



Himatsingka Seide Limited

Dividend Distribution Policy



Himatsingka

DIVIDEND DISTRIBUTION POLICY

Preamble

SEBI vide notification No. SEBI/ LAD-NRO/GN/2016-17/008 dated July 08, 2016 mandates that the top five hundred listed entities based on market capitalization (calculated as on March 31 of every financial year) shall formulate a dividend distribution policy which shall be disclosed in their annual reports and on their websites

The Board of Directors of the Himatsingka Seide Limited has, at its meeting held on August 10, 2016 approved and adopted this policy.

Effective Date: August 10, 2016.

Definitions

For the purposes of this policy

“**Act**” shall mean the Companies Act, 2013 and shall include any amendments made thereto.

“**Rules**” Companies (declaration and payment of Dividend) Rules, 2013.

“**Dividend**” has been defined under Section 2(35) of Act. The term “Dividend” includes any interim dividend

“**Regulations**” SEBI (Listing Obligations Disclosure Requirements) Regulations, 2015

“**Company or HSL**” shall mean Himatsingka Seide Limited, wherever it is referred to in the policy

“**Board**” means Board of Directors of HSL

“**Policy**” shall mean the Policy on Dividend Distribution Policy of HSL

The Policy

Introduction

This policy has been developed in accordance with the provisions of Companies Act, 2013 read with the applicable Rules framed thereunder, as may be in force for the time being and the Articles of Association of the Company.

The Policy is intended to determine the approach of the Board of Directors of the Company to the development of recommendations on the amount of dividends on the Company shares and the procedure for their payment.



The Company believes in continuing a reasonable balance between cash retention and distribution of dividend to its members. The Company believes in the requirement of cash retention for expansion and diversification of the Company including acquisitions to be made by it, and also to meet contingency.

The Company shall declare dividends for a financial year out of the profits of the company for that year or out of the profits of the company for any previous financial year or years after providing for depreciation in accordance with applicable laws.

Types of Dividends

A. Final Dividend

Dividend is said to be a final dividend if it is declared at the Annual General Meeting of the Company. Final dividend once declared becomes a debt enforceable against the Company. Final Dividend can be declared only if it is recommended by the Board of Directors of the Company.

B. Interim Dividend

Dividend is said to be an interim dividend, if it is declared by the Board of Directors between two annual general meetings of the company. However, all the provisions relating to the payment of dividend shall be applicable on the interim dividend also.

Factors determining the Dividend

A. Internal Factors

- 1) Upcoming Projects
- 2) Expansion Plans
- 3) Technology Up gradation
- 4) Merger and acquisitions
- 5) Contingency Funds
- 6) Liquidity Positions

B. External Factors

- 1) Economy in which company is operating
- 2) Statutory requirements
- 3) Capital Markets

Utilization of retained earnings

Retained earnings are used to maintain existing operations or to increase sales and profits by growing the business of the Company.



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For example:-

- For installation of new plants and equipment just to maintain existing operations.
- Repair and replace costly machinery.
- Idea of expansion etc.,

Review

This Policy will be reviewed periodically by the Board.