

Dividend Distribution Policy

In compliance with Regulation 43A of the LODR, the Company is required to frame a Dividend Distribution Policy. The objective of this policy is to ensure the right balance between the quantum of Dividend paid and amount of adequate financial resources available for various business purposes.

Preamble

The Securities Exchange Board of India vide its Notification No. SEBI/LADNRO/ GN/2016 17/008 dated July 08, 2016, inserted Regulation 43A in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [LODR] mandating the formulation of a Dividend Distribution Policy for the top 500 listed entities based on their market capitalization calculated on March 31 of every financial year.

Objective

In compliance with Regulation 43A of the LODR, the Company is required to frame a Dividend Distribution Policy. The objective of this policy is to ensure the right balance between the quantum of Dividend paid and amount of adequate financial resources available for various business purposes.

Effective date

The Policy shall become effective from the date of its adoption by the Board i.e. February 10, 2017.

Definitions

- (a) 'Act' means the Companies Act, 2013 and Rules made thereunder, including any amendments or modifications thereof.
- (b) 'Board of Directors' or 'Board' means the collective body of the Directors of the Company.
- (c) 'Company' means HEUBACH COLORANTS INDIA LIMITED.
- (d) 'Dividend' shall mean Dividend as defined under Companies Act, 2013.
- (e) 'Policy' means, 'Dividend Distribution Policy'

Parameters for Distribution of Dividend

- The Company shall pay dividend in compliance with the provisions of Section 123 of the Act and Companies (Declaration and Payment of Dividend) Rules, 2014.
- The Board of Directors of the Company shall declare dividends at its own discretion and at such periodicity as they may deem fit. The Board will consider the following parameters for declaration of Dividend:

Financial Parameters/ Internal Factors:

The Board of Directors of the Company would consider the Free Cash Flow projections for the year under consideration for declaring or recommending dividend to shareholders.

External Factors:

The Board of Directors of the Company would consider the prevailing legal requirements, regulatory conditions or restrictions laid down under the Applicable Laws including tax laws for declaring or recommending dividend to shareholders.

Utilization of Retained Earnings

The Company may declare dividend out of the profits of the Company for the year or out of the profits for any previous year or years or out of the free reserves available for distribution for Dividend, after having due regard to the parameters laid down in this policy.

Circumstances under which the shareholders of the company may or may not expect dividend

The shareholders of the Company may not expect Dividend under the following circumstances:

- a. In the event of inadequate Free Cash Flows for the year or for future years.
- b. In the event of Force Majore events outside the control of the company.
- c. If the prevailing regulatory environment does not permit declaration or payment of dividend.

Parameters to be adopted with regard to various classes of shares

Company has issued only one class of shares i.e equity shares. The policy shall be suitably revisited at the time of issue of any new class of shares depending upon the nature and guidelines thereof.

Policy Review

The Board of Directors of the Company are authorised to amend, modify or review this Policy in whole or in part, at any point of time, as may be deemed necessary.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

Publication on website

The Policy will be available on the Company's website at www.Heubach.com

Disclaimer

- (a) The above Policy does not constitute a commitment regarding the future dividends of the Company, but only represents a general guidance regarding dividend policy. The statement of the Policy does not in any way restrict the right of the Board to use its discretion in the recommendation of the Dividend to be distributed in the year and the Board reserves the right to depart from the policy as and when circumstances so warrant.
- (b) No part of this Policy, nor the fact of its distribution, should form the basis of, or be relied on in connection with, any contract or commitment or investments decision whatsoever.



Dividend Distribution Policy - HCIL

Investor/prospective advisors must be sought on specific situation from well-informed legal, investment, tax, financial, and management professionals.