option life	5.32	4.92
Dividend yield	2.39%	2.51%
Risk-free interest rate	3.57%	3.89%
Fair value per share	$52.18	$43.67
Fair value per share in equivalent INR*	4,907	3,743

* Converted at ₹ 94.04 / USD (March 31, 2025 - 85.71 / USD)

Notes to the financial statements

The following share-based payment arrangements were in existence during the current and previous year :

A) Restricted stock option

			Equivalent fair value INR*		Number	
Options series	**Grant date**	**Fair value at grant date**	**31st March 2026**	**31st March 2025**	**31st March 2026**	**31st March 2025**
2016 RSU	29-Jul-21	219.49	-	18,810	-	67
2016 RSU	1-Aug-24	193.11	18,160	16,550	347	328
Total					**347**	**395**

* Converted at 94.04/ USD (March 31, 2025 - 85.71 / USD)

Movements in Restricted Stock Units during the year	**Restricted Stock Units**	
	2025-26	**2024-25**
	No of Units	**No of Units**
Balance at beginning of year	395	133
Adjustments during the year	19	-
Granted during the year	-	328
Forfeited during the year	-	-
Vested and issued during the year	67	66
Expired during the year	-	-
Balance at end of year	347	395

NOTE 32 - Contingent Liabilities and Commitments

A) Contingent liabilities

(₹ in lakhs)

	Particulars	**31st March 2026**	**31st March 2025**
a)	Claims against the company not acknowledged as debt Sales tax liability that may arise in respect of matters in appeal	138	66
b)	Income Tax matters that may arise in respect of matters in appeal	6	272

Note:

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.

Contingent liability majorly represent demands arising on completion of assessment proceedings under the Income-tax Act, 1961 and other indirect tax act including excise, custom and sales tax.

These claims are on account of various issues of disallowances, or addition in liability by tax liabilities related to various issues including C- forms, WCT TDS etc.

These matters are pending before various appellate authorities and the Management including its tax advisors expect that its position will likely be upheld on ultimate resolution and will not have a material adverse effect on the Company’s financial position and results of operations.

Notes to the financial statements

B. Estimated amount of contracts remaining to be executed on capital accounts and not provided for (net of advances) - ₹ 37 lakhs (31st March 2025 ₹ 148 lakhs)

Note 33 - Disclosure as required by IND AS -37

(₹ in lakhs)

	Year ended	Opening balance	Additions	Utilizations	Reversals	Total
Provision for litigations/ disputes (A)	2026	780	-		(377)	403
	2025	894	69	-	(183)	780
Provision for warranty (B)	2026	90	84	(22)	-	152
	2025	165	-	(20)	(55)	90

A Litigations/ disputes mainly include:

a) Provision for disputed statutory matters comprises matters under litigation with Sales Tax and Local authorities.

b) The amount of provision made by the Company is based on the estimate made by the Management considering the facts and circumstances of each case.

To the extent the Company is confident that it may have a strong case that portion is disclosed under contingent liabilities.

c) The timing and the amount of cash flows that will arise from these matters will be determined when the matters are settled with respective Appellate Authorities.

B Warranty

Provision for warranty is considered based on the rolling average warranty expense incurred in the preceding 12 months, the warranty period for which ranges from 12 months to 24 months as per provisions of the contracts. Product warranty is generally extended for a period of one year to ten years from the date of sale to the end customer. Timing of outflow is over the period of warranty.

Note 34 - Employee Benefit plans

A Defined contribution plans

The company has recognized the following amounts in the Statement of Profit and Loss for the year.

(₹ in lakhs)

Sr no	Particulars	31st March 2026	31st March 2025
1	Contribution to employees' superannuation fund	6	5
2	Provident fund paid to authorities	157	125
	Total	**163**	**130**

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

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.

B Defined benefit plans (Gratuity)

The Company also provides for gratuity, covering eligible employees in accordance with the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. 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 gratuity plan is a funded plan and the Company makes contribution to a recognised fund.

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

Sr. No.	Particulars	31st March 2026	31st March 2025
1	Discount rate	6.85%	6.45%
2	Salary escalation rate	8.50%	8.50%
3	Mortality rate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
4	Withdrawal rate	Age Based: Upto 30 years - 11% 31 to 45 years - 12% Above 45 years - 5%	Age Based: Upto 30 years - 11% 31 to 45 years - 12% Above 45 years - 5%
5	Retirement age	58 years	58 years

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 **(₹ in lakhs)**

Sr No.	Particulars	For the year ended	
		31st March 2026	31st March 2025
1	Current service cost	56	47
2	Past service cost	136	-
3	Net Interest cost	8	9
	Component of defined benefit costs recognised in profit and loss	200	56
4	Remeasurement of defined benefit liability	-	-
5	Return on plan assets (excluding amounts included in net interest expenses)	-	-
6	Actuarial (gain)/ losses arising from changes in demographic assumptions	-	-
7	Actuarial (gain)/ losses arising from changes in financial assumptions	(20)	19
8	Actuarial (gain)/ losses arising from changes in experience adjustments	(5)	20
9	Return on plan assets (greater)/ less than discount rate	(2)	(4)
10	Adjustments for restriction on defined benefit asset	-	-
	Component of defined benefit costs recognised in other comprehensive income	**(26)**	**35**
	Total	**174**	**91**

Notes to the financial statements

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.

Movements in the present value of the defined benefit obligation are as follows.

(₹ in lakhs)

Sr. No.	Particulars	For the year ended	
		31st March 2026	31st March 2025
1	Present value of obligation as at beginning of the year	532	433
2	Current service cost	56	47
3	Past Service Cost	136	-
4	Interest cost	32	28
5	Remeasurement (gains)/losses:		
	Actuarial (gain)/ losses arising from changes in demographic assumptions	-	-
	Actuarial (gain)/ losses arising from changes in financial assumptions	(20)	19
	Actuarial (gain)/ losses arising from changes in experience adjustments	(5)	20
6	Curtailment cost/(credit)	-	-
7	Settlement cost/(credit)	-	-
8	Benefits paid	(29)	(21)
9	Acquisition/ Divestiture	14	5
10	Present value of obligation as at end of the year	716	531

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

(₹ in lakhs)

Sr. No.	Particulars	For the year ended	
		31st March 2026	31st March 2025
1	Fair value of plan assets as at beginning of the year	376	275
2	Remeasurement gain/(loss)	2	4
3	Expected return on plan assets	24	17
4	Employers' contribution	77	95
5	Benefits payment from plan asset	(29)	(21)
6	Acquisition/ Divestiture (related to transfer of employees)	14	5
7	Fair value of plan assets as at end of the year	464	375

Notes to the financial statements

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

(₹ in lakhs)

Sr. No.	Particulars	31st March 2026	31st March 2025
1	Present value of funded obligation	716	531
2	Fair value of plan assets	464	375
3	Net liability recognized in the Balance Sheet	252	156

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 above.

2- 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.

3- There is no change in the method from the previous period and the points/percentage by which the assumptions are stressed are same as that in the previous year.

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

(₹ in lakhs)

Discount rate	March 31, 2026 Present value of Obligation	March 31, 2025 Present value of Obligation
a) Discount rate -100 basis point	768	573
b) Discount rate +100 basis point	(670)	(496)

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

(₹ in lakhs)

Salary escalation rate	March 31, 2026 Present value of Obligation	March 31, 2025 Present value of Obligation
a) Salary escalation rate -100 basis point	(668)	(494)
b) Salary escalation rate +100 basis point	770	575

In presenting the above sensitivity analysis, the present value of the defined benefit obligations has been calculated using Projected Unit Credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the Balance sheet.

Notes to the financial statements

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

Sr. No.	Particulars	31st March 2026	31st March 2025
1	Insurer managed funds	100%	100%

Gratuity fund contributions are made to LIC.

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

(₹ in lakhs)

Sr. No.	Particulars	For the year ended	
		31st March 2026	31st March 2025
a	Actual return on plan assets	26	24

Expected contribution to post employment benefit plan for the year ended 31 March 2027 are ₹ 72.5 lakhs.

A note on 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.

Expected future cash flow of undiscounted gratuity benefits is as follows:

(₹ in lakhs)

Year	31st March 2026	31st March 2025
Year -1	57	60
Year -2	79	39
Year -3	130	38
Year -4	105	93
Year -5	39	73
Years 6 to 10	258	166
Total	**668**	**468**

Other long term benefit - Compensated absences as at year end amounts to ₹ 127 lakhs (March 31, 2025: ₹ 118 lakhs)

Notes to the financial statements

Impact of New Labour Code:

In view of the changes to the Labour Codes, the Company has carried out a financial impact assessment of the Code on Wages, 2019, which resulted in an increase in liabilities relating to gratuity (₹136 Lakhs) arising from past service cost. Given the non-recurring nature of this impact arising from the application of the requirements of the Labour Codes, the Company has presented this as an Exceptional item in the statement of profit and loss.

Note 35 - Financial Instrument

Categories of financial instrument (₹ in lakhs)

	31st March 2026			31st March 2025		
	Within twelve months	After twelve months	Total	Within twelve months	After twelve months	Total
Financial assets						
Measured at amortised cost						
(i) Trade Receivables	5,224	-	5,224	4,965	-	4,965
(ii) Cash and cash equivalents	9,923	-	9,923	8,148	-	8,148
(iii) Other financials assets						
(a) Security deposits	-	110	110	-	103	103
(b) Interest accrued on deposits with banks	34	-	34	14	-	14
Financial Liabilities						
Measured at amortised cost						
(i) Trade payables ^						
(A) Total outstanding dues of micro enterprises and small enterprises	601	-	601	385	-	385
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	2,665	-	2,665	2,651	-	2,651
(ii) Other financials Liabilities						
(a) Creditors for capital goods	-	-	-	10	-	10
(b) Provision for expenses	191	-	191	186	-	186
(iii) Lease Liabilities	64	-	64	88	64	152

^ Trade Payables are classified as current being payable on demand other than those classified as non-current.

Financial risk management objectives

The Company is exposed to foreign exchange risk on account of import risk and hedging activities; 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.

Notes to the financial statements

Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The carrying amounts of the Company's 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.

Unhedged by derivative instruments/ or otherwise **(₹ in lakhs)**

	Particulars	31st March 2026	31st March 2025
a)	**Liability - Trade Creditors**		
	In USD	2	3
	Equivalent approximate in ₹)	176	222
b)	**Asset - Trade Receivables**		
	In USD*	1	1
	(Equivalent approximate in ₹)	95	65

* Amount below the rounding off norm adopted by the company

Foreign currency sensitivity analysis

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

(₹ in lakhs)

	31st March 2026	31st March 2025
USD Impact		
5% Appreciation in USD		
Impact on profit or loss for the year {Gain/(Loss)}	(14)	(8)
Impact on total equity as at the end of the year	(14)	(8)
5% Depreciation in USD		
Impact on profit or loss for the year {Gain/(Loss)}	14	8
Impact on total equity as at the end of the year	14	8
GBP Impact		
5% Appreciation in GBP		
Impact on profit or loss for the year {Gain/(Loss)}	-	1
Impact on total equity as at the end of the year	-	1
5% Depreciation in GBP		
Impact on profit or loss for the year {Gain/(Loss)}	-	(1)
Impact on total equity as at the end of the year	-	(1)

Notes to the financial statements

Credit risk management

Credit risk refers to the risks that a counterparty may 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.

The credit risk in respect of bank balances held with banks and deposits with banks are managed via diversification of bank deposits, and are only with major reputable financial institutions.

Liquidity risk management

The Company manages liquidity risk by maintaining adequate reserves, banking facility and by continuously monitoring forecasts and actual cash flows and by matching the maturity profiles of financial assets and liabilities.

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company has no outstanding borrowings. The Company believes that the working capital is sufficient to meet its current requirements.

Note 36 -A- 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:

(₹ in lakhs)

Particulars	Note reference	As at March 31, 2026			As at March 31, 2025		
		Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Inventories	11	1,597	-	1,597	2,061	-	2,061
Trade Receivables	5	5,224	-	5,224	4,965	-	4,965
Other Current assets	10	258	-	258	143	-	143
Other financial assets	7	34	-	34	14	-	14

Notes to the financial statements

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

(₹ in lakhs)

Particulars	Note reference	As at March 31, 2026			As at March 31, 2025		
		Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Lease liabilities	15	64	-	**64**	88	-	**88**
Trade Payables -dues of micro enterprises and small enterprises	16	601	-	**601**	385	-	**385**
Trade payables -dues of creditors other than micro enterprises and small enterprises	16	2,665	-	**2,665**	2,651	-	**2,651**
Other financial liabilities	17	191	-	**191**	196	-	**196**
Other current liabilities	18	389	-	**389**	597	-	**597**
Provisions	14	649	-	**649**	1,029	-	**1,029**
Income tax liabilities	8	851	-	**851**	296	-	**296**

Note 36 -B- Additional Disclosures pursuant to Schedule III to Companies Act, 2013:

Trade receivable ageing (net)

(₹ in lakhs)

Particulars		Outstanding for following periods from due date of payment					Not due	Total
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years		
(i) Undisputed Trade receivables – considered good	2026	4,004	1,148	71	-	-	-	5,224
	2025	3,655	1,271	39	-	-	-	4,965
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	2026			52	112	34	18	216
	2025	-	-	64	61	18	-	143
(iii) Undisputed Trade Receivables – credit impaired	2026	-	-	-	-	-	-	-
	2025	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	2026	-	-	-	-	-	-	-
	2025	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	2026	-	-	-	-	-	-	-
	2025	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	2026	-	-	-	-	-	-	-
	2025	-	-	-	-	-	-	-

Notes to the financial statements

Trade payable ageing

(₹ in lakhs)

Particulars		Not due	Outstanding for following periods from due date of payment					Un-billed	Total
			Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years		
Micro, Small, and Medium Enterprises - disputed dues	2026	-	-	-	-	-	-	-	-
	2025	-	-	-	-	-	-	-	-
Micro, Small, and Medium Enterprises - disputed dues	2026	569	25	2	-	-	5	-	601
	2025	335	37	6	1	1	5	-	385
Others - disputed dues	2026	-	-	-	-	-	-	-	-
	2025	-	-	-	-	-	-	-	-
Others - undisputed dues	2026	1,888	60	49	23	1	-	644	2,665
	2025	1,802	80	14	-	2	15	737	2,651

i) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

ii) No funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Notes to the financial statements

Note 37

As set out in section 135 of the Companies Act, 2013 the Company is required to contribute/ spend ₹ 31 lakhs (previous year ended March 31, 2025: ₹ 29 lakhs) towards Corporate Social Responsibility activities, as calculated basis 2% of its average net profits of the last three financial years.

Particulars	31st March 2026	31st March 2025
(i) Gross Amount required to be spent by the company during the year	31	29
(ii) Amount spent during the year,		
a. construction/ acquisition of any asset	-	-
b. on purposes, other than (a) above	31	29
(iii) The amount of shortfall at the end of the year out of the amount required to be spent by the Company during the year,	-	-
(iv) Total of previous years shortfall amount,	-	-

Company has contributed to Honeywell Hometown Solution India Foundation (HHSIF), trust controlled by Honeywell group for CSR activities. The trust has spent funds on activities of “Sustainable and Holistic Community Development Program”. Refer note 27 for related party disclosure.

Unspent CSR contribution NIL.

Notes to the financial statements

Note 38 Ratio Analysis:

Ratio	Numerator	Denominator	Current period	Previous period	% variance	Reason for Variance required only if variance more than 25%
Current Ratio	Current assets	Current liabilities	3.15	2.92	8%	Not Applicable
Debt-Equity Ratio*	Total Debt	Shareholder's Equity	Refer Note below			
Debt Service Coverage Ratio*	Earnings available for debt service	Debt Service	Refer Note below			
Return on Equity Ratio	Profit after tax	Average Shareholder's Equity	10%	7%	36%	Variation is on account of Decrease in Corporate Allocation expenses
Inventory turnover ratio	Cost of goods sold	Average Inventory	4.48	4.24	6%	Not Applicable
Trade Receivables turnover ratio	Net Sales	Average Accounts Receivable	3.20	3.33	-4%	Not Applicable
Trade payables turnover ratio	Net Purchases	Average Trade Payables	2.60	2.59	0%	Not Applicable
Net capital turnover ratio	Net Sales	Average Working Capital	1.50	1.55	-3%	Not Applicable
Net profit ratio	Net Profit	Net Sales	8%	6%	50%	Variation is on account of Decrease in Corporate Allocation expenses
Return on Capital employed	Earnings before interest and tax	Capital Employed	15%	9%	60%	Variation is on account of Decrease in Corporate Allocation expenses
Return on investment	Return on investment	Average investments	Refer Note below			

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

Notes to the financial statements

Note 39

The Company maintains the books of account electronically and its back-up on daily-basis on a server located outside of India. These data are accessible in India at all times. The Company notifies the Registrar of Companies (ROC) about the person in control of the data in its Annual filing.

Note 40

No direct database changes in accounting software are allowed and all data changes are governed at application layer to avoid system performance problems and to follow the principle of data minimization. There are alternate governing processes in place to mitigate any risk of unauthorized access to database. The Company uses a third-party hosted application (Software-as-a-Service) for maintenance and processing of payroll records. The application is operated and administered by the external service provider and the Company does not have access to, or rights to, make direct changes at the database level of the said application.

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

(₹ in lakhs)

Name of the company	Relationship of Struck off company	Transaction during the year	Balance outstanding as at year end *
2025-26 None	Not Applicable	Nil	-
2024-25 None	Not Applicable	Nil	-

*Less than ₹ 1 Lakh

Company does not have any overdue capital work in progress.

Note 42 - Additional regulatory disclosures as per Schedule III of Companies Act, 2013

(i) The Company has not traded or invested in crypto currency or virtual currency during the financial year.

(ii) No proceedings have been initiated or pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

(iii) There are no charges or satisfaction yet to be registered with Registrar of Companies beyond the statutory period.

(iv) The Company has not been declared wilful defaulter by any bank or financial institution or other lender or government or any government authority.

(v) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

(vi) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Further, the Group as defined in Core Investment Companies (Reserve Bank) directions 2016, does not have any CIC.

(vii) The Company does not have any such transaction which is not recorded in the books of account 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).

Notes to the financial statements

Note 43

During the year ended March 31, 2026. the Company has re-classified the following comparatives, which are primarily to conform to the current year's classification. This reclassification do not have material impact on the Financial Statements and has been done for the better presentation and to enhance the understanding of the users of the Financial Statements.

(₹ in lakhs)

Particulars	Revised amount as on March 31, 2025	Regroupings/ re-classifications	Previously reported amount as on March 31, 2025
Current Liabilities			
Financial liabilities			
Trade payables			
(A) total outstanding dues of micro enterprises and small enterprises; and	385	-	385
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	2,651	390	2,261
Other financial liabilities	196	(390)	586
Non-current assets			
(e) Income tax assets	663	(296)	367
Current liabilities			
(d) Income tax liabilities	296	296	-

For **Walker Chandiok & Co. LLP**
Chartered Accountants
Firm Registration Number - 001076N/N500013

Disha Maheshwari
Partner
Membership No: 110159

Place : Pune
Date : 27th August 2026

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

Nagendranath Shankarappa
Director
DIN: 10186938

Place : Gurugram
Date : 27th August 2026

Sameer Mahajan
Director
DIN:11089242

Place : Gurugram
Date : 27th August 2026

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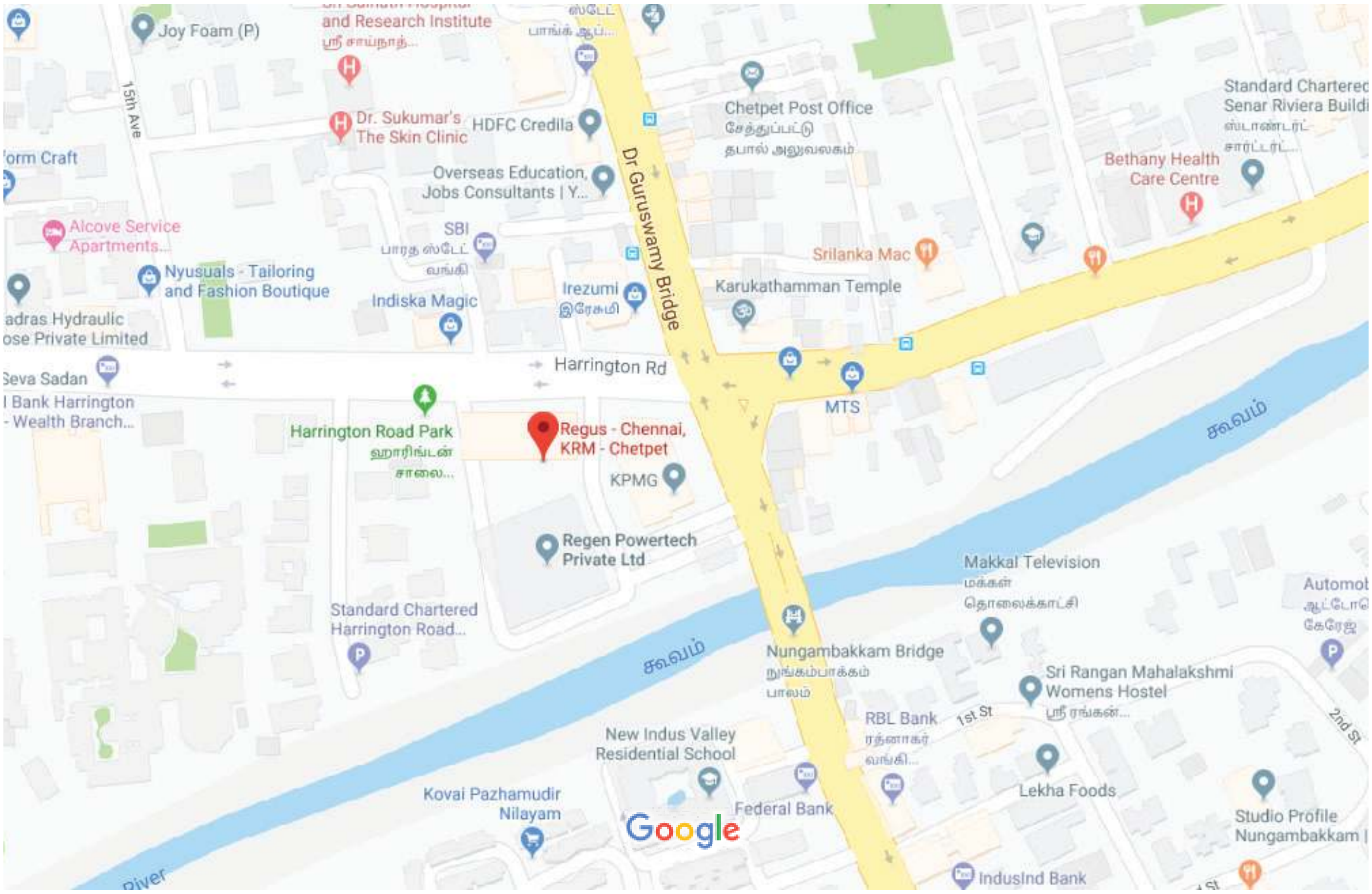

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ATTENDANCE SLIP

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

41st Annual General Meeting on Wednesday, September 30, 2026

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 41st Annual General Meeting of Honeywell Electrical Devices and Systems India Limited on Wednesday, September 30, 2026, 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 41st Annual General Meeting of the Company, to be held on Wednesday, September 30, 2026, 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, 2026 along with the Reports of the Directors and Auditors thereon.		
2.	To appoint a director in place of Mr. Nagendranath Shankarappa (DIN: 10186938) who retires by rotation and being eligible, has offered himself for re-appointment.		
3.	Ratification of remuneration of Cost Auditors		
4.	Appointment of Mr. Sanjeev Kumar Jain as Independent Director.		
5.	Approve and Ratify Remuneration Paid to Mr. Sameer Mahajan, Non-Executive Director for the Financial Year 2025-26		
6.	Approve the payment of Remuneration to Mr. Sameer Mahajan, Non-Executive Director for the Financial Year 2026-27		

Signed this _____day of __________ 2026

Affix Revenue Stamps

Signature of Shareholder

Signature of Proxy holder

Notes:

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

2) The proxy need not be a member of the company.

Honeywell Electrical Devices and Systems India Limited
5th, 6th & 7th Floors,
North Tower, KRM Plaza,
No. 2, Harrington Road,
Chetpet, Chennai, Tamil Nadu – 600031
E-mail: IndiaCorporateSecretarial@Honeywell.com

THE
FUTURE
IS
WHAT
WE
MAKE
IT

Honeywell
Technologies