



THE POWER OF **CONNECTED**

Honeywell Automation India Ltd.

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Date: March 13, 2018

The Manager,
Listing Department
National Stock Exchange of India Ltd. (NSE),
Exchange Plaza, C-1, Block-G,
Bandra-Kurla Complex,
Bandra (E),
Mumbai – 400 051
NSE Symbol : HONAUT

Dear Sirs,

Sub: Reply to clarification sought - Disclosure under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

This is in response to your email dated March 9, 2018 requesting for clarification in respect to announcement submitted to NSE dated March 1, 2018 intimating that Company has concluded and signed a Settlement Agreement dated February 28, 2018, with Premier Power Products (Calcutta) Private Limited, towards full and final settlement of the disputed claim, and an in principle agreement to withdraw the petition filed against the Company under Section 9 of the Insolvency and Bankruptcy Code, 2016, by Premier Power Products (Calcutta) Private Limited before the Mumbai Bench of the National Company Law Tribunal.

Please find below our response in serialim.

1. Quantum of claims, if any:

The total claim amount in the application/Petition filed before the National Company Law Tribunal(NCLT), Mumbai Bench under the Insolvency and Bankruptcy Code, 2015 is Rs. 1,04,28,703.84/-

2. Expected financial implications, if any, due to compensation, penalty etc.:

None

3. Brief details of litigation viz. name(s) of the opposing party, court/ tribunal/agency where litigation is filed, brief details of dispute/litigation:

Premier Power Products (Calcutta) Pvt. Ltd. (PPP) has filed the petition against the Company (HAIL) under the Insolvency and Bankruptcy Code, 2015 before the National Company Law Tribunal, Mumbai Bench.

Brief details of the dispute/Litigation: In 2014-15, HAIL bid for and was awarded tenders by its Customers wherein HAIL was required to *inter alia*, supply the customers with cable trays and cable tray covers. HAIL in turn placed Purchase Orders (“POs”) on PPP for manufacturing and supplying HAIL with the cable trays and cable tray covers as per the exact specifications provided by the customers. After HAIL had completed supply and installation of the goods manufactured and supplied by PPP at various locations as stipulated by the customers, certain defects were discovered in the cable trays and cable tray covers. There were divergences from the specification in the POs and other documents provided to PPP. Due to these divergences, the customers deducted payments that were to be made to HAIL; HAIL in turn withheld the payments to be made to PPP. Further, as per the contract terms and conditions HAIL also withheld monies as retention amount until the expiry of warranty period. There is considerable correspondence between PPP and HAIL in the years 2014, 2015, and 2016 concerning the defects in the goods supplied by PPP and the consequent withholding of payments by HAIL.

PPP filed a petition in the National Company Law Tribunal (“NCLT”) under Section 9 of the Insolvency and Bankruptcy Code, 2015 (“IBC”) after following the procedure laid down in the IBC code and its rules claiming Rs. 1,04,28,703.84/- from HAIL. Even before the first hearing before the NCLT, the parties have entered into a settlement agreement (Agreement) dated February 28, 2018, wherein HAIL would pay an amount of Rs. 50,00,000/- as one time settlement and towards full and final settlement and complete satisfactions of all claims of PPP against HAIL in respect to claims arising out of aforesaid petition and PO’s. Pursuant to the Agreement, PPP has already filed an application before NCLT withdrawing its application under IBC.

Further, please note that said matter was listed yesterday before the Mumbai Bench of National Company Law Tribunal (NCLT). The Advocates for the parties informed the Ld. NCLT Bench that the parties had arrived at a settlement of their disputes and had entered into settlement terms. The Ld. NCLT Bench was accordingly pleased to dismiss the matter as withdrawn and has passed an order in terms thereof. Please refer to our letter dated March 12, 2018 in this respect.

This is for your information and records.

Yours faithfully,

For Honeywell Automation India Limited



Farah Irani
Company Secretary