

HONEYWELL AUTOMATION INDIA LIMITED

DIVIDEND DISTRIBUTION POLICY

Background

The SEBI (Listing Obligations And Disclosure Requirements) (Second Amendment) Regulations, 2016 read with Notification dated July 8, 2016 require the top five hundred listed entities based on market capitalization (calculated as of 31st march every financial year) to formulate a dividend distribution policy and disclose it in their annual reports and on their websites. The regulation further prescribed the parameters for the dividend distribution in order to help investors get a clear picture on returns from their investment in the Company.

This Policy shall be applicable to Equity Shares and such other class of shares as may be issued by the Company from time to time.

Objective

The Company is committed to increasing value for its investors. The objective of this document is to frame a policy for dividend distribution criteria of the Company.

Financial and other Parameters

The Board of Directors of the Company recommends dividend distribution based on the following parameters:

Internal Factors:

The internal factors including but not limited to –

- Profit After Tax (PAT) available for distribution in the Financial Statements prepared in accordance with the Accounting Standards as applicable from time to time Reported and Projected statements of Cash Flow
- Track record of dividend distributed by the Company
- Corporate Actions, expansion plans, working capital requirements resulting in significant cash outflow for the Company
- Any other factors as the Board of Directors may consider appropriate

The external factors i.e. factors on which the management of the Company has no control including but not limited to –

- Change in taxation laws
- Other government policies
- General business environment
- Macro Economic Factors



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The Board of Directors shall consider various options available for the growth of the Company and shall make an informed decision on the dividend declaration thereafter.

Current Policy

The Company expects the Dividend Policy to be in line with historic trends. However, the Board of Directors has wide discretion to recommend a higher or lower or no dividend based on its judgment of what is in the long-term best interests of the Company.

Final dividend, if any, may be declared at the Annual General Meeting (AGM) of the Shareholders solely on the basis of recommendations of the Board. The Board of Directors may, at its discretion, also declare an interim dividend.

Procedure

Final dividend is declared at the Annual general Meeting (AGM) of the Shareholders on the basis of recommendations of the Board. The Board of Directors may, at its discretion, also declare an interim dividend.

Retained Earnings

Retained Earnings may be used for corporate actions in accordance with applicable law, and for investments towards business growth as decided by the Board of Directors from time to time.

Review of Policy

The Board will review the Dividend Policy of the Company at regular intervals and is authorized to change/amend this policy from time to time at its sole discretion and/or in pursuance of any amendments made in the Companies Act, 2013, the Regulations, etc.

Disclaimer

This document does not solicit investments in the Company's shares nor is it an assurance of guaranteed returns (in any form) for investments in the Company's equity shares.

